

BRITISH OLIVE BRANCH SPURNED

Cantonese Government Breaks Off Negotiations with England

HANKOW, Feb. 1 (AP)—The British olive branch was spurned today by the Cantonese (nationalist) government which broke off negotiations for a new treaty by which Great Britain proposed to grant many demands of Chinese for freedom from foreign domination.

The Cantonese government refused to sign an agreement which the British armed forces were concentrating in heavy force at Hankow. The agreement was to have prepared the way for a treaty by which Great Britain would have received her concession districts in many of the cities of China to the Chinese authorities retaining only a partial administrative control to insure rights of foreigners. Shanghai was expected, the concessions there being under international control.

Great Britain was prepared to yield on other points including extra territory by which it meant the right of foreigners to trial in their own courts. The British also would have granted a change in administration of the tariff at present subject to foreign control.

Great Britain was conducting negotiations with both the nationalist (Cantonese) government and the Peking government, which for a year have contended in battle for control of all China. While nationalist government did not assign these dual negotiations as a reason for refusal to proceed further with preparations for a treaty, there have been intimations both from Hankow and Peking that neither of the Chinese governments would consent to a treaty which recognized the other.

The negotiations were broken off today by Eugene Chen, Cantonese foreign minister, who declined to sign the agreement proffered by Owen O'Malley, British charge d'affaires in behalf of his government.

Senate Passes Bill For Moving Of County Seat

STATE HOUSE, SALEM, Ore., Feb. 1 (AP)—The senate yesterday unanimously passed the bill providing for removal of the county seat of Jackson county from Jacksonville to Medford. The bill previously passed the house, and will become law when governor L. L. Patterson signs it.

Senator Dunne explained that the electorate of Jackson county some time ago authorized the transfer, but that the court later held the election to be invalid because of a flaw in the election notices. He said the bill was therefore remedial legislation and had the support of a large majority of the people of Jackson county.

Senator Moser said that the judiciary committee had added an emergency clause in order that the transfer of the county seat might be made on July 1.

Innes Is Released From U. S. Prison

ATLANTA, Ga., Feb. 1 (AP)—Victor E. Innes, of Portland, Ore., has been released from Atlanta federal penitentiary where he served a term on conviction of using mails to defraud.

He had served three years of his five-year term and last Saturday took the prisoners oath to escape a \$1,000 fine. That night a friend paid the \$1,000 fine. Penitentiary officials today refused to say who the benefactor was and said they were not informed as to Innes' whereabouts.

Innes was convicted of fraudulent use of the mails to swindle two Atlanta sisters, Mrs. Elvira Neims Dennis and Miss Beatrice Neims, for whose murder in San Antonio he and his wife had been indicted. They were charged with having lured them to Texas and murdered them and destroyed the bodies, but when called to trial acquittal was ordered as the bodies had not been found. Mr. and Mrs. Innes also served terms in the Georgia state prison in connection with the case.

Trace of the Neims sister never was found, although the search extended from Atlanta to San Francisco, San Antonio and into Mexico.

VERSATILE PORTIA

NEW YORK—Here's a versatile Portia. Julia Kohn (Mrs. Benjamin Altmann) is an actress, a lawyer, a pianist, a horse-woman, a swimmer, a tennis player and a housewife. She is 24 years old, five feet one and weighs 95 pounds. She loves to eat and uses cosmetics only on the stage.

BREAKS PAROLE

SALEM, Ore., Feb. 1 (AP)—Henry Comstock, arrested yesterday in Douglas county charged with possession of a still, was paroled from the state prison last fall, according to Warden Little. The warden last night sent a prison guard to Roseburg to bring Comstock back to Salem.

The "lung" of the gas motor that breathes in and out and measures the use of gas is made from sheepskin that has been especially prepared to make it impervious to the corrosive vapors in gas.

Yate has made a woman professor of psychology training the first host of students to be graduated.

OUT OUR WAY



THE TELEGRAM (HIS MOTHER)

By Williams ALLIES, GERMANY SETTLE TROUBLE

Disarmament Questions Agreed Upon, Paris Dispatch Reports

PARIS, Feb. 1 (AP)—Full agreement on the disarmament questions which have been the subject of protracted negotiations between the allies and Germany was reached today.

The allied council of ambassadors is working out a few remaining details but all pending differences over the military control of Germany have been settled, and there are no problems to be turned over to the league of nations.

The inter-allied military control commission now remains in function, the league taking over the work of seeing that Germany complies with the disarmament provisions of the Versailles treaty.

In broad lines the agreement calls for the destruction of the fortifications Koenigstein and Glogau, in Prussia, and 22 fortified works in the vicinity of Koenigstein.

The German government solemnly affirms that no other fortifications exist except those expressly recognized by the allies, and agrees not to construct others.

SHE WON OUT

HARRISBURG, Pa.—One woman objects to men in high hats, striped trousers and spats under some circumstances at least. A man's resolution for such dress for nine legislators caused so much objection by Representative Helen Primes that nothing was done about it.

As in the case of individuals, returns by corporations must reach the office of Collector Huntley in Portland not later than midnight, March 15, unless a fiscal year basis has been adopted. Where a tax is due the government, the return must be accompanied by the payment of at least one-fourth the total tax.



When you see the name ROYAL COAL it makes you have a warm feeling towards it, especially if you have ever tried it. I made a trip to Portland lately and I noticed that some of the leading coal dealers along the coast run a big sign "ROYAL COAL". If I had not been in such a hurry, I would have gone in and congratulated the men with a good warm handshake. We are certainly pleased with our sales on the ROYAL COAL and our many satisfied customers. Royal Coal is clean and hot, very light in ash, burns longer, less trouble and is absolutely guaranteed. If you do not like Royal Coal better go to the doctor and have your head analyzed. Royal Coal is the coal where you take it away and furnish your own sacks. Royal Lump is \$12.50 per ton delivered or \$11.50 a ton where you haul it away. A man came in the office the other day and said, "Your Royal Coal is no good. It smokes." I told him that his fire must be stopped up. "No," he said, "the fire is all right." "Well," I told him, "We have no trouble in our stove," and we were just about ready to take him over to the house to prove to him that the coal did not smoke and all he had to do to convince me, was just to point his finger at our big brick chimney, and remark, "Don't you see the smoke coming out?" He had a good hearty laugh and ordered some more ROYAL COAL.

Clyde G. Huntley Explains Income Tax As Relating to Corporations

PORTLAND, Ore., Feb. 1—Every corporation which has been incorporated must file an income tax return annually, until the corporation has been actually dissolved.

Declared Clyde G. Huntley, collector of internal revenue, in a statement today explaining the provisions of the federal law relating to corporations and the conditions under which they are required to render an accounting of their business operations to the government.

Returns with the exception of returns by insurance companies, must be filed on corporation income tax return, Form 1120, for corporations filing on the calendar-year basis, and Form 1120A for those filing on a fiscal-year basis.

Verification of Returns The verification of the return must be made by two officers of the corporation before a notary public or deputy collector of internal revenue.

The return must show a full account of the profit or loss during the year, and where the transactions are sufficient to warrant a balance sheet, comparative balance sheets at the end of the current year and at the end of the previous year should be shown in the space prepared for that purpose.

The fact that the corporation operated at a loss for the taxable period, does not relieve the corporation from filing a return. The transactions resulting in a loss may be quite as important as those resulting in a gain.

If the corporation was inactive, and had no income, write this fact across the face of the return and verify the return before a notary public or deputy collector. A letter setting out the facts does not constitute a return, as returns on Form 1120 are required by law and are forwarded to the bureau of internal revenue at Washington, D. C., by the collector.

Some Exemptions Under Section 21 of the Revenue Act of 1926, certain corporations are exempt from tax. A common mistake is for officers of such corporations to overlook the fact that they are not exempt from filing returns unless a claim for exemption has been filed with the commissioner of internal revenue and exemption has been granted.

New Corporations New corporations are treated as filing on the calendar-year basis unless the collector's office is notified that they have elected to file on a fiscal-year basis. If you elect to file your first return on either a calendar year or a fiscal year basis you cannot change the basis without special permission from the commissioner of internal revenue.

Puerto Cabezas—Where the Pot Boiled Over



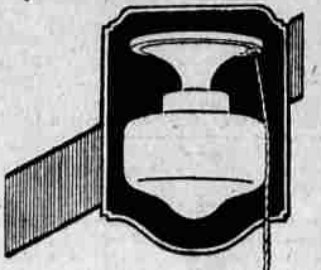
Puerto Cabezas, Nicaragua, one of the most important centers of the controversy over American intervention in Nicaragua's political affairs is pictured here. Fighting on the Caribbean sea, on Nicaragua's west coast, the town is the headquarters of the Russian or "revolutionary" faction of Nicaraguans. It is one of the places where a United States expeditionary force of U. S. Marines and established a "military zone" thereby starting a storm of debate in both America. In the foreground are piers and wharves. In the background is Dragman's Bluff, on which most of the town is built.

ALL NIPPON MOURNS THE DEAD MIKADO



This NEA Service picture, the first to reach America, shows black horses drawing the creep-draped funeral hearse in which the remains of Emperor Yoshihito were taken to Tokyo from the royal villa at Royama where he died. Sand strewn deep along the highway deflected the sound of the horses' hooves.

"I wouldn't be without a Daylight Kitchen Unit daylight now that I have one"



Said a happy Housewife who took advantage of our special offer.

It costs you nothing to have this unit installed for trial and we will gladly remove the installation if it should not prove to be as represented.

"Like most modern conveniences for the home, once you have enjoyed the advantages of a Daylight Kitchen Unit, you wonder how you got along without it before," said this lady.

"When I realize how I used to strain my eyes trying to work under the unsatisfactory kitchen light I used to have and contrast it with the soft shadowless glow of the Daylight Unit, I wish that I had known about it sooner."

You, too, can modernize the lighting in your kitchen. Just telephone and we will come and show you what good kitchen lighting means.

Only 50 cents down when satisfied and one dollar per month on service bill. \$7.50 complete with appliance outlet and mazda lamp, installed in your kitchen.

Eastern Oregon Light & Power Co. "Daylight Your Kitchen"

READ THE OBSERVER CLASSIFIED ADS

These wives of ours! We took them from the shelter of their families, gave them two or three rooms and a share of our salary—then left them sitting there among the wedding presents, a bit bewildered. But they know how—these wives of ours. They knew how to make rooms into homes, and how to get more merchandise out of a dollar bill than we ever could. We're lucky to have wives. How do they do it? Look through this paper, day after day. You will find advertisements covering almost every human need. They are filled with hints for the household, hints for clothing, hints for keeping young. They are virtually little essays on life. No wonder these wives of ours follow them so carefully. As one wise wife said: "It isn't so much that I know housekeeping so well. I know where to learn it!" Most advertising is prepared especially for women. Read it. It forms an authoritative textbook on good housekeeping.

Claude C. Pratt Lumber Co. "The Poor Man's Friend" Near Foundry. Phone Main 248 No Sunday Business.

Do you like to sleep late in the morning? An Electric Percolator will make your coffee while you are dressing.

H & S Electric F. L. Robinson Sommer Hotel Bldg. Phone 393-W