

*Gold Mining*

Protocol agreed to.

Title agreed to.

Bill reported, read the third time and passed.

### EMERGENCY GOLD MINING ASSISTANCE ACT

#### CHANGE IN DEFINITION OF RATE OF ASSISTANCE

**Hon. George Prudham (Minister of Mines and Technical Surveys)** moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to provide greater assistance to the mining industry by changing 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, to provide further that the new rate of assistance shall 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 to one-half of 1953 production, whichever is larger.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

**Mr. Prudham:** Mr. Chairman, I should like to reserve any statement I have to make on this for the second reading of the bill. Several hon. members wish to speak on this matter and they are not here today. I think we could very well save time by my reserving my statement until that time.

**Mr. Knowles:** Perhaps it might be understood that the main debate could wait until other interested parties are here at a later stage, but it seems to me it would be desirable that there be put on the record now a statement as to the purpose of this legislation.

**Mr. Abbott:** It is a continuation of the existing policy.

**Mr. Knowles:** The resolution seeks something more than that.

**Mr. Prudham:** The resolution states clearly what we propose to do. It is just an extension of the Emergency Gold Mining Assistance Act which has been debated many times in the house. There is no change in policy. It is just an extension of the assistance.

**Mr. Knowles:** Both the Minister of Finance and the Minister of Mines and Technical Surveys say that it is just an extension; that it involves no change in policy. Will they explain the meaning of the words in the resolution which read:

... to provide greater assistance to the mining industry—

**Mr. Prudham:** I do not think that there can be any misunderstanding of the resolution. It states clearly how we propose to extend it and for how much.

[Mr. Pearkes.]

**Mr. Knowles:** But it is not just an extension of time. It is now clear that there will be an increase in the assistance to the gold mining industry.

**Mr. Abbott:** There are minor changes in the formula.

Resolution reported, read the second time and concurred in.

**Mr. Prudham** thereupon moved for leave to introduce Bill No. 329, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to and bill read the first time.

### TRANS-CANADA AIR LINES ACT

#### INCREASE IN NUMBER OF DIRECTORS— ADJUSTMENT OF CAPITAL STRUCTURE, ETC.

**Hon. Robert H. Winters (for the Minister of Trade and Commerce)** moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Trans-Canada Air Lines Act, 1937, to provide that the corporation shall be under the management of a board of directors composed of nine persons in lieu of seven; to increase the powers of the corporation, and to adjust its capital structure in such a way as to conform to normal commercial practice.

**Mr. Macdonnell (Greenwood):** Is the parliamentary assistant going to make a statement?

**Mr. Deputy Speaker:** It will be recalled that this motion is a formal one and no debate is to take place at this time, in compliance with the recent ruling of Mr. Speaker.

**Mr. Knowles:** Which we accept without prejudice.

Motion agreed to and the house went into committee, Mr. Beaudoin in the chair.

**Right Hon. C. D. Howe (Minister of Trade and Commerce):** Mr. Chairman, this bill has several purposes. It is dictated by the fact that under the new Financial Administration Act, Trans-Canada Air Lines is required to pay taxes. At the moment there are two corporations, Trans-Canada Air Lines Limited and Trans-Canada Air Lines (Atlantic) Limited. The one corporation makes substantial profits and the other corporation loses considerable amounts of money. Under the present situation Trans-Canada Air Lines Limited, the domestic company, is required to pay a substantial income tax while the overseas company pays no income tax. Nevertheless, under the method of financing, the deficit of the overseas company is paid from the profits of the domestic company.