

To achieve this, Canada wants a unique and clear set of rules to govern the issues that give rise to trade remedies. We want a set of rules that is consistent with free and open borders. We want rules that will provide a fair and equitable way to resolve any differences between us. I repeat, what we do not want are unilateral decisions.

The Auto Pact

Fortunately, as long established trade partners and friends, Canadians and Americans have seen what can be accomplished when we both agree on a unique and clear set of rules on bilateral trade. I refer to the Canada-U.S. Auto Pact. Our system for trade in auto products may not be perfect -- people on both sides of the border have argued that from time to time -- but the Auto Pact does give us some indication of how liberalized trade can benefit the North American economy as a whole.

The automotive trade balance may have swung back and forth, but for over 20 years the pact has provided a free trade framework for increased automotive trade between our two countries. Trade flow is enormous. In 1986, Canada's exports of automotive products to the United States amounted to \$34 billion. Imports totalled \$28 billion. That's over \$60 billion in automotive trade.

But large numbers are sometimes hard to grasp, so let's look at it another way. Roughly 90 per cent of automobile production in Canada is shipped to the United States, as are 80 per cent of the parts. Or, in 1985, only 9 per cent of the cars sold in Canada were made in Canada -- 61 per cent came from the U.S., 30 per cent from elsewhere in the world. The numbers for trucks are less dramatic (49 per cent produced in Canada, 30 per cent in the U.S., 12 per cent elsewhere).

These figures confirm the success of the Auto Pact in permitting the evolution of a rationalized, integrated industry within North America. There's even a rough symmetry which I find interesting -- the United States market is 10 times larger than ours, and consumes 10 times as many Canadian-made cars as we do in Canada.

The government's position with regard to automotive trade in the negotiations with the U.S. is quite clear, consistent, and, I think, reasonable. The government has said repeatedly that the Auto Pact has been working well,