

either side but the lack of such a mechanism may have been of benefit to Canada given that in the twenty years of the Agreement its provisions remain intact.

In this respect the Automotive Agreement has not lived up to its earlier expectations of contributing a strong and positive influence on Canada-United States relations in this sector or on our economic relationship more generally. The Agreement has been of substantial economic benefit to both countries and to the industry on both sides of the border. But throughout its history the Automotive Agreement has been accompanied by continuing complaints in the United States and Canada. On occasion, these disputes have threatened its existence. The Agreement is vague on how its success or failure should be measured. As a result the flow of trade between Canada and the United States has been one of the principal measurements adopted by governments and the media to measure the health of the industry and its competitiveness. The extent to which the trade in automotive products moves away from being roughly in balance in either direction has in the past determined the dissatisfaction - or satisfaction with the Agreement although this may have very little bearing on the actual condition of the industry on either side of the border.

Today the Automotive Agreement remains virtually as originally drafted although there have been important changes in the industry which could be accommodated by modification to the Agreement. In the 1968 review one of the areas that was considered as a possible means of progressing towards the full achievement of the objectives of the Agreement was through amendment to