

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, 1965, a total of 4,857,453 tons of coal was shipped under subvention and \$21,602,195 was paid in assistance; in 1965-66, the figures were 4,533,309 tons and \$22,363,631, 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 Energy, Mines and Resources, 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, 1965, payments under this Act totalling \$212,772 were made on 429,843 tons of coal and in the following year payments totalling \$134,611 were made on 271,942 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 support.

In 1963 an amendment extended the provisions of the Act for four years to Dec. 31, 1967 and also introduced a restriction which affects lode gold mines coming into production after June 30, 1965; such mines are eligible for assistance only if the mine provides direct economic support to an existing community, that is, if the majority of the persons employed at the mine reside in one or more of the established communities that are specified in a schedule to the Act. The restriction does not apply to lode mines in production before July 1, 1965 nor to placer gold mines.

The amount of assistance payable to an operator is determined by a formula and is based on the average cost of production per ounce and the number of ounces produced; it ranges from zero to \$10.27 per ounce produced. Gold mines having a cost of production of \$26.50 or less per ounce receive no assistance and those having a cost of production of \$45.00 or more per ounce receive the maximum rate of \$10.27 per ounce.

Under the current formula the assistance payable to the operator of a gold mine is computed by adding 25 p.c. to the product of two factors, 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 exceeds \$26.50. The rate-of-assistance factor is limited to a maximum of \$12.33 which is reached when the average cost of production rises to \$45 per ounce of gold produced. The average cost of production is determined by dividing the total allowable costs by the total number of ounces produced in the form of bullion from the mine in a calendar year. Only those ounces of gold that have been sold to the Royal Canadian Mint are eligible for inclusion in the assistance-ounces factor. The cost of production includes mining, milling, smelting, refining, transportation and administration costs. Allowances are made for depreciation, pre-production 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, 1966 for the years 1948-65, inclusive, totalled \$216,184,450 on a production of 51,306,777 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 1965 is estimated to be \$15,300,000.

The Act is administered by the Department of Energy, Mines and Resources with the aid of the Office of the Comptroller of the Treasury in accounting matters.