

I

**AGREEMENT CONCERNING AUTOMOTIVE PRODUCTS BETWEEN THE
GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA**

The Government of Canada and the Government of the United States of America,

Determined to strengthen the economic relations between their two countries;

Recognizing that this can best be achieved through the stimulation of economic growth and through the expansion of markets available to producers in both countries within the framework of the established policy of both countries of promoting multilateral trade;

Recognizing that an expansion of trade can best be achieved through the reduction or elimination of tariff and all other barriers to trade operating to impede or distort the full and efficient development of each country's trade and industrial potential;

Recognizing the important place that the automotive industry occupies in the industrial economy of the two countries and the interests of industry, labor and consumers in sustaining high levels of efficient production and continued growth in the automotive industry;

Agree as follows:

ARTICLE I

The Governments of Canada and the United States, pursuant to the above principles, shall seek the early achievement of the following objectives:

- (a) The creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;
- (b) The liberalization of Canadian and United States automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries;
- (c) The development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade.

It shall be the policy of each Government to avoid actions which would frustrate the achievement of these objectives.

ARTICLE II

- (a) The Government of Canada, not later than the entry into force of the legislation contemplated in paragraph (b) of this Article, shall accord duty-free treatment to imports of the products of the United States described in Annex A.