

THE UNITED STATES ATTITUDE

Officials in the United States do not appear inclined to suggest that the Automotive Agreement should form part of any such discussion. Should they change their position, we should expect they will propose that as a condition of acceptance of a more comprehensive package that the various safeguards in the Automotive Agreement be withdrawn. Indeed, if the Automotive Agreement is not put on the agenda by Canada because there is no disposition to discuss the removal of the safeguards our interviews suggest that this would be unlikely to cause surprise to the United States.

The U.S. Commerce Department and the Motor Vehicle Manufacturers Association (U.S.) consider that as there are no apparent serious issues on either side there would be advantage to leave the Automotive Agreement out of any comprehensive trade discussions but possibly to use it to illustrate the gains that can be achieved through freer access and rationalization on a Northern American basis. The Automotive Parts and Accessories Association (U.S.) has taken the position that U.S. aftermarket producers want no part of any arrangement that would extend free trade to aftermarket parts (Appendix A).

The United States approach to removal of the safeguards is likely to be guided in large measure by the position taken by the United States industry should the issue be raised. There has been no apparent approach by United States officials to the industry on issues arising from the operation of the Agreement in the