

Receiver Suggests Re-organization of the Abitibi Company

Plan Outlined by Mr. Clarkson to Commission.

Toronto, Jan. 6.—In the opinion of G. T. Clarkson, official receiver, the Abitibi Power and Paper Company, in receivership since 1928, should be re-organized within its present framework with bonds amounting to \$48,000,000, standing as they are and some form of securities issued to take care of the \$26,000,000 overdue bond interest.

Under this plan which was outlined to the McTague Royal Commission junior security holders should be left as they are. This was the only way, he said, to reorganize without running the risk of the company against going back into receivership should things go bad in future. The future could not be predicted, he said.

The alternative to such a plan, Mr. Clarkson said, would be sale of the assets of the company and organization under a new framework.

FINANCING PLAN

"The present bonds should be left as they are," Mr. Clarkson said. "Dependent upon the effect of taxation, either talons on income debentures or preferred shares would be issued for overdue interest, and junior security holders left just as they are with interest on bonds to be payable under these conditions. At the end of each fiscal year in which the net working capital exceeded the fixed minimum to surplus should be applied to pay interest and anything above that to go to the bondholders. But in the meantime bondholders should have complete control of the company's affairs control of the company's affairs and nothing to the junior security holders until their debt has been reduced to a certain point. If that were done the bondholders would get all there is to get and the juniors would be left as they are."

Continuing Mr. Clarkson said: "There would be certain disabilities to this plan. The contention of some bondholders is that if you give them a security upon which interest is payable only when earned, or when the net working capital exceeds a certain amount it is an income bearing security for which there is no proper market."

DEPEND ON TAXES

"If you make interest payable only when there is a surplus of current assets you have a non-enforceable security. The third thing is the question of taxes. No one knows where they are at. If you issue preferred shares or income debentures for interest they might be taxed as income so that whatever you take, whether talons or preferred shares or income debentures for their overdue interest, or whether they could afford to take them, is a matter dependent upon what the excess profits tax will be and how it is interested. That is the only way the present debt with the uncertainty of the future, of Abitibi could be arranged."

The official receiver thought the funded debt of the company should be limited to \$24,000,000. Interest should be paid on the new securities, he said, if working capital exceeded a certain minimum, say \$10,000,000. He thought, the commission might be able to get some ruling or idea from Ottawa on the amount of the excess profits tax, but the whole plan was dependent on the amount of this tax.

Mr. Clarkson denied the chairman's suggestion that the plan under the present framework, would be the same as leaving the company in receivership.

NEED \$10,000,000 CAPITAL

"I don't want to be misunderstood on this," he said, "I feel there is only one basis for reorganization and that is one in which payment of interest would be dependent on maintaining a minimum figure for working capital. Under normal conditions, \$10,000,000 would be ample but this would vary under different conditions, and would allow for renovating or purchase of new equipment."

"If the bondholders are unwilling to accept the new securities there is nothing to be done but sell the company to a new concern as I outlined. I don't approve of the company being left in receivership, but the only way to get it out is by some adjustment of this kind."

Mr. Clarkson said his plan did not affect the priority rights of the various classes of security holders. He said that if the commission felt the junior security holders were entitled to some equity, if the property were sold, this might be in the form of common stock and he advocated the advisability of them forming a holding company to deposit this stock rather than leaving it free to go on the market. He expressed the view that if the company was sold to-day it would not bring the amount of the bondholders' claim.

Assets \$66,685,989
The total sound valuation of Abitibi assets, Mr. Clarkson declared, as of Sept. 30, 1940 was \$66,685,989, exclusive of \$35,000,000 book value of timber concessions, \$13,000,000 for the plant at Espanola and \$6,000,000 at Sturgeon Falls.

Dealing with the conditions of the industry, Mr. Clarkson said that fifty per cent of the companies went bankrupt between 1930 and 1933. Consumption in these years in the U. S. dropped 1,000,000 tons. Canadian exports declined 700,000 tons while the capacity of Canadian mills increased 500,000 tons and in the years 1936 to 1939 production benefited the companies. In 1938 the \$50 a ton price for newsprint permitted most of the companies to make fair earnings. Capacity of the mills in this period was increased by over 350,000 tons. During this war, the witness said, the demand for newsprint has increased and profits are up.

Pioneer Prospector is Dead at Sault Ste. Marie

Sault Ste. Marie, Jan. 6.—One of Algoma's best known prospectors James Cline, discoverer of the Cline Mines at Goudreau, died at his home Monday. Born in California, Cline did his first prospecting in that state and then came to Cobalt and Porcupine mining sections. In 1918 he staked the Cline Mine, now operated by the O'Brien mines. Cline also staked the Murphy mine at Goudreau, later known as the Algoid. He was well known in Toronto mining circles.

Another \$1,000,000 Building Year in Timmins

(Continued from Page One)
never been a case known here where the actual value of the completed work did not exceed the estimate, while cases have been noted where the estimated cost eventually proved to be as little as half of the actual figure.

The following is a recapitulation of building permits for 1940:

January 1 to March 31, 1940

Business Section—	
New Buildings	\$119,000.00
Alterations and Additions	5,625.00
Residential Section—	
New Buildings	\$11,575.00
Alterations and Additions	2,950.00
Garages and Sheds—	
New Buildings	\$135.00
Alterations and Additions	Nil
April 1 to June 30, 1940	
Business Section—	
New Buildings	\$69,086.00
Alterations and Additions	61,695.00
Residential Section—	
New Buildings	\$31,010.00
Alterations and Additions	36,317.00
Garages and Sheds—	
New Buildings	\$2,790.00
Alterations and Additions	95.00
July 1 to September 30, 1940	
Business Section—	
New Buildings	\$34,860.00
Alterations and Additions	51,290.00
Residential Section—	
New Buildings	\$86,150.00
Alterations and Additions	\$2,835.00
Garages and Sheds—	
New Buildings	15.00
Alterations and Additions	2,850.00
October 1 to December 31, 1940	
Business Section—	
New Buildings	\$8,000.00
Alterations and Additions	35,475.00
Residential Section—	
New Buildings	\$43,475.00
Alterations and Additions	\$66,350.00
Garages and Sheds—	
New Buildings	\$13,170.00
Alterations and Additions	\$79,520.00
Garages and Sheds—	
New Buildings	4,727.00
Alterations and Additions	305.00
Recapitulation for 1940	
Business Section—	
Total—New Buildings	\$230,946.00
Alterations & Additions	154,085.00
Residential Section—	
Total—New Buildings	\$385,031.00
Alterations & Additions	\$151,755.00
Garages and Sheds—	
Total—New Buildings	\$5,783.00
Alterations & Additions	\$237,538.00
Garages and Sheds—	
Total—New Buildings	\$10,487.00
Alterations & Additions	415.00
TOTAL—\$633,471.00	

For purposes of comparison the recapitulation for the year 1939 is given herewith:—

Business Section—1939

New Buildings	\$220,271.00
Alterations and Additions	39,894.00
Total	\$260,165.00

Residential Section

New Buildings	\$347,725.00
Alterations and Additions	48,109.00
Total	\$395,832.00

Garages, Etc.

New Buildings	\$4,210.00
Alterations and Additions	45.00
Total	\$4,255.00
Total for year	\$1,060,352.00

Pro-rating agreements are being disregarded by two or three companies in Ontario and about the same number in Quebec, Mr. Clarkson explained. If this continued he said, Abitibi may be forced to cut prices in order to get business. The value of Abitibi depended largely of the enforcement of these agreements, the commission was told.

Previously Mr. Clarkson expressed the view that should the company be sold the amount realized would not equal the bondholders' claim. A factor in this prediction, he said, was the forecast of the Newsprint Association that in 1941 Canadian newsprint shipments would fall 1550,000 to 200,000 tons below the 1940 exports. Other reasons for the possible drop were increased inventories in the U. S. and restrictions on newsprint importation imposed by Britain and Australia.

Senior C.W.L. Given Commendation on Its War and Other Work

Activities Planned for the Coming Month.

The meeting of the Senior Catholic Women's League held in the basement of the Church of Nativity on Wednesday evening was well attended, and was presided over by Mrs. M. C. Sullivan in the absence through illness of Mrs. H. See, president.

Usual business was discussed and plans were made to hold an afternoon tea at the home of Mrs. John Carnovale 30 Sixth avenue, on Wednesday, January 15th, from 3 to 6 p.m. Conveners of the tea will be Mrs. D. E. Burnett and Mrs. H. Trepanier, and very pleasing arrangements are being made.

The members also discussed plans for a Valentine Card Party to be held on Thursday, February 13th, and to be convoked by Mrs. R. W. Copps and Mrs. P. McAlavey.

On behalf of the Ca-Bo-Gi Club, Mr. Victor Copps visited the meeting, and thanked the members for the co-operation they had given the members of the Ca Bo Gi Club during the past months. He also extended an invitation to each member to attend Ca Bo Gi Night on Sunday, January 19th.

Dr. N. H. Russell, who was to have been guest speaker at the meeting, was unable to attend, and in his absence, the Rev. Fr. R. J. Roney gave a very interesting talk on the work of the C. W. L., especially emphasizing the co-operation the members had given the young peoples club during the past year. He also commended the club on its work for the Red Cross and its charitable work for the parish in the year 1940 and expressed the hope that the members would continue this fine work in the year 1941, which was very critical, a war between Christianity and paganism.

Dainty refreshments were served by Mrs. P. J. Conway, assisted by members and it was announced that the next meeting will take place on Wednesday, February 5th.

Film of Heroes at Sea Unrolls Daring and Stirring Drama

Brilliant Players Enact Powerful Roles in Picture at Cartier Next Week.

Based on Eugene O'Neill's famous four one-act plays, John Ford's Argosy production, "The Long Voyage Home", which will have a gala premiere at the Cartier theatre commencing Sunday midnight and continuing for four days, Jan. 13th to 16th. Through United Artists release, was filmed with a cast studded with outstanding screen personalities.

John Wayne, Thomas Mitchell and Ian Hunter appear in the principal starring roles, while the featured cast includes Wilfrid Lawson, Barry Fitzgerald, Arthur Shields, Mildred Natwick, Carmen Morales, Ward Bond, John Qualen and J. M. Kerrigan. John Ford, who is known for such brilliant screen achievements as "Stagecoach" and "The Grapes of Wrath", produced and directed "The Long Voyage Home", and Dudley Nichols wrote the screenplay. The picture was filmed at the Walter Wanger studios.

Briefly the story of "the Long Voyage Home" is a lusty, drama-filled sea tale of stout-hearted men whose heroism and bravery often remains unsung but is nevertheless startling and sensational. Most of the thrilling action unfolds aboard the S. S. Glencairn, a British tramp steamer, en route to England after a long voyage with calls in the Caribbean and at American ports. As the individual life drama of the motley personalities are developed the action of the story swings into high gear and one of the biggest scenes involves Ian Hunter, a Britisher of obviously superior breeding and intelligence, who apparently is trying to drown his memories in drink. But personal stories are forgotten when a fierce bombing raid strikes terror aboardship by virtue of the fact that the boat is loaded with T. N.T.

London Limehouse

One of the most colorful settings shows London's famous Limehouse section where sailors gather for fun and excitement after the long voyage home. For this scene, an exact replica down to the shabbiest saloon was constructed on the Walter Wanger lot and it was here that some of the film's most unforgettable scenes were photographed. Here, too, in the dimly-lit cafes of the waterfront are unfolded intensely dramatic sequences showing the age old technique of shanghaiing sailors who have limbed too much while listening to tin-pan alley tunes and seeking romance on the run.

The raging storm sequences in which the S. S. Glencairn was tossed about like a chip in a millrace is a tribute to the genius of James Basevi. Hollywood's miracle man who previously created the plague of locusts for "The Good Earth", the earthquake for "San Francisco" and the devastating hurricane of "The Hurricane", which Ford also directed. Huge overhead tanks dumped thousands of gallons of water on the boat in the great tank on the back lot to get the raging storm effect, while huge airplane propellers, spun by Liberty motors, produced a near-hurricane effect and had the cast fighting valiantly to hold their footing and to keep their craft afloat.

The King's "Aussies"

In peaceful times a peaceful chap. In war, a hard, relentless foe.—The "Aussie" altered Libya's map. Now, Mussolini, ain't it so?

The epic tale of Suva Bay immortalized the Anyae Corps; Bardia's name they'll now display. As they proceed to conquer more.

In forty minutes, Puck once said. The earth he'd girdle quite complete. Italian troops, in fear and dread. Can surely emulate that feat.

The Aussies got a lot of praise. For clearing out the nest of "wops". Anticipating more forays. These British lions "lick their chops".

We asked them how it all was done. This routing of the "blanky blanks". To praise and query, two in one. The Aussies merely answered.

"TANKS!" Robert Whiteman

Ladies of United Church Choir Enjoy Pleasant Afternoon

Mrs. W. Bright and Mrs. B. Griffen Guests-of-Honour.

Mrs. P. H. Carson of 112 Maple street south, was hostess on Wednesday afternoon to the ladies of the United Church Choir, with Mrs. W. Bright and Mrs. E.

Griffen as guests of honour. Twenty-two ladies attended the pleasantly arranged event, and enjoyed a delightful social afternoon. A delicious lunch was served, the luncheon table being adorned with a fine cut-work cloth, and large bowl of mixed flowers as a centerpiece.

Mrs. Robinson poured tea, and was assisted by Mrs. W. Roberts, Miss Bunnie Bailey and Miss Jean Carson. Among those who attended were: Mrs. L. Worthington, Mrs. W. Mackie, Mrs. W. Curtis, Mrs. H. McCullough, Mrs. K. Cambridge, Mrs. A. Whitehead, Mrs. D. Coombs, Mrs. K. Kennedy, Mrs. Shepherd, Miss E. Richardson, Mrs. Mathias, Mrs. J. Griffen, Miss M. Richardson, Miss E. M. White, Mrs. T. Gay, Mrs. W. Jardine, Mrs. W. Roberts, Mrs. F. Robinson, Miss Bunnie Bailey, the hostess (Mrs. Carson) and the guests-of-honour, (Mrs. Bright and Mrs. Griffen.)

Children of Disloyal Folk to be Given Better Homes

The effect of a judgment handed down this week by Judge H. A. Burbridge at Hamilton is that children from disloyal homes will be taken away from sedulous parents and placed in foster homes where they will be better trained. Judge Burbridge, in convicting some alleged members of the group known as "Jehovah's Witnesses", said that children taught at home to disregard the National Anthem and encouraged not to salute the flag, should be taken away from this type of home and placed in more normal surroundings.

Canadian Girls in Training Discuss Year's Programme

Mission Work at Trinidad to be Studied.

Over seventy-five Canadian Girls in Training between the ages of twelve and seventeen years met in the United Church basement on Tuesday evening, January 7th, and deliberated for one and one-half hours over their calendar of departmental activities from January to June.

Discussion centred around such highlights as suitable dates for their missionary study projects, annual tea, C.G.I.T. Sunday service, and Mother and Daughter banquet.

It was decided to start the year with a study of Trinidad and the mission work of the United Church on the enchanted island. Work will also be started at once on contributions to the missionary bale. The study will be completed in about six weeks with an affiliation service with the W. M. S. Good times were not overlooked as the girls reserved evenings for parties around St. Valentine's Day and St. Patrick's Day.

The spring programme will culminate with a Mother and Daughter banquet on which the girls plan to put considerable preparation. Vera Spencer, president of the department, presided at the meeting, which closed with "Taps."

Birthday Party in Honour of Mrs. N. Johns, Timmins

A very pleasing social event was held this week in honour of Mrs. N. Johns on her birthday, and also as a friendly tribute to her aunt, Mrs. Savage, who is visiting the latter's daughter, Mrs. L. Bailey. The event was much enjoyed by all present. Among those attending were the following Mr. and Mrs. W. Lampkin, Mr. and Mrs. L. Pare, Mr. and Mrs. J. Shene, Mr. and Mrs. W. Nixon, Mr. and Mrs. H. Nethern, Mr. W. See, Mr. H. See, Pte. W. Troyley, Pte. J. Williams Mrs. Savage of Cobalt, Mrs. L. Bailey, Mrs. H. Price, Mr. and Mrs. M. McEwae.

SUGAR TOMATO

12% to 14% Sugar Content

First of all Tomatoes to produce ripe fruit. Think of it, a sweet tomato with many fruits exceeding 12% sugar. Nothing like it ever before. Note the beauty and symmetry of the long, rounded, ribbed fruit, often two feet in length. Smaller than regular tomatoes, but their superb sweetness and appearance make the Sugar Tomato the finest vegetable introduction in years. Bears enormous crops and is in a distinct class for dainty dishes, salads, sauces, juice, etc. Irrresistible. Be first to have it. Order now. Pkt. of 100 seeds 15c; 2 pkts. 25c; 14 oz. 60c (postpaid).

FREE — Our Big 1941 Seed and Nursery Book Better Than Ever

DOMINION SEED HOUSE
Georgetown, Ontario

CARTIER THEATRE

Coming SUNDAY Mid. 'till THURSDAY January 13-14-15-16



LOADED WITH DYNAMITE!

THIS MIGHTY DRAMA OF THE SEA... A STORY OF PRIMITIVE HUMAN JOYS AND HATREDS as only Eugene O'Neill could write it!

America's greatest playwright sets forth the savage emotions of sailormen and waterfront women... in a drama tumultuous as the rolling sea itself! Played by a brilliant cast... filmed by the gifted director of "Stagecoach" and "The Grapes of Wrath".



Quick-witted, DRISCOLL, brilliantly played by Thomas Mitchell, Academy Award winner.



Close-mouthed SMITTY (Ian Hunter)... who kept his trouble to himself.



Simple-hearted OLEY, who was going home at last. (John Wayne's finest role).

Walter Wanger PRESENTS

JOHN FORD'S Production of EUGENE O'NEILL'S

The LONG VOYAGE HOME

JOHN THOMAS IAN WAYNE · MITCHELL · HUNTER

BARRY FITZGERALD · WILFRID LAWSON · JOHN QUALEN · MILDRED NATWICK

Directed by JOHN FORD
Adapted for the screen by DUDLEY NICHOLS
Produced by Argosy Corporation • Released thru United Artists

