

6. What is to be gained by including it, if this meant re-opening the terms?
The U.S. has long felt that the safeguards have outlived the transitional period and should be eliminated. It is clear that the Canadian automotive industry and the union favour excluding the Automotive Agreement from any comprehensive trade discussions because of the prospect of withdrawal of the safeguards which they consider essential to the maintenance of production and employment in Canada.

7. The risk of trying to keep the Automotive Agreement outside of any comprehensive discussions is the continuing prospect of a shift in United States commercial policy, the possibility of unexpected trade barriers against cross-border shipments, the re-emergence of U.S. concerns about the safeguards and the trade imbalance due to automotive trade or abrogation on one year's notice.

8. What is to be gained from rolling the Automotive Agreement into the bilateral agreement? Will it really safeguard our access to the U.S. market any better than the status quo? Past experience with United States attitudes should warn us that there are real risks that United States interests will try to eliminate the safeguards if the issue is re-opened. The wisdom and prudence of inviting such demands should be weighed very carefully.