

Automotive Program.—The Canada-United States Agreement on Automotive Products, signed by Prime Minister Pearson and President Johnson on Jan. 16, 1965, provides for the removal of tariffs and other impediments to trade between the two countries in motor vehicles and original equipment parts. The basic objective of the plan is to provide access to expanded markets for Canadian motor vehicle and component producers. By increased production and specialization, they will be in a position to expand trade and employment and to improve the productivity and efficiency of the industry. In order to enable Canadian vehicle and parts producers to achieve these objectives, a number of important features were incorporated into the program. The most important of these was the undertaking of Canadian motor vehicle manufacturers to expand very considerably Canadian production by the end of the 1968 calendar year.

As a result of the new program, Canada is producing an increasingly larger share of the total North American output of vehicles and components. Canadian exports of vehicles and parts and employment in this industry have increased substantially since the implementation of the program and new investment in additional plants and expansions to existing facilities have been extensive.

Adjustment Assistance (for Firms in the Automotive Parts Industries).—The Automotive Program offers increased opportunities to Canadian automotive parts manufacturers for expanded production, rationalization of output and reduced costs. In order to take advantage of these opportunities, Canadian parts makers must engage in substantial re-equipment and plant expansion programs. The Adjustment Assistance Program has been established to make term loans available to automotive parts manufacturers for the financing of the acquisition, construction, installation and modernization of facilities or machinery and for use as working capital.

A program of tariff remissions on imported machinery and equipment was also introduced in order to further assist the automotive parts producers to expand and modernize productive facilities. The tariff remissions cover machinery and equipment used in the production of original equipment automotive parts, accessories and tooling when such machinery and equipment are not available from Canadian manufacturers in time to meet production schedules.

Industrial Design.—Industrial design is becoming increasingly important to the successful development and marketing of manufactured products and to assist Canadian manufacturers in adopting sound design practices, the Department of Industry has initiated a comprehensive design program. The four main areas of design activity under the program are: design promotion in industry; research and product development; design education; and design information.

The National Design Council advises the Minister of Industry on programs to promote and assist the improvement of design in Canadian manufactured products. The Council's administrative arm, the National Design Branch, develops and implements approved design programs to stimulate design education and the application of good design techniques in industry.

Projects were sponsored in 1966 in co-operation with industry associations to encourage the creative use of wood, structural steel and concrete, as well as to recognize good design in the products of Canadian appliance manufacturers. A major program, Canada-Design '67 initiated in March 1965, recognized well-designed Canadian products required to construct, furnish and equip Centennial and Expo 67 projects. Promotion of these products was conducted through displays, press publicity, specification tearsheets and through two Design '67 Catalogues which have been distributed to principal buyers in Canada and abroad.

Continuing activities by the Council include the operation of the Design Centre in Toronto, which is a focal point for product and design promotion; the Design Index, a