

12. Also for consideration is whether the U.S. would be prepared to condone the various remission orders now in place for a number of third country producers who may obtain duty-free entry of automobiles in return for purchasing Canadian made automotive parts. United States officials consider that these arrangements are little more than subsidies to Canadian automotive parts producers. These programs which have been important to the parts industry could get caught up in "levelling the playing field."

13. Unless there is some real possibility, significantly to improve on the status quo, and there does not appear to be, the bilateral and multilateral risks of re-opening the Automotive Agreement in a bilateral context, would appear to outweigh the potential benefits by a wide margin.