

WON'T THE BIG THREE JUST SHIFT PRODUCTION TO THE U.S. OVER TIME?

- Not unless production economics suddenly don't mean anything to them, since Canada is a very competitive location in which to assemble vehicles.
- These companies have massive investments in place in Canada, and these Canadian operations are highly profitable. Canadian assembly labour costs are considerably lower than those of the U.S.
- In addition, by maintaining their Canadian assembly operations and meeting the Auto Pact requirements, they avoid payments of Canadian duties on their imports from third countries. This benefit is currently worth \$300 million (Cdn) on an annual basis to the Big Three, and is growing.

1987-1988
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