

LA ROSE FLOTATION.

Comment is called for on the launching of La Rose Consolidated. For many months street rumors have been current to the effect that this syndicate or that syndicate was about to purchase the famous mine from which the new company takes its name. A singular feature connected with La Rose mine is that some dozens of promoters claim to have been within an ace of handling it. All of these gentlemen may be speaking with an honest inward conviction of what they could have done, but the fact remains that they accomplished nothing.

Meanwhile a \$6,500,000 consolidation has been launched upon a rather unreceptive market. At date of writing only very light transactions have been recorded in New York and Toronto, and the stock is yet selling below par.

The times have changed. Had these properties been offered to the public a year ago there is no doubt that the stock would have been eagerly taken up. But time also has changed in respect of capitalization. Twelve months ago such a consolidation would have been organized at twice or thrice the present nominal capital.

La Rose mine is known to be rich. Its ore reserves are thought to be practically untouched. It is fairly well equipped with machinery. La Rose extension has no market value, beyond the consideration that it adjoins La Rose. It is totally undeveloped.

The University, for which a large price was originally paid, is an equipped and fairly well developed mine.

On the Violet a shaft has been sunk 150 feet and a small amount of drifting performed. Its value is unproved.

The Fisher-Eplett claims and the Silver Hill group add little positive value to the company's holdings. The Princess also may be relegated to a position only slightly better than the last named properties.

Hence the future of the venture will be the future of La Rose mine, as a mine, and not as a gaudy bait. It follows that the public have a right to full information as to what they are buying. If La Rose mine is as rich as it is reported to be, there is no need of resorting to the ordinary stock-jobbers' expedient of publishing sensational advertisements and impossible news items. If there is something to hide the stock should be left severely alone. If there is nothing to hide, a mining engineer's report should at once be made public.

This is the more desirable, as it is almost unbelievable that the owners of La Rose do not intend to work their mine on its own merits for themselves. In fact this item is the fly in the ointment.

If as a close corporation La Rose has not been a success, what guarantee is there to the investing public that, diluted with unimproved property and handled by market manipulators, the mine will pay dividends?

One conclusion is inevitable. The mine or mines must be placed under the supervision of a general manager, who not only must be a mining man of ripe experience, but must be so situated as to have an absolutely free hand. Also he must be, in character and attainments, a man in whom the public has unreserved confidence. Indeed, in a sense, this official is required as the representative of the public.

Of the present directorate's ability to make a success of the new venture there is much cause to be doubtful.

LEAD BOUNTIES.

The Hon. W. S. Fielding, Minister of Finance, has given notice of a resolution extending the period under which bounties on lead will hold good. The extension provided for covers five years, from June 30th, 1908.

The Act in force since June 30th, 1903, made provision for regulating the bounties by the standard price of pig lead in London. Whenever the London price rose to £12 10s. per long ton, a gradual diminution of bounties ensued automatically. When lead sold for £16 per ton, no bounty was paid. This fixed the minimum selling price of £16 for the producer.

Under the provisions of the new bill the standard price is fixed at £14 10s., beyond which point the bounties decrease regularly. Further, the payment of bounties in any fiscal year, until June 30th, 1913, is no longer to be limited to \$500,000. But the total of all sums paid under both Acts must not exceed \$2,500,000.

The subject of lead bounties was discussed at the Ottawa meeting of the Canadian Mining Institute. A resolution was then passed strongly urging the Government to renew the bounty which was to have expired on June 30th next. One of the chief arguments in favor of renewal lay in the fact that although \$2,500,000 had been appropriated for bounties extending over the first term of five years, 1903 to 1908, only about \$700,000 of this had been actually paid out. The comparatively low price of lead at which the bounty became inoperative and the steadiness of the lead market at a figure but slightly in advance of the point at which bounties vanished, combined to discourage British Columbian producers.

It was recognized that either the production of lead must cease or some stimulant be applied. It is claimed that when lead is selling in London at £18 per long ton the British Columbian producers need no help. When the price drops below this point they are to be assisted on an increasing scale until, when the metal sells below £14 10s., they received the maximum bounty. In other words, the fixed minimum price guaranteed to Canadian producers is now £18 instead of £16 as heretofore. At least this is the figure specified in the memorial submitted by the Canadian Mining Institute. Despatches received from Ottawa are not entirely clear upon this point, but we take it that it is the only reasonable interpretation.