

and that Canada would not be raising it at the table during the talks -- "if it ain't broke, don't fix it".

The Auto Pact has not been raised by the U.S. side either, although Ambassador Murphy has indicated that he has not decided whether he will wish to include the Auto Pact at some future date.

In the meantime, we have undertaken a joint "fact-finding" exercise with the U.S. side on automotive issues. This was in no sense a negotiation, but an exchange of information on the situation and trends in the automotive industry. A substantial and increasing portion of North American automotive trade takes place outside the Auto Pact, so we will have to consider things like imports from third countries, duty remission programs and foreign trade zones, subsidies, potential overcapacity -- all of the automotive trade issues which would have to be dealt with in a comprehensive trade agreement -- regardless of whether or not the U.S. wishes to raise the question of the trade currently conducted under the Auto Pact.

It is certainly not up to me to pre-judge what the U.S. position should be on this matter. But I do want to strongly endorse the approach taken by Ambassador Reisman, Canada's Chief Negotiator, in response to a question from the press, and I quote:

"If there are ideas that would be constructive and helpful from a Canadian point of view that would give us more production, more employment, more certainty of the continuity and a solid basis for that trade, I am not so stubborn that I wouldn't look at them, but the only framework in which I would look at them is in a positive, constructive framework of moving forward, not looking back."

Conclusion:

As I have mentioned earlier, Canada's first and foremost objective in our bilateral trade negotiations is a unique regime to govern the use of trade remedy law, be it anti-dumping or countervail. We are not seeking an exemption from U.S. trade laws nor permission to dump or subsidize our exports. We simply want a new and better way of doing business, better and more predictable rules of the road for trade between us.