

A PLAIN CHALLENGE

from the NATIONAL CEMENT COMPANY to the
FINANCIAL SERVICE, LIMITED

NATIONAL CEMENT COMPANY
90 St. James Street, Montreal

September 22, 1924

TO THE PUBLISHERS OF THE FINANCIAL SERVICE, LIMITED,
MONTREAL.

Sirs:—

Your Service has existed since 1920. During those four years, wildcat promotions by the dozen, outright swindles now and then, have stared you in the face without your lifting a finger to warn the public. The National Cement Company was organized in the open and above board by well-known citizens, not one of whom is known to have shared in dishonest transactions. Its promoters have put close to \$1,000,000 of their own money in the enterprise. The business they are engaging in is a legitimate one. It is notoriously a prosperous and paying one, with prospects not a whit inferior to those of water power development itself. The Province of Quebec market, which they are making a bid for, is one where figures of the Dominion Bureau of Statistics — an undisputable authority — show that the sales exceeded production in 1923. Nothing that they have done in this affair could be called other than straightforward and honourable. What was your motive in dogging every step of theirs from the start? Who urged you to hound them like swindlers, at an expense of time and money, not at all consistent with your past policy?

A protracted and detailed controversy would no doubt fit in with your plans. The red herring you are dragging across the trail too nearly approaches the size of a small whale, however, to draw even the simple-minded people that we are. Allow us instead, without prejudice to legal recourse, to make you a proposal which will enable the public to form an accurate opinion of both you and us at one and the same time.

In a quite recent circular, which was sent from Halifax to Vancouver by the ton — at whose expense we can only surmise, since your normal service would only call for a few hundred copies — you assert or give it to understand:

1. That the municipal valuation of our rock deposits is less \$35,000;
2. That our preferred shares have only netted us \$75 per share;
3. That the proceeds of both our bond and preferred stock issues combined (\$3,000,000 at par), not to speak of the common stock, will only amount to \$1,800,000 besides the price paid for the rock deposits.

Now, we offer to show to the satisfaction of Messrs. Marwick, Mitchell & Co., a firm of auditors of international reputation, and of our own auditors, Messrs. Hurtubise, Pelletier and Gravel:

1. That the valuation of our rock deposits has been \$121,650 ever since they ceased to be taxed as farm land, as some of the most valuable land in Notre Dame de Grace still is;
2. That the proceeds of the \$979,300 preferred shares sold has exceeded \$86.50 per share as the average;
3. That your estimate of the proceeds of the bond and stock issues is short by several hundreds of thousands of dollars.

And we also make bold to prove that those errors of yours were made in the face of official or authorized statements which you were aware of and had no reasons to doubt, or of municipal figures which were at all times available.

Should our proof be deemed insufficient on one single point, we shall accept to publish the auditors' report in the press at our expense.

This letter is being forwarded you to-day by registered mail.

We shall await your answer till Thursday, Sept. 25, at noon. Whatever it be, we pledge ourselves to publish in the press, at our expense, so much of it as is deemed pertinent by Messrs. Marwick, Mitchell & Co. Should you ignore our specific challenge, or side-step it in any way, or should our evidence be found conclusive, the public will draw its own conclusions as to the motives of your attacks and the name you deserve.

In the meantime, we have instructed our lawyers, Messrs. Geoffrion, Geoffrion and Prud'homme, to sue you for libel. Your financial means being unknown to us, and our sole purpose being to expose you in your true light, we have set the amount at \$500. A modest sum indeed. If the abettors of your campaign will come out of the bush, however, we shall have a duty to take care of them properly.

All particulars concerning the bonds of the National Cement Company may be had from the following firms:

VERSAILLES, VIDRICAIRE, BOULAIS,
LIMITED, Montreal.

POND & COMPANY INC., Boston.

CREDIT-CANADA, LIMITED,
Montreal.

W. R. FLEMING & COMPANY,
Toronto