

if the proceeds are included in income in one year. Prospectors may deduct exploration costs from other income at the rate of 20% annually.

Emergency Gold Mining Assistance Act. Under this Act, which came into force in 1948 (RSC 1970, c.E-5), financial assistance was provided to marginal gold mines to counteract the effects of increasing costs of production coupled with a fixed price for gold. By enabling gold mines to extend their productive life, the subventions helped communities dependent on gold mining to adjust gradually to diminishing support. In 1973 the Act was amended and its application extended to June 30, 1976.

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 an oz t. Gold mines having a cost of production of \$26.50 or less an oz t receive no assistance and those having a cost of production of \$45 or more an oz t receive the maximum rate of \$10.27 an oz t.

The open market price of gold began to rise in 1971, and further increases have occurred since then. The higher prices made it more profitable for gold mine operators to sell their gold on the open market than to sell to the Royal Canadian Mint, which is necessary to be eligible for assistance payments. The Mint buying price was US\$35 an oz t until May 1972 when it was raised to US\$38. The Mint buying price was further increased to \$42.22 in October 1973. No applications for assistance under the Act have been received on gold produced since December 31, 1971.

12.2.2 Provincial government aid

Newfoundland. The Newfoundland government, through the Mineral Development Division of the Department of Mines and Energy, provides several valuable services to those interested or involved in exploration and mining, including: a continuing program of mineral assessment designed to encourage development of the mineral resources of the province; inspection of exploration work carried out on concession areas and examination of mining operations; administration of beaches (control of removal of sand and gravel as a conservation measure) and collection of data relevant to the control of sand removal; identification of mineral rock specimens submitted by the public and examination of corresponding occurrences where warranted; technical advice dispensed to those who seek such service (i.e. in hydrological problems and on the availability of quarriable peat moss to be removed by permit); co-operation with the Geological Survey of Canada and other federal government agencies; and preparation and publication of data useful for educational and general informational purposes, including the preparation of mineral and rock sample sets. Geological reports, geophysical maps and compilations of general data pertaining to specific areas are procurable at nominal cost and other information from unclassified files is made available to interested parties. Prospectors' or miners' permits are issued by the Division and mining claims are recorded.

Nova Scotia. Under the provisions of the Mines Act (RSNS 1967, c.185), the government of Nova Scotia may assist a mining company or operator in the sinking of shafts, slopes, deeps and winzes and the driving of adits, tunnels, crosscuts, raises and levels. This assistance may take the form of work performed under contract, the payment of bills for materials and labour, or the guarantee of bank loans. Any such work must be approved by the Department of Mines. Mining machinery and equipment to be used in searching for or testing and mining of minerals may be made available through the government. Such equipment is under the direct supervision of the Chief Mining Engineer.

New Brunswick. The Mineral Resources Branch administers the disposition of Crown mineral rights including the issuing of prospecting licences, recording of mining claims, issuing of mining licences and leases and other matters pertaining thereto. Detailed and index claim maps are prepared for distribution. The Branch is responsible for general and detailed geological mapping and investigations. Maps and reports are prepared for distribution, mineral and rock specimens are examined for prospectors and preliminary examinations of mineral prospects are made when requested and circumstances warrant. The Branch administers the safety regulations governing operations under the Mining Act. All mines are regularly inspected, laboratory facilities are maintained and certain equipment used in mines must be