

Report of the Federal Task Force on the Canadian Motor Vehicle, and Automotive Parts Industries¹⁰ or any other measures to extend benefits to increase automotive production in Canada.

There is a view within the automotive industry on both sides of the border that the Automotive Agreement has been an important factor in the development of the industry on a North American basis. Mr. Roger B. Smith, Chairman, General Motors Corporation, in a speech in Toronto said:

"This agreement has been called --- "the largest and most comprehensive trade agreement between any two countries in the world." It is assuredly the most successful trade policy in the history of our industry. And despite some shortcomings, it remains - in my mind at least - an excellent example of a rational and responsible way to resolve thorny trade issues between nations.¹¹

This general acceptance may contribute in part to the apparent absence of industry pressure for change on the U.S. administration at this time.

Are the safeguards economically important to the maintenance of production and investment in Canada? Are they likely to be in the future? The Automotive Agreement in its present form has been central to the development of the automotive industry in Canada. It has reinforced the nature and structure of the Canadian automotive industry, as an adjunct of the United States industry. In the early years of the Agreement rationalization of production took place and there were substantial increases in output, employment, investment and improvement in productivity in the automotive industry in Canada. Today the motor vehicle producers assemble substantially more automobiles than are

¹⁰ An Automotive Strategy for Canada Report of the Federal Task Force on the Canadian Motor Vehicle and Automotive Parts Industries, May 1983 p. xvii.

¹¹ Automotive Products Trade Agreement, Roger G. Smith, 20th Anniversary Dinner, January 16, 1985, Toronto.