

NEED FOR A CONSULTATIVE MECHANISM?

There is no structured procedure under the Automotive Agreement for assessing whether the full objectives are being achieved. The only provision for review covered the period to January 1, 1968, when the two Governments were to have jointly undertaken "a comprehensive review of the progress made towards achieving the objectives" (Article IV (c)). This review was approached by each side differently with respect to measuring progress towards "achieving the objectives" and no clear assessment was possible and no agreement on its progress was reached.

There is provision for consultation. Article IV (a) provides that the two Governments shall "consult with respect to any problems relating to the Agreement." This subparagraph would appear to relate to the working of the Agreement. More specifically subparagraph (b) provides for consultation "with respect to any problem which may arise concerning automotive producers in the United States which did not have facilities in Canada ..." in the base year designated in the Agreement or new entrants which established facilities in Canada after the Agreement came into effect. There is no clear evidence that subsequent discussions between the two sides were held under the provisions of Article IV. These discussions did not appear to have appeased one side or the other and this may have contributed to the apparent reluctance of either side in recent years to seek further discussions on outstanding issues. If the Agreement had a dispute settlement mechanism there may have been less acrimony on