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## Another "Bonus" Scheme.

Under the heading of "Fair and Reasonable," a Rat Portage newspaper reproduces from the *Toronto Globe* an account of an interview with the Government of Ontario by a deputation from the "Dominion Gold Mining and Reduction Company," which had the effrontery to ask for "assistance" in building "reduction works" at Rat Portage.

Accustomed, as Canadians are, to the idea of the parental or paternal functions of a government, one might think this an ordinary enough statement to elicit no remark and provoke no comment, and while it is true that we have bounties on pig iron, subsidies to railways and numerous other grants to various societies and enterprises, nevertheless these are no precedents for granting aid to a company like the one cited above.

In the first place, this company (which is an English concern) has a working capital of £20,000 stg., or \$100,000.00 in round numbers, and has acquired not only the "Black Jack" and "Gold Hill" properties near Rat Portage, with the machinery upon them (see Report Bureau of Mines, 1893, pp. 21-26), which is considerable, but has also purchased the famous, or infamous, aggregation of plant known as the Rat Portage Reduction Works, of which the Director of Mines, in above cited report, says: "Rat Portage has had its scheme of a (custom) reduction mill, which has cost the municipality and a goodly number of its citizens many thousands of dollars, and in the matter of results has been a dead failure," referring to the bonus of \$10,000.00 paid over in the fall of 1891 by the town, on the report of Walpole Roland that the mill was capable of treating 191½ tons in 24 hours, which it never did. In 1892, the mill being a failure, new concentrators and a *chlorination plant* were put in, to pay for which citizens of Rat Portage bought \$10,000.00 worth of debentures, and in 1893 under foreclosure the whole aggregation was sold out for \$15,000.00.

Now the company which has bought all this property, under the management of one R. H. Ahn (of whom our readers are pretty well informed) and the inspiration of one director, named A. M. Hay, come to the Ontario Government with the very modest request that that Government give them \$10,000.00, and that the Government may not be embarrassed (politically) by giving such a lump sum at once, they suggest \$2,000.00 a year for five years and "a bonus of \$1.00 for every ton of ore treated by the reduction works"!!

Imagine the sublime audacity of the man who, after telling Sir Oliver and his Council that their mill was now equipped with 20 stamps, asks the Government to pay his company more per ton treated than it actually costs (or should cost) to stamp and amalgamate and concentrate one ton of ore!

A first-class chlorination plant, capable of treating five tons of concentrates per day, can be built for from \$5,000 to \$6,000; yet Messrs. Ahn and Hay ask the Government to pay them \$10,000.00 "to make the mill more complete"; i.e., having received a bonus to pay them back more than cost of milling, they then want the Government to reimburse them for building what they already have, according to the

official Mines Report, viz., a chlorination plant—which, if they had it not, would not cost over half the sum they ask from the Government.

We must say that we are surprised that the Department of Mines has not at once vetoed this proposition which seems to us to have no warrant nor foundation for asking help. We think the gold miners of the Dominion, of Nova Scotia and British Columbia, would gasp if they should learn that Ontario bonused a gold stamp mill and proposed to give that mill a chlorination plant free of cost.

The Dominion Gold Mining and Reduction Co. is a company which has doubtless been formed through the representations of its promoters that it would be a money making concern, and that its dividends would come from the very valuable properties purchased, and from the high rates a custom mill could charge, we say doubtless, as we suppose this company has been formed as similar companies have been formed.

Now there has been no hint from any of the sources from which our information has been derived that the Government, if it grants this assistance, may fix the tariff of charges for treatment. Nor do the company say a word upon that very important subject.

That a custom mill in the locality of Rat Portage is a *necessity* we doubt, that it would be of some slight service is probably true. But it must not be forgotten that the gold ores of that region are largely, if not altogether, free milling, and that the value of such ores is much more readily determined without a mill than are the values of refractory ores. Hence the necessity of chlorination or cyanide works is not apparent at this stage of development, nor would the existence of such works tend to develop the district, for such development must come inevitably from the finding and exploitation of such ore bodies as will give unquestionable profit, as for example the "Sultana."

And we might say just here that the extending of Government aid to a wealthy English company which does not need it would be a distinct injustice to such men as John F. Caldwell, who, for five years, has been fighting his own battles and winning his success by his own efforts, and who is not an alien but a citizen of Canada.

Such mine owners as have pay ores, if they are not able to build their own mills, will of course have to rely upon custom mills, as they do in every other gold field on this continent, and abroad; and the custom mill owners will protect themselves as to their charges, as they do elsewhere—to ask the Government to insure them against bad debts by bonusing is a step we feel sure the Ontario Government will be loth to take.

Such mine owners as have pay ores and are able to build their own mills will very much prefer to do so rather than ship their ores to a custom mill, especially such a mill as the remarkably versatile Mr. Robert Ahn would manage.

We cannot do better than to quote from a paragraph in the report of the Director of Mines for 1894, p. 73: "Until a mine has been so far developed as to disclose bodies of ore *sufficient to pay for the mill itself* there is serious risk, etc." Let the Dominion Gold Mining and Reduction Company develop its mines until a sufficient body of ore has