

of the North American market in 1988 compared to just over 2.0 per cent in 1984. Combined North American production and imports by these off-shore companies will account for approximately 42 per cent of the total North American market in 1988 compared to 25.4 per cent in 1984.

The United States Department of Commerce forecast which is given in Table 3 also predicts growth in Japanese automobile sales, including U.S. assembled models from just over 2 million in 1984 to 3.7 million units (34 per cent) in 1987. This forecast assumes an increase of 500,000 units in total U.S. demand between 1984 and 1987. It should be recognized that the forecast was also based on the assumptions that there will be no major appreciation of the yen against the United States dollar and the manufacturing cost advantage of the Japanese automobile producers will continue to be roughly at its current level throughout this period.