

The subvention assistance on the movement of Canadian coals, which the Board administers, is authorized from year to year by votes of money by Parliament; payments are in accordance with Regulations established by Order in Council. This assistance, which has been provided in varying degrees for the past 30 years, was designed to further the marketing of Canadian coals by equalizing as far as possible the laid-down costs of Canadian coals with imported coals. During the year ended Mar. 31, 1964, a total of 3,836,313 tons of coal was shipped under subvention and \$18,341,784 was paid in assistance; in 1964-65, the figures were 4,857,453 tons and \$21,602,195, respectively. Costs and conditions of the coal industry being subject to variations, the Board must review from time to time the rates of subvention and the areas where the assistance is required.

As agent to the Minister of Mines and Technical Surveys, the Board receives applications and administers loans under the Coal Production Assistance Act (RSC 1952, c. 173, as amended by SC 1958, c. 36; SC 1959, c. 39; SC 1960-61, c. 20; and SC 1962-63, c. 13). The Board also administers payments under the Canadian Coal Equity Act (RSC 1952, c. 34), which provides a subsidy on Canadian coal used in the manufacture of coke for metallurgical purposes. In the year ended Mar. 31, 1964, payments under this Act totalling \$236,108 were made on 476,986 tons of coal and in the following year payments totalling \$212,772 were made on 429,843 tons.

**Emergency Gold Mining Assistance Act.**—Under this Act, which came into force in 1948 (RSC 1952, c. 95), financial assistance is provided to marginal gold mines to counteract the effects of increasing costs of production and a fixed price for gold. By enabling gold mines to extend their productive life, the subventions help communities dependent on gold mining to adjust gradually to diminishing economic support.

Application of the Act was extended for four years to the end of 1967 on Dec. 12, 1963. The amending legislation provides a restriction on the payment of assistance to new lode gold mines commencing production after June 30, 1965. A lode gold mine brought into operation after that date will be eligible for assistance only if the mine provides direct support to an existing gold-mining community. A gold mine will be deemed to provide such support if the majority of the persons employed at the mine reside in one or more of a number of gold-mining communities which are specified in the Act.

The Act is administered by the Department of Mines and Technical Surveys with the aid of the Office of the Comptroller of the Treasury in accounting matters. Since the inception of the Act, the amount of assistance payable to the operators of a gold mine has been calculated by a formula consisting of two factors: the "rate of assistance" which is based on the cost per ounce of gold produced from the mine, and the "assistance ounces" which are a specified proportion of the total ounces of gold produced.

The amount of assistance payable to the operator of a gold mine is computed under the current formula by adding 25 p.c. to the product of the rate of assistance and the number of assistance ounces. The number of assistance ounces is two thirds of the total ounces produced and sold to the Royal Canadian Mint by a mine in a calendar year. The rate-of-assistance factor is two thirds of the amount by which the average cost of production per ounce of gold from the mine during a calendar year exceeds \$26.50. The maximum rate of assistance of \$12.33 per ounce is attained when the average cost of production per ounce of gold reaches \$45. The amount of assistance per ounce increases as the average cost of production per ounce increases from \$26.50 to \$45.

The cost of production of gold from a mine includes mining, milling, smelting, refining, transportation and administration costs. Allowances are made for depreciation, preproduction costs and expenditures on exploration and development on the mine property in accordance with the Regulations.

The amounts paid to operators of gold mines to Mar. 31, 1965 for the years 1948 to 1964, inclusive, totalled \$201,406,057 on a production of 49,007,675 oz.t. of gold produced and sold in accordance with the requirements of the Act. The assistance payable for gold produced and sold under the Act in the calendar year 1964 is estimated to be \$16,320,000.