relations. All of these differences pose particular problems for North American producers because long lead time is required to adjust their large organizations. Very extensive adjustments designed to improve production organizations are underway in Canada and the United States. According to the industry, a full reworking of the production system will take at least ten years. In the meantime, for quite different political and economic reasons, the Japanese are establishing production facilities in the United States and to a much lesser extent in Canada.

Among analysts there is the view that the recovery of the North American industry over the past three years may have peaked and that current levels of production and employment may never again be achieved. The industry's profile is changing rapidly with an ever increasing foreign presence. New production is flowing out of Honda in Ohio which will reach 300,000 units annually by 1988; Nissan in Tennessee with annual production capacity of 115,000 automobiles and a similar number of trucks; Mazda in Michigan with planned annual automobile production by 1988 of 240,000 units; Mitsubishi in a joint venture with Chrysler planned for somewhere in the midwest with annual automobile capacity of 200,000 units; and Toyota in joint venture with General Motors at Fremont, California to produce a subcompact automobile with 250,000 annual unit volume by 1988. In addition Toyota recently announced that it will start building midsize automobiles in the United States by 1988 in annual volumes of 200,000 units at a location to be announced. In the meantime it will have 50,000 Toyota automobiles built in the Fremont plant to be marketed in North America under