

BENEFITS FROM INSURANCE, ETC., ARE ALSO TAXED

Any Amount Received Under Employers' Liability Act or Similar Act Is Classified as Income.

PENSIONS INCLUDED ALSO

Proportionate Part of Taxes Paid by Bank Should Be Reported Upon by Stockholders.

Questions Will Be Answered
Out of the mass of questions that daily are being put up to the collector of internal revenue office by those seeking information concerning the scope and application of the income and war revenue tax acts, the office has compiled a list of the most common questions covering those points which seem to cause the most uncertainty in the minds of the taxpayers. These questions have been answered by the experts in the collector's office, and both questions and answers will be printed, from day to day, until the entire list has been completed. This is for the information of those who come within the act.

What part of a matured endowment life insurance policy received during 1917 must be reported in preparing an income tax statement? Whether the amount received by an insured person under an employers' liability act or under an act of insurance is considered as income, and other questions of interest to prospective income taxpayers are discussed in the following questions and answers prepared by the office of the collector of internal revenue for the information of the public:

Q-43. I held an endowment life insurance policy upon which I paid premiums for 20 years. In 1917 that term matured and I received its face value, or \$1000. Must I return the entire amount received?

A. No. Return only the difference between the aggregate amount of premium paid and the amount received upon maturity of the contract.

Q-44. I, who in the employ of a corporation, was injured and under the laws of the state in which the accident occurred received \$5000 on account of the injury sustained. Must I report this sum as income?

A. Yes. Any amount received under an employers' liability act or any other similar act, or as the result of a settlement or compromise for "pain and suffering," is held to be such income as is subject to the federal income tax. This ruling is also applicable to any amount received under the terms of an accident insurance policy.

Q-47. I purchased a 6 per cent \$100 coupon bond at its face value plus \$1.50, that is, three months' accrued interest. Three months later I detached a coupon therefrom and collected \$3 interest. Must the entire amount of interest received be returned as income?

A. No. Report only so much interest as accrued after the date of your purchase. It is the seller's duty to report the balance.

Q-48. Do the pensions and retired pay of ex-officers and men of the United States military and naval forces constitute items of taxable income?

A. Yes.

Q-49. I own stock in a bank which, under a state law, is required to pay the taxes assessed against such stock. Now is this matter to be handled for income tax purposes?

A. The proportionate part of the entire amount of taxes so paid by the bank, which is properly chargeable against the number of shares held by you, should be reported for additional tax purposes, in your personal return, as a dividend, and then claimed as a deduction under the heading of taxes.

TROTSKY IS WILLING TO GO ON WITH MEETINGS

(Continued from Page One)

Trotsky's change of front explains totally contradictory messages received yesterday. According to today's dispatches, Trotsky's announcement was made late Friday. Earlier dispatches Friday had reported the Russians formally withdrawing from the meetings and suspending the siting. Later the Russians conferred and the new move today was apparently the result of that meeting of the Russian delegates.

The Russians' willingness to continue at Brest-Litovsk put complete responsibility on the Germans for some adjustment in the original terms of peace they offered. Rather than make any concessions, the Germans sought to cover up by the protest that because they would not transfer the negotiations to Stockholm all peace terms consideration was terminated.

LAST TIME SAN CARLO GRAND OPERA COMPANY

TONIGHT AT 8:15

"Il Trovatore"

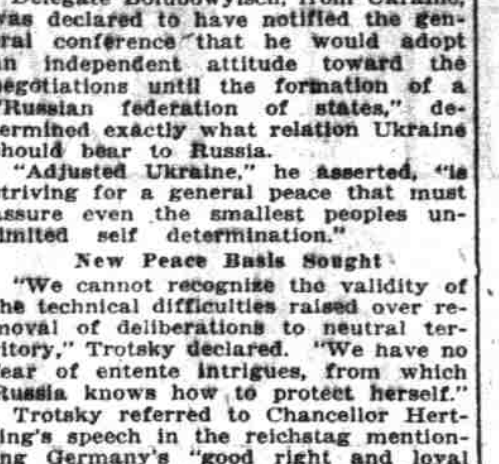
Leonora.....Luba Darlies
Manrico.....Manuel Salazar
Count Di Luna.....Angelo Antola
Azuena.....Stella Demotte
Fernando.....Pietro Debiati
Rita.....Luciano Rosini
Isa.....Alice Homer
An Old Gray.....L. Dellamolle

PRICES
Evenings—Lower floor, 1st 14 rows \$20; next 10 rows, \$1.50; remainder, \$1.10. Balcony—Dress circle, \$1.50; next 5 rows, \$1.10; rear balcony, 55c and 40c.

SEATS ON SALE AT SHERMAN, CLAY & CO.

AUDITORIUM

MEMBERS OF DIRECTOR M'ADOO'S RAILROAD ADVISORY BOARD



These are the members of the new railroad advisory board. From left to right they are John Skelton Williams, controller of the currency and Secretary McAdoo's right hand man in the treasury department; Hale Holden, president of the Chicago, Burlington & Quincy railroad, who has been devoting his time to war work in Washington since war was declared; Henry Walters, photographed at his desk in the Interstate Commerce building. Mr. Walters is chairman of the board of directors of the Atlantic Coast Line and Louisville & Nashville railroads, and is a capitalist and philanthropist of Baltimore; Walker D. Hines is prominent in the east as a railroad attorney; Edward Chambers was former traffic director of the food administration and is familiar with the needs of the government in securing quick dispatch of government supplies.

WAR TALK HEARD IN PETROGRAD

Petrograd, Jan. 12.—(U. P.)—The Bolsheviks are preparing for possible resumption of war.

A decree for the mobilization of all able-bodied men to 25 years of age is expected to be issued shortly.

Ensign Krylenko, commander-in-chief, has stopped the leave of all officers.

The Bolshevik government is apparently pushing all operations to continue fighting.

They are confident, however, that the German army is not attacking the Russian frontiers. German officers are strenuously seeking to halt fraternization between their troops and Russians. Russian propaganda is filling the German trenches.

A telegram from Brest-Litovsk today declared the Russian peace delegates were greatly pleased with the attitude of the liberal British press, but are insisting on British recognition of the Maximilian rule.

The press optimistically reviewed the attitude of the German government and its warnings to reichstag members against the German government's policy of peace.

The Russian propaganda among the German troops promised to have strong support from the German government.

"If it is necessary to renew the war we will await this new factor of great and decisive influence."

The Russian press is quiet and orderly and despite predictions of starvation, the food situation seems improved.

Mutiny Reported Growing

London, Jan. 12.—(I. N. S.)—The mutiny in the German army on the Eastern front has now spread to the Austro-Hungarian army. Petrograd dispatches today quoted German deserters as saying that Austrian troops holding the line between the mutineers and Austrian Slav divisions.

A number of men were killed on both sides.

The 25,000 German mutineers at Kovno, in Poland, have taken possession of the city and at last reports were still holding it although they were being shelled by loyal artillery men.

Turkey Believed Near Collapse

London, Jan. 12.—(I. N. S.)—Turkey is on the verge of collapse. So serious is the domestic situation in the Ottoman empire that proposals for a separate peace were made to Russia several months before the negotiations were opened at Brest-Litovsk. It was stated in a telegram from Petrograd today. They were made through the Russian minister at Bern, Switzerland.

Turkey is suffering greater hardships than any other country in the German alliance. She has been engaged in almost continuous warfare for six years, her finances are shattered and the population on the verge of absolute starvation.

Liberal Press Criticizes

Amsterdam, Jan. 12.—(I. N. S.)—A section of the liberal press in Germany continues its criticism of the government's attitude on peace.

The Leipzig Volks Zeitung, in a strong article, demands that the reichstag be convened at once to give the majority Socialists a chance to protest officially against the annexation of Russian territory.

Professor Dragged From Home; Beaten

San Francisco, Cal., Jan. 12.—(U. P.)—Police and federal marshals today began a search for two men who seized William S. Stone, a professor at Tamale Union high school, manacled him and dragged him from his home at Mill Valley and beat him severely. They gave no reason for their action, but said they were looking for a man in a long, dark coat, who was seen in the vicinity of the school.

Stevens declared the chief difficulty in moving freight out of Vladivostok is the shortage of cars and locomotives. In the Vladivostok, he declared, where 400 men are employed in assembling locomotives, and where 250 engines should be turned out every month, only 12 or 15 are actually being turned out. Some idea of the difficulty of transporting freight is given, he said, when it is understood that one freight car, even under normal conditions, can only make three round trips on the trans-Siberian railroad in a year.

He declared there is 500,000 tons of unshipped freight in Vladivostok today.

SALARY INCREASES MADE FOR EMPLOYEES IN THE COURT HOUSE

One Deputy in Recorder's Office Will Be Advanced From \$100 to \$120 a Month.

While the unofficial news came as a sort of Christmas present to a number of county employees that certain rises in salaries had been agreed upon, the final revised order was made known Friday.

One deputy in the recorder's office will gain \$20 every month instead of \$100, and another will receive \$100 instead of \$80. Two deputy county clerks will receive \$110 instead of \$100; two others will receive \$130 instead of \$115; two will have \$120 instead of \$105.

A clerk in the circuit court will receive \$10 increase from \$115, as do the four janitors of the county house. The superintendent of the county jail has his salary increased from \$75 to \$90 a month. One jail elevator operator passes from the \$45 to the \$60 division, and another from \$80 to \$90.

The superintendent of properties will hereafter take four fifty-dollar bills in his monthly pay envelope instead of three. The engineer of the court house is likewise fortunate in being alive and has \$200 instead of \$150. The officers of the forest, however, get a raise along the line. The four game takers have gained \$10 a month on their former salaries of \$125; the four pilots get \$10 increase from \$115, as do the four janitors of the county house. The engineer of the court house is likewise fortunate in being alive and has \$200 instead of \$150.

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SECRETARY BAKER FIRM IN HIS OWN DEFENSE

(Continued from Page One)

Secretary Baker, explaining the reorganization of the war department, declared that the organization up to January 1, 1917, was "impossible" in that it laid a mass of detail on the secretary of war.

At the present time Secretary Baker said the ordinance and quartermaster's departments are being coordinated under the power of the war council.

"Do the functions of the war council duplicate those of the general staff?" asked Senator Chamberlain.

"I think not; the general staff advises on technical military matters, the war council deals with the needs of the army in the field," answered Secretary Baker.

Departments Well Up
"Do you think General Crozier's department and General Sharpe's department are up to standard?" asked Senator McKellar.

"Their work is of a very high standard," answered Secretary Baker.

Secretary Baker said the present organization of the ordinance department has been greatly improved since April 1.

Senator Weeks asked Baker why 1200 machine guns now held by the war department had been distributed.

The secretary replied that they were being distributed now.

Senator McKellar entered a vigorous protest against the continuation in government service of Vice Chairman Eisenman of the Defense Council's committee on supplies.

Baker, in response to questions, said he understood that General Goethals was to draft Eisenman into the quartermaster's department when the committee went out of existence.

"I wish to go on record as opposed to keeping Mr. Eisenman in the government service," said McKellar. "The revelations in this committee have been such that I don't think he ought to be employed."

Baker said that the protest would be carefully weighed.

His 'First Papers' Only Dog License Good in Illinois

When Emil Bloomer, a Belgian, came to the United States some years ago he applied for citizenship papers in a city hall office of a town in Illinois and an alleged joker presented him with a dog license.

Since then he has been the belle of the town and a regular adopted nephew of Uncle Sam and not until Friday was he rudely awakened to the truth.

He had lost his "credentials" and had written to officials in the Illinois city for evidence by which he might prove he was a citizen.

A dog license record was sent him and he rushed with all haste to the federal court and told his troubles to Deputy Clerk Buck. He then swore to his intention to become a citizen.

Watch, Wallet and Photo Stop Bullet

San Diego, Cal., Jan. 12.—(I. N. S.)—The fact that he had a watch, wallet and a packet of pictures in his inside coat pocket saved the life of Herbert Smith, a sergeant in the United States army stationed at Fort Rosecrans, who shot himself while in the lobby of a downtown hotel Friday.

Smith was turned over to the military authorities. The soldier was recently married to a 19-year-old girl, from whom he has since separated and is believed to be the cause of his act.

IMPORTER OF LIQUOR FINED \$35; WOMAN IN AFFAIR IS TO GO HOME

The mystery of the phantom airplane of Oregon has been cleared.

Soon after America's declaration of war on Germany report after report that a mysterious airplane had been seen hovering over the towns and countryside of Eastern Oregon came filtering into the office of United States Attorney Reames.

Flashes of its lights were seen at night and some people reported that they heard the whir of its motors.

Most of these gossamer rumors were from the vicinity of Pendleton. Reports that the supposed airplane was that of a German spy or of a ring of bootleggers were cause of perplexity to federal authorities.

At the close of detailed investigation recognition of the cause of the reports has been taken by Assistant United States Attorney Beckman.

It has been learned that the "airplane" was an automobile.

North hill, near Pendleton, is where the air machine was supposed to have been seen the most. Autos in traveling to a cave in the road at the top of the hill projected the rays of their lights into the air for an instant causing a peculiar oscillating effect.

The car was driven by a man coming to the lowland from the top of the hill is said to have resembled an airplane's whir.

Bank Clearings Show Big Increase

Portland bank clearings for the week ending today total \$18,901,018.18, compared with \$15,465,821.18 for the same week in 1917. The gain over last week is appreciable and gives promise of an increasing prosperity for 1918.

The dollars are starker dollars. Invest in War Savings Stamps. They pay interest.

ABLEBODIED MEN WHO REMAIN IDLE ARE TO BE MADE TARGETS

Employers' Association of Washington Asks Legislation Making Idle Criminal During War.

Whereas, the successful prosecution of the war depends upon the continuous utilization of all the man power of the country, the Employers' Association of Washington has petitioned the governor of the state of Washington to call a special session of the legislature for the purpose of enacting a law making it a criminal offense during the continuance of the present war for any able-bodied man, having attained his majority, to remain willfully idle, as other states have already done.

Defining the purpose of the resolutions, F. B. Hubbard of Centralia said: "The purpose of the resolution adopted by the Employers' association is twofold. In the first place every ounce of American energy must be directed to the production of war necessities, and at the same time we must produce sufficient food to support our own people at home. The idlers who refuse to work are being supported by the people who are working. They produce nothing and are only a drain on the productive sources of the nation. There is no reason for any man remaining idle in the state of Washington today. There is work for every man and at the highest wages ever known in this country. Any one who is idle now is idle from choice."

The second important reason for the enactment of such law as proposed by this resolution is the effect it will have upon the promulgation of disloyalty. The congregating places of these idlers are breeding places of treason, sedition and anarchy. These men should be compelled to go to work.

Delegates Go to W. O. W. Meeting

Eighteen Northwest Men in Party Leaving Portland This Morning in Special Car for Denver Special Session.

A party of 18 delegates to the special assembly of the World, left for Denver this morning over the Union Pacific in a special car. The objects of the special trip were to discuss the financial support of members who have gone to the front in defense of our country. A number of delegates came from Washington points and from outside Oregon cities.

The delegates are as follows: From Portland—Fred W. German, Dr. A. J. Harris, J. L. Wells, J. J. Jennings, K. Kreuder, J. W. Boothe, J. O. Wilson.

The outside delegates were—Joseph Elair, Vancouver; R. McMurphy, Eugene; F. M. Sexton, The Dalles; J. F. Brown, Walla Walla; M. H. Hancock, Centralia; George B. Dent, Bellingham; L. S. Geer, Salem; W. T. Macy, McMinnville; F. P. McDewitt, Pendleton; W. T. Taylor, Oregon City; E. C. Kirkpatrick, Dallas.

AIRPLANE 'MYSTERY' IS CLEARED UP WHEN UNCLE SAM GETS BUSY

Lights From Automobiles Passing Over Grade Held Responsible for Many Reports.

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The Thrifty Youth

Is the noblest possession of the home. He is the delight of the father and the joy of a mother's heart. He is not found among the prisoners at the bar, nor with the incorrigible in a reformatory. In manhood he is the prize which is sought by the state, and the honors of the nation are showered upon his head.

COUNSEL YOUR SON TO THRIFTINESS,

And you will bestow upon him a treasure which cannot be bought with gold! And that which applies to your boy applies with equal force to the daughter of your life. If you have yourself practiced this precious habit, then this Big Bank will not speak to you in vain. If, perchance, you have not, we know without asking, you often have regretted you were not counted among the number which saved in their youth for the hours of age and helplessness.

OLD AND YOUNG, BEGIN TODAY!

It never is too late, and this Bank is anxious to help you. In truth, it will pay you for the privilege. It will care for your savings, and PAY YOU INTEREST ON YOUR MONEY WHILE IT IS LEFT WITH US. This is the conscientiously worked out plan of our

WEEKLY SAVINGS CLUB

As yet if you are not a member of this organization, you ought not to neglect it longer. You should come in at once. You will find yourself in good company. It is men and women and boys and girls of character who unite with us. They have a resolute purpose to better their condition—and, believe us, they will succeed.

HOW TO BECOME A MEMBER

Look over the different classes in the following table and select the one or ones you wish to join. Come to this bank and make the first deposit. This will make you a member. You will receive a Bank Book—free—one for each and every class that you join. Your deposits will be regularly marked in these books. Anybody—old or young—may join any of the following classes:

Class 1. By paying 1 cent the first week, 3 cents the second week and increasing 1 cent each week for 50 weeks, you will get \$25.00 and interest.

Class 2. By paying 2 cents the first week, 4 cents the second week and increasing 2 cents each week for 50 weeks, you will get \$50.00 and interest.

Class 3. By paying 5 cents the first week, 10 cents the second week and increasing 5 cents each week for 50 weeks, you will get \$125.00 and interest.

Class 4. By paying 10 cents the first week, 20 cents the second week and increasing 10 cents each week for 50 weeks, you will get \$250.00 and interest.

Class 5. By paying 25 cents a week for 50 weeks, you will get \$125.00 and interest.

OUR CLASSES ARE RAPIDLY BUILDING UP

The boys and the girls and many fathers and mothers are coming in. They are sowing the seed which will germinate into future independence. The money deposited now will continue its accumulations so long as it is left with us, resulting in a day when the depositor

Will Not Have to Toil and Save for an Existence on Earth!

Our Clubs are open and ready to greet you now. You will receive a cordial welcome if you call, and will be faithfully and generously cared for if your deposits are sent in by mail.

OPEN SATURDAY EVENING FROM 6 TO 8 Laborers Pay Checks Cashed Without Charge

State Bank of Portland

Formerly Scandinavian-American Bank

Resources Over \$2,000,000.00

363 Morrison St., Portland, Oregon