

encompass additional products. Nothing was accomplished as the United States administration was not prepared to reopen the Agreement with Congress unless Canada agreed to the withdrawal of the safeguards. If there be fault it is that the Agreement has not provided a flexible framework within which important issues could be considered or resolved.

Important provisions of any comprehensive trade arrangement between Canada and the United States will relate to review, consultation and dispute settlement procedures and there may be merit in extending this institutional framework to encompass the functioning of the Automobile Agreement. This would provide a more stable and secure basis for the Agreement. It would bring a large segment of trade between the two countries under the same joint management as would apply to the trade covered by the new comprehensive arrangement. This would ensure that any issues relating to the Automotive Agreement would be viewed in the context of overall Canada-United States trade relations. It would be seen as managing trade issues in the automotive sector and should reduce the political and public attention that has tended to inflate issues arising from the working of the Agreement. There would be advantage in having an established consultative procedure to examine the impact of change now that the North American industry is facing the prospect of declining demand for its automotive products and the resultant downsizing of production capacity on both sides of the border. It could be viewed as a positive attempt to provide a consultative mechanism to discuss the future prospects for the industry and possibly what collective steps might be taken to ensure its future as a viable industry in North America.