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PRINCE RUPERT

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PRINCE RUPERT, B.C., THURSDAY, JANUARY 6, 1921.

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PRICE FIVE CENTS

Blue Outlook for Shipyard Creditors

WINTER NEWS IS RECEIVED FROM THE COLD AND SNOWSWEPT NORTHLAND

Shipyard Creditors Met Today To Consider Their Position

Five Inspectors Appointed to Act with Receiver; Financial Condition not very encouraging; Government may Purchase Plant

Lease Continued for Nine Months to Complete Ships

Guaranty Company has Repudiated Its Liabilities and Government May Make Good; Newman Erb Liable for \$75,000 of Funds Used

That the only hope of getting anything like a settlement of the claims against the Prince Rupert Drydock and Engineering Co. is to get the government to purchase the plant which has been installed by the company, was the opinion expressed at the meeting of creditors held here this morning. W. E. Hodges, receiver, presiding.

Mr. Hodges outlined the condition of affairs and distributed printed statements showing secured claims amounting to \$362,480; preferred wage claims, \$112,000; unsecured creditors, \$392,000; total liabilities, \$866,480, to pay which there seems to be no amount due amounting to \$21,000, but that of this the ships have to be completed. This statement is very incomplete as no statement has been rendered by Newman Erb, president of the company, from New York.

Mr. Hodges reported that the Government had let a contract to complete the ships on a cost plus basis and that it would be impossible to tell at present what the final deficiency would be.

Five inspectors representing the creditors were appointed: J. E. Melroy and F. Cantwell of Vancouver and George Nickerson, D. G. Stewart and M. P. McCaffery of Prince Rupert.

A vote of thanks to Col. Peck was passed on motion of Mr. Melroy for his untiring efforts on behalf of the creditors, both of Prince Rupert and Vancouver.

Mr. Hodges told the creditors that it was his intention to proceed to Ottawa just as soon as the work at the shipyard was under way. He wished to remain here for a few days, so that there should be no delay in regard to the work proceeding. He wished to discuss the whole question with the Department of Marine.

The statement issued by the liquidator stated that the yard was leased for ten years at a monthly rental of \$3,964 and that application to continue the lease for nine months had been made in order to complete the ships.

Liquidator's Summary.
The summary of the statement was as follows:

1. The plant and premises will have to be used by the contractor to complete the ships, for which a very substantial rental should be charged.

2. The inventory of repair material and sundries around the yard runs into a considerable sum. I am having an inventory prepared which is not yet complete. The estimated value is from \$100,000 to \$125,000, from which an allowance must be made for realization.

3. There is a clause in the lease which provides that on the termination of the lease, the lessors may purchase the improvements made by the lessees at a value to be agreed upon, which means that whatever sum can be recovered under this clause will be available to satisfy the claims of the creditors.

That Guarantee Bond.
4. In the contracts for the construction of the ships, clause 21 provides that the contractors agree to deposit with the minister a guaranty bond of an approved company for the amount equal to 10 per cent. of the contract price of each vessel, as a guarantee for the faithful performance of the work contained in the contract. I have as yet been unable to ascertain definitely the position with regard to this, but I am informed that there is approximately \$160,000 on deposit in some bank.

Ottawa or Montreal in lieu of the guaranty bond on one ship. I am also advised that the guaranty company have repudiated their liability on the other ship. As the merchants gave credit to the company on the strength of the existence of these bonds, it is, in my opinion, the duty of the Government to make good if the bonding company does not. Furthermore, I believe that the \$160,000 above referred to as being on deposit was in reality provided out of the first payment under the contract, and should have been available for payment to the creditors, and the guaranty bond, under section 21 of the contract, should have been provided besides.

Erb Liable.
In addition, I believe that during the year 1920, Mr. Newman Erb bought out the minority stockholders for the sum of \$75,000. If he used the funds of the company to pay for this, and I

PLOT BLOW UP LONDON TOWER

LONDON, Jan. 6.—A plot to blow up that section of the Tower of London where the crown jewels are stored is reported to have been discovered according to the Daily Mail. Time fuse bombs were found during a recent raid on certain Sinn Fein premises.

JOB PRINTERS IN VANCOUVER QUIT

Big Increase of Wages Asked; Employers Offer Present Scale for 1921.

VANCOUVER, Jan. 6.—All commercial job printing plants here are closed, the men demanding \$60 a week of 42 hours. The employers offer the present scale of \$40.50 throughout the year 1921.

Klondyke is in Grip of First Cold Snap

Arctic Marathon to Fort MacPherson Commences Today—Many Going to Fort Norman

DAWSON, Y.T., January 6.—Five crack Royal Canadian Mounted Police dog teams with toboggans leave here today on a thousand-mile midwinter Arctic marathon. They will travel five hundred miles directly north through the wilderness of snow and over the Rocky Mountain divide to Fort MacPherson at the mouth of the MacKenzie River and will then return. They are expected to be back here about the first week in March bringing advices from the Fort Norman oilfields and from the Arctic explorers and whalers who are frozen in along the northern coast. Word will also be brought back from Rampart House.

First Cold Snap

The first cold snap of the winter struck the Yukon Territory on Tuesday night when the thermometer dropped to 63 below at Carmanak midway between Dawson and Whitehorse. At Dawson it was forty below.

Emerson O'Neill, a well known pioneer of Alaska and the Yukon, died here on Tuesday. He arrived at Dawson a fortnight ago in a serious condition in charge of others after a 160-mile sleigh trip over the snows.

Several parties are planning to go to Fort Norman where the oil strike was recently made. They will go over the snow with a dog team. The distance of 500 miles will be done in twenty days-mushing.

MRS. SMITH SPEAKERSHIP

Jun Gets Special Despatch From Victoria Stating Government to Offer the Post.**TO EXPRESS APPRECIATION OF HER WIDE POPULARITY**

VANCOUVER, Jan. 6.—A special despatch to the Sun from Victoria states that at a special meeting of the cabinet yesterday it was decided to offer the speakership of the legislature to Mrs. Mary Ellen Smith, of Vancouver, who topped the poll at the recent election. This post is made vacant through the defeat of the former speaker, John Keen, at Kaslo.

Mrs. Smith has been on the carpet for some time and it is understood that the government would like to express appreciation of Mrs. Smith's wide popularity by giving her some office of dignity.

She has also been named as possible minister of education or minister of special social service legislation.

GONE TO INVESTIGATE REPORTED MURDER ON QUEEN CHARLOTTE

Constable Ackroyd Left Yesterday on Leila R. and Expects to be Back Tomorrow.

The provincial government launch "Leila R." left today for Thurston Harbor with Constable Ackroyd aboard. The officer will investigate the circumstances of the reported murder at that point and will bring the witnesses and evidence here. He is expected back tomorrow. No further details on the case have yet reached the city.

SPORTSMEN HUNTING FOR VERY BIG BEAR

GLEN FALLS, N.B., Jan. 6.—Sportsmen are looking for a huge bear which has been on the rampage in this district recently. One night not long ago he visited a farm house, ripped the door off its hinges to get inside where a whole hog was hanging and after gorging himself made off. Enormous tracks left by the bear indicate that he is a very big fellow.

SEATTLE WINS AGAIN.

SEATTLE, Jan. 6.—Seattle defeated Victoria at hockey last night in an overtime game. The score was 2 to 1.

POLISH WOMEN TROOPS PARADING THROUGH WARSAW STREETS.



Members of the Polish Women's Non-Commissioned Officers' School are seen parading through the streets of Warsaw in search of recruits.

GALE IS MAYOR OF VANCOUVER FOURTH TERM; ACCLAMATION

VANCOUVER, Jan. 6.—R. H. Gale is mayor of Vancouver for his fourth term, his election being by acclamation. The nomination papers of his only opponent, ex-Mayor L. D. Taylor, were thrown out on a technicality. This is the second time in the history of the city that a mayor has served the fourth term.

REGISTRATION IS OUT OF ORDER, SO ORME CANNOT RUN

Mr. Silversides' nomination is the Only Proper One Yet Filed for Election.

Only two nominations in the municipal election contest have yet been presented at the city hall, those of C. H. Orme and Thomas Silversides.

Mr. Orme's nomination has been disqualified for his property was not registered in time. This excludes him from the aldermanic contest for which he was to be proposed. Mr. Silversides' candidature is acceptable.

believe he did, it is undoubtedly recoverable at law. But the question must be very carefully considered as to whether it is advisable to embark upon any lawsuits of this description, before final action is taken. I am hoping to be able to get some information at Ottawa which will assist the inspectors and myself in deciding (Continued on Page Six).

Little Alaska Mail Boat Missing Since December 15

Washington Fears Joseph Pulitzer Lost but Seattle believes is in shelter from storms

WASHINGTON, January 6.—(Canadian Press)—That the United States mail boat Joseph Pulitzer, with at least seven men aboard, has been missing since December 15 and may have been lost in the Straits of Shelikoff, Alaska, is the advice which Secretary Payne received from Governor Riggs of Alaska today.

SEATTLE, January 6.—The coast guard cutter Snohomish leaves today or tomorrow in search of the missing mail boat Joseph Pulitzer. It is believed that the boat may have run into a sheltered cove to await the abating of furious storms that have swept Northwestern Alaska since late in November.

The vessel sailed from here on March 18 last to take up a mail run. She is a gasoline schooner of 69 gross tons and is owned by Dr. Andrew Smith of Portland, Oregon.

NICKERSON for Mayor!

A RALLY OF SUPPORTERS

of G. W. Nickerson's candidature will be held in the

Committee Rooms, Frizzell Block on THURSDAY, at 8 p.m.

All interested in Progressive Civic Government are invited

LORD MAYOR IS EXCLUDED

Appeal is to be Referred to the Department of State at Washington.

WASHINGTON, Jan. 6.—(Canadian Press).—The exclusion of Daniel O'Callaghan, who arrived at Newport News as a stowaway without a passport, has been ordered by a board of special inquiry. An appeal, which has been entered, is to be referred to the Department of State at Washington.

PECK TO SPEAK TO BOARD OF TRADE

His Subject Will be "The Enemies of Prince Rupert and Things We Should do to Them."

The annual meeting of the Prince Rupert Board of Trade will be held in the council chamber on Friday night when reports will be read and officers for the year 1921 elected. The feature of the meeting will be an address by Col. C. W. Peck, M.P., V.C., his subject being "The Enemies of Prince Rupert and the Things We Should do to Them."

FINAL RESULTS FOR VICTORIA ARE GIVEN

Standing is Unchanged and Premier Oliver Retains Mandate.

VICTORIA, Jan. 6.—The final results of the provincial election here on the counting of absentee ballots and the recount are as follows: John Oliver, 6,198; Canon Hinchcliffe, 5,205; John Hart, 5,006; J. B. Clearhue, 4,551.

LOCAL MEN TO BE EMPLOYED

Local Equipment will be Used—Chief Officers are Coming North

VANCOUVER, Jan. 5.—"The majority of the workmen on the shipbuilding contracts at Prince Rupert are to be hired in Prince Rupert," said Clarence Wallace of the Wallace Shipyard yesterday when advised of the letting of the contract for the completion of the two ships in the northern yards.

"The Prince Rupert equipment will also be used and the chief officers of the company will be sent North immediately."