

PREFACE



The "Inside History of a Mining Company" is written for the purpose of showing the great difficulties met with in attempting to secure a fair deal for those not in the inner ring in Company affairs. Whilst it is admitted that Promoters have a right to fair remuneration for services rendered, and the Companies' Act permits that, but without limit, provided the technicalities of the law are complied with; hence, the great number of Multi-Millionaires who have sprung up like mushrooms in modern times. This Act was never intended to allow Promoters to allot themselves shares for imaginary or no consideration, and then sell the shares and pocket the proceeds. The ordinary subscriber for shares has no means of learning the difference between Promoters' and other shares nor does he know whether the money he pays for them is used for the exploitation of a property in which he is a partner, nor has he much knowledge of the property and as a rule cannot tell whether it is of the wild cat kind or not, and generally invests with a feeling that it is a gamble with long odds against him. The results are baneful in many ways and greatly retard the development of Natural resources.

Hence the reason I have urged the Authorities to pass a measure similar to the "Blue Sky Law" of Kansas, which effectively protects investors against Wild Cat and Crooked Promoters and gives the investor a feeling of security and confidence. It is often the lack of confidence which destroys many really good undertakings and the necessary capital cannot be obtained.

Such was the case with the Company whose history I am telling. It was on the verge of being down and out and about five hundred shareholders stood a good chance of losing all, when the Company made me a most attractive offer whereby I would make a huge fortune if our endeavors