

production location decisions by their companies and have contributed to the present high level of production and employment in Canada.

There are several other features of the Automotive Agreement that are relevant to our study which may arise in discussions of its future in any context or form. The Agreement is unlimited in duration but Article VII stipulates that it can be terminated on a year's notice by either country. It also stipulated that by January 1, 1968, the two governments would undertake a comprehensive review of the progress being made toward the achievement of the objectives of the Agreement in order to consider what further steps should be taken in pursuit of these goals.

From the time of its signing there have arisen differing perceptions of the Agreements objectives and provisions and differing views of actual results. Of particular importance is the ambiguity of the objectives which reflect the different emphasis and perceptions of the two governments. During the negotiations there was acknowledgement by the United States of the perceived need of Canada for assurance that there would be a minimum Canadian value added level and provision for growth in production to assist the automotive industry in Canada to adjust to competition from the United States industry. From the beginning the United States contended that these production assurances or safeguards should be for a limited time only or "transitional". At the end of the transitional period in the United States view "market forces" should determine patterns of investment, production and trade.