

Gold Mining

the session. Obviously, a relationship of this sort can only be successful if there is the completest mutual confidence and co-operation between the ministers, and there is every advantage in having the arrangement as flexible as possible.

It is intended that the present arrangement under section 5 of the National Defence Act will be continued until such time as the house has had an opportunity to consider the legislation to be introduced to provide for an Associate Minister of National Defence, under that designation.

COINAGE**ORDER IN COUNCIL GOVERNING MINTING OF FIVE-CENT PIECE**

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, I desire to table two copies of order in council P.C. 4525 dated November 19, 1952, revoking the amendment passed under the Emergency Powers Act authorizing the minting of the five-cent coin of steel. Perhaps I might add that that order is being passed concurrently with the orders under the new Currency Act which provide for minting new coins with the effigy of our new sovereign, Queen Elizabeth II. Proclamations to that effect are today or tomorrow being issued concurrently in London, Ottawa, and other capitals of the commonwealth.

EMERGENCY GOLD MINING ASSISTANCE ACT**FORMULA FOR CALCULATION OF ASSISTANCE PAYMENTS DURING 1953**

Hon. Douglas Abbott (Minister of Finance): Mr. Speaker, since I do not expect to be in the house for some little time after today I should like to make a statement regarding the proposed amendment to the Emergency Gold Mining Assistance Act.

Hon. members will recall that during the last session legislation was approved extending the Emergency Gold Mining Assistance Act to cover the calendar years 1952 and 1953. This legislation was brought forward by the government because of the continuing special difficulties of the industry as a result of rising costs and a fixed price for the industry's product.

During 1952 the industry's costs have continued to rise. At the same time the appreciation in the exchange rate for the Canadian dollar has meant that for most of the year the mines have received a steadily decreasing return from their sales. A number of mines have been forced to close and others are being placed in a position where they might soon be compelled to take this step. During

[Mr. St. Laurent.]

the last month the government has received representations from both the gold producers and the municipal authorities of the principal communities affected setting forth the special difficulties which face the industry at this time. The government has now decided that, in order to prevent the further closing of mines and the consequent hardship which this would cause to communities largely or wholly dependent on them, adjustments should be made to the Emergency Gold Mining Assistance Act with a view to assisting the industry in meeting the special difficulties with which it is confronted.

In view of the desirability of giving advance notice of the conditions upon which gold mining assistance will be paid during 1953 in order that the industry may be able to plan its operations for the new year, I desire to announce that the government has now decided to introduce legislation amending the Emergency Gold Mining Assistance Act effective as from January 1 next. The proposed amendment will broaden the formula for the calculation of assistance payments during the calendar year 1953 by changing the method of calculating the rate of assistance element in the formula. The act in its present form defines the rate of assistance as one-half of the excess of the cost of production per ounce over \$22, with a maximum of \$11.50. The proposed amendment will change the definition of the rate of assistance to one-half the excess of the cost of production per ounce over \$18, with a maximum of \$13.50. No change will be made in the other component of the formula; the new rate of assistance will be applicable to the number of ounces of gold produced by a mine in 1953 in excess of one-half of base year production, or one-half of 1953 production, whichever is the larger.

All I need add at this moment is that this modification in our gold assistance formula has been discussed with the international monetary fund, which has raised no objection. In conclusion, may I express the belief that this proposal will be of further assistance to the industry generally in meeting its special difficulties, and will enable the continued operation of many mines in communities which are dependent upon them.

Mr. Donald M. Fleming (Eglinton): I wonder if I might ask the Minister of Finance to clarify one or two points in connection with his statement. First, is it clear there is no provision for the industry in 1952?

Mr. Abbott: That is correct.