

This is a unique development in our trade relations with the United States. It is an arrangement which recognizes that the differences in size, financial strength and the relative development of our industries require special provisions to ensure that Canada, in fact as well as in theory, derives equivalent and reciprocal benefits from trade agreements between our two countries. Moreover, this arrangement recognizes that it is necessary to do away with institutional barriers to trade as well as formal governmental barriers, if Canadian industries are to be able to participate effectively in the United States market.

Already substantial benefits have been achieved under this program. To date, the industry has announced plans for expansion of 169 existing plants. In addition, it has announced the establishment of 95 new plants in Canada, making a total of 264 plant expansions or new plants. Many of these new and enlarged facilities are being designed to service not only the Canadian market but the United States and other markets as well. Expansions are also taking place in the materials, supplying and service industries which rely upon the automotive industry as one of their major customers.

Production during 1966 totalled over 900,000 motor vehicles, a 34% increase over 1964. The value of shipments of parts and accessories for 1966 amounted to \$800 million, or approximately \$200 million more than 1964. Employment over the same period increased by 23%.