

REVENUE RULES ALLOW DEDUCTION FOR 'BAD DEBTS'

Taxpayers Are Advised to Use Extreme Care, However, in Setting Out Facts in Each Instance

Collector of Internal Revenue Milton A. Miller has been called upon lately to explain just what is meant in the income tax statement by the allowed deductions for "bad debts." He announced today that prospective taxpayers must exercise great care in claiming these deductions, because otherwise they may find themselves in difficulties.

"Before making any deduction for bad debts on an income tax return, the taxpayer should make sure that he is entitled to do so, and that the bad debts are such as are clearly deductible items," Miller said.

"Just because the personal income tax form provides spaces in which to claim an allowance against income for uncollectable debts does not mean that the taxpayer may search his memory for a flock of personal loans and put them down on his return.

"The space in Block A for bad debts is for use only by business and professional men who are entitled to adjust their income, and such adjustment can be made only in cases where certain accounts have been included in the gross income and have since, during the taxable year, been found to be uncollectable.

ADJUSTMENT IS PERMITTED
"In other words, only those who report their gross income on the accrual basis, that is, include their entire sales or charges, are entitled to an adjustment to cover sales or charges that have been definitely determined to be worthless. A return on the basis of cash receipts and disbursements must not show a deduction for worthless debts, for the taxpayer has shown income only on the accounts which have proven to be good.

"Arbitrarily 'writing down' debts or bills receivable is not tolerated by income tax. Such anticipated losses, which the reserve for bad debts constitutes, are wholly contrary to the spirit of the law. The individual debt itself, together with the circumstances in respect to its becoming worthless, will alone be taken into consideration when determining whether it is deductible.

RECOVERIES PROVIDED FOR
"One other fact with respect to uncollectable accounts is emphasized by the internal revenue officials. That is that any bad debt charged off and later recovered is taxable income for the year when recovery is made.

"Indebtedness may arise, not only in a business or profession, but also through bonds, notes, loans, mortgages and other items of indebtedness, wherein the assets of the taxpayer sustain an actual determined loss. In these latter items any actual losses sustained by an individual may be claimed as a deduction as item 5, Block 1, of his return.

FACTS MUST GOVERN

"As to notes, loans, etc., which a taxpayer deems uncollectable, the facts in each case will determine whether they are proper deductions. They must be ascertained to be worthless and must be charged off as an asset within the year. If a debt is forgiven it cannot be deducted, for it thus becomes a gift and as such does not constitute a deductible item.

"In the case of a loan to a relative or close personal friend, its character as a true debt must be proven, if any deduction is claimed when it becomes worthless.

"Worthless debts arising from unpaid wages, salaries, rents or similar items of income will not be allowed as a deduction unless the income such items represent has been included in the return of income for the year in which

Siberian Exile Did No Good He Turns Burglar; Gets Jailed

Twelve years as an exile in the wilds of Siberia under guard of Russian taskmasters did not make of Sam Paus, alien Russian, a law abiding citizen. In the circuit court Wednesday, Paus was sentenced by Judge McCourt to serve 10 years in the Oregon state penitentiary on charges of burglary and robbery.

Unless the immigration authorities cause his deportation to Russia, he probably will serve his sentence as ordered, so that, as Judge McCourt put it, the intervals of crime might be as far "apart as possible."

Medford Region Is Excited Over Rumor Of Oil Prospects

Medford, Feb. 18.—Excitement has developed south of the Siskiyou, according to word received here, over oil prospects.

On December 20, Paus entered the home of Mike Elias in the Lake street district of the north end. Instead of robbing, however, he encountered Elias and two friends, who overpowered him and caused his arrest.

Paus is said to have told the prosecuting attorneys he had been convicted of participating in a bomb outrage in Russia many years ago, which led to his exile to Siberia. He escaped, he said, after 12 years in the penal camps, coming directly to America, where he has since resided. Most of the time since his arrival has been spent in various prisons.

Much land on the south side of the mountains and many farms between Hilt and Ager, Cal., are under lease. The California Oil Development company, said to be controlled by the Shell company, is planning to sink four wells and spend \$250,000 in exploring the field.

Four companies are in the field about Medford and drilling is expected to begin March 1.

Weds Witness to Escape Jail, but He's Not Yet Free

Joe Sagala, charged with violation of the national prohibition act, the witness to escape prosecution by marrying the government's chief witness.

So Mamie Wells, declared by revenue officers to have assisted Joe in his alleged business of possessing and selling liquor, was married to the defendant last Monday, while he was free on bail. It was learned Wednesday. The idea was to avail themselves of the statute which provides that a wife shall not testify against her husband.

But Joe, anyway, must face prosecution. The revenue officers say that when they arrested him at 613 East Sixth street on February 12, they got enough evidence to make a showing in court, even without Mamie.

Flu and Smallpox Prompt Close Up Orders at Dallas

Dallas, Feb. 18.—Upon orders of B. H. McCallon, county health officer, the schools, theatres, and all other public gatherings have been closed because of the increasing prevalence of influenza and smallpox. No deaths have occurred here, but two women died at Falls City and two at Hoskins, a logging camp, during the past week, all due to influenza.

Walter Williams, cashier of the Dallas National bank, and a brother of R. E. Williams, Republican national committeeman, has resigned as a member of the Dallas city council from the Third ward.

Casts of Valuable Historic Specimens Received at O. A. C.

Oregon Agricultural College, Corvallis, Feb. 18.—The department of history of the college, under Professor J. B. Horner, has received 26 plaster casts of historic subjects, loaned by the Oregon Historical society. They constitute some of the most valuable reproductions of archeological specimens thus far discovered in Oregon. Mortars, pestles, knives, arrowheads, animals and human relics are included. Taken in conjunction with the ancient stone photographs along the Columbia and other rivers, these specimens are expected to reveal valuable information concerning the habits and the lives of the earliest inhabitants of Oregon.

Two "old grads" of O. A. C. have been appointed county agents in the state of Oregon. Roy Edward Miller has been named in Josephine county. Since 1917 Miller has been director of the Idaho Technical institute at Pocatello. D. L. Jamison has been appointed in Deschutes county.

It Costs You Less to Buy Here Because It Costs Us Less to Buy

NEW Afternoon Frocks Of TAFFETA and GEORGETTE

The correct thing for all occasions this season is an attractive and charming dress of taffeta or georgette. Frocks of taffeta are finished with the crispest of ruffles and outstanding tunics while the softness of the georgette is trimmed with artistic bead flower motifs in contrasting colors. Shades are black, navy, copen, taupe, brown and rose.

\$19.75 \$24.75
\$17.50 \$27.50

CLEVER SPRING COATS

The popular coat for early spring wear is of velour or the new Polo cloth in short or three-quarter length. The models we are now showing are especially attractive with their narrow leather belts and distinctive pockets.

\$22.50 and \$37.50



Silk Sales for February

36-inch silk mixed poplin, especially attractive, is priced at.....\$1.25
36-inch black messaline, for afternoon and evening frocks, is.....\$1.95
36-inch taffeta in black, of a wonderful quality, is priced at.....\$1.95
36-inch satin in black, of a high lustre, especially priced at.....\$2.49
34-inch silks in skirt length of varying color combinations, is.....\$5.75
34-inch Krinkle Surface material for new sports skirts, is.....\$5.75

SALE OF WINTER WEIGHT COATS

A final clearance of fabric coats of velour, 1/2 Price Some completely lined and all a wonderful value at this reduced price.

Final Clearance of Serge and Pongee Dresses

Dresses of navy serge with white collars and cuffs; others of tan pongee, \$8.95 made in Billie Burke styles; all unusually reduced and of a splendid value.



Children's Gingham Dresses \$1.95

You have never seen more charming little school dresses than these of bright colored gingham in plaids and plain colors. The patterns are unusually different and attractive. In sizes 6 to 14 years.

Petticoats 1-4 Less

Petticoats of taffeta, silk jersey and cotton mixtures, made with elastic belt and ruffled flounce. There are only a few of the silk jersey skirts left, so it will be wise to shop early for them.

Sweaters \$6.95

Always desirable are the slipper sweaters. We are showing several new and distinctive patterns in these sweaters in shades of American Beauty, salmon, buff and turquoise.

Blouses \$4.95

Blouses of crepe de chine and georgette that are really splendid values are offered at this reasonable price. When these are gone, there will be no others to take their place.

Draperies That Will Brighten Your Home

With the coming of the spring days of rejuvenating the home you will surely want to renew your draperies and hangings.

Terry Cloth \$1.49

36 inch Terry cloth that has just been received and that affords a great variety of choice. Comes in paneled and flowered effects.

Sun Madras \$1.25

There are the most exquisite patterns and colors in this 36 inch fast colored material. In all the shades that you will find most attractive.

Store Hours: 9:15 to 5:45 Saturday to 6:00

THE STORE THAT SAVES YOU MONEY

Shanahan's INCORPORATED

THIRD & WASHINGTON STS.
HENRY J. DITZER, Mgr.

New and Artistic Spring Millinery \$5 and \$10

FREE

THIS WEEK ONLY
At the Stores Named Below
A 10-Day Tube of Pepsodent

Tartar on Teeth

Shows That You Don't Clean Them—Note These Facts

All Statements Approved by High Dental Authorities

This is to men and women who find that brushed teeth discolor and decay. Who find that tartar forms, or pyorrhea starts. You are not keeping teeth clean. You let a film remain and the damage is traced to it.

Dental science has found a way to end film. It is now embodied in a dainty tooth paste which millions are employing. We urge you to try it ten days at our cost and see the results for yourself.

That Film on Teeth Can Now Be Ended in This Way

You can feel on your teeth a slimy film, ever-present, ever-forming. That film is the great tooth wrecker. Dental science now traces nearly all tooth troubles to it.

The film clings to the teeth, gets between the teeth, enters crevices and stays. The tooth brush does not end it. The ordinary dentifrice does not dissolve it. So millions find that teeth discolor and decay despite the daily brushing.

Why Teeth Discolor

That film is what discolors—not the teeth. It is the basis of tartar. It holds food substance which ferments and forms acid. It holds the acid in contact with the teeth to cause decay.

Millions of germs breed in it. They, with tartar, are the chief cause of pyorrhea.

Dental science, after years of searching, has found a way to combat film. Many able authorities have proved its efficiency. For five years it has been subjected to every sort of clinical and laboratory test.

Now, for home use, it is embodied in a dentifrice called Pepsodent. Leading dentists all over America are now urging its

adoption. This week we offer a 10-Day Tube to anyone who asks. And we urge that someone in every home prove its unique effects.

Based on Pepsin

Pepsodent is based on pepsin, the digestant of albumin. The film is albuminous matter. The object of Pepsodent is to dissolve it, then to constantly combat it.

Pepsin long seemed impossible. It must be activated, and the usual agent is an acid harmful to the teeth. Dental science has now discovered a harmless activating method. And now everyone can fight the film with active pepsin constantly.

See What It Does

Present the coupon for a 10-Day Tube. Use like any tooth paste. Note how clean the teeth feel after using. Mark the absence of the slimy film. See how teeth whiten as the fixed film disappears.

Watch the results and read the reason for them. Compare this new method with the old. Then adopt for yourself and have your children adopt the method which seems best. This is of lifetime importance to you. Cut out the coupon so you won't forget.



Look Now

That film, to some extent, clouds nearly every set of teeth. And most tooth troubles are now traced to it!



Look in Ten Days

See how the teeth whiten—how they glisten—as the fixed film disappears. Then you will know there is a way to cleaner, safer teeth.

Pepsodent PAT. OFF.
REG. U.S.

The New-Day Dentifrice

A scientific film combatant, certified by high authorities and now urged for daily use by leading dentists everywhere.

The Stores Named Below Will Supply the Free Tube on This Coupon

MEIER & FRANK CO.—Alder and Morrison, between Fifth and Sixth.
FRANK NAU DRUG CO.—Sixth and Alder.
OLDS, WORTMAN & KING—Morrison and Alder, between W. Park and Tenth.
WOODARD, CLARKE & CO.—Alder and West Park.

10-DAY TUBE FREE

Present this coupon, with your name and address filled in to any store named. It is good for a 10-Day Tube of Pepsodent.

Your Name.....

Address.....

Out-of-town residents should mail this coupon to The Pepsodent Company, 1104 So. Wabash Avenue, Chicago, and the tube will be sent by mail.

OREGON JOURNAL, PORTLAND, OREGON



Elaine Hammerstein

IN

'Greater Than Fame'

A stirring analysis of a woman's deepest emotions. Her desires, ambitions, sympathies—Her love, grief, joys, temptations.

A CLASSIC OF THE SCREEN

Beautifully interpreted by an exquisite musical setting arranged by PHILIP PELZ

Conducting Peoples Augmented Orchestra

Saturday

EUGENE O'BRIEN

in

"SEALED HEARTS"

Peoples

Peoples

Peoples

Peoples

Peoples