

acquire practical experience in the small business environment. The program increased contact and interchange between the small business community and institutions of higher learning.

The federal government paid 50% of an intern's wages up to \$675 a month, for a period not over 12 months. This contribution could not be made for a position already filled at the time of application, nor intended to create part-time or summer employment. Payments under this program beyond March 31, 1980 were subject to availability of federal funds.

Automotive program

18.2.5

A Canada-United States agreement on automotive products, in effect since January 1965, provided for the removal of tariffs and other impediments to trade between the two countries in motor vehicles and original equipment parts. Basic objectives were creation of a broader market to permit benefits of specialization and scale, trade liberalization to enable both countries to participate in the North American market on an equitable basis, and development of conditions in which market forces would operate to attain economic patterns of investment, production and trade.

Machinery program

18.2.6

This program is an industrial development incentive with a twofold objective. It encourages machinery manufacturers to derive optimum benefit from the tariff on machinery and enables machinery users to acquire advanced production equipment at the lowest possible cost.

The program assists Canadian machinery manufacturers by ensuring tariff protection on the machinery and equipment they produce as soon as they are able to supply. Lower production costs result from remission of duty on production components not obtainable in Canada on an economic basis. Direct contacts between machinery producers and users encourage the purchase of Canadian-made machinery instead of imported equipment.

Industrial design

18.2.7

Design Canada, the administrative arm of the National Design Council and the branch of the department responsible for design in industry, manages a number of programs aimed at improving the products of Canadian secondary industry. Design Canada activities include co-funded programs of design assistance to industry, a design advisory service, scholarships, design education advisory service and materials, product design case studies, audio-visual presentations and exhibits, awards for design in industry, and design management seminars for selected industry sectors.

Defence industry productivity

18.2.8

This program is designed to enhance the technological capabilities of the Canadian defence industry to enable it to compete in defence related sales in Canada and abroad. Financial assistance is provided to industrial firms for selected projects. Emphasis is placed on defence technology having civil export sales potential. Assistance may cover development of products for export purposes, acquisition of modern machine tools and other manufacturing equipment to meet exacting military standards, and assistance with pre-production expenses to establish manufacturing sources in Canada for export markets. Manufacturing equipment projects to be assisted are selected on the basis that the machinery acquired will greatly increase productivity.

Shipbuilding industry assistance

18.2.9

A shipbuilding industry assistance program provides assistance to shipyards building or converting ships for domestic or export customers. Assistance is in two forms. An outright subsidy was introduced initially at 14% but revised to 20% of the approved cost of the eligible ship. An improvement grant of 3% is conditional upon the shipyard investing this and a matching amount for improved performance. The program encourages the use of Canadian materials, components and equipment when they are available at competitive prices.