

WORLD HAPPENINGS OF CURRENT WEEK

Brief Resume Most Important
Daily News Items.

COMPILED FOR YOU

Events of Noted People, Governments
and Pacific Northwest and Other
Things Worth Knowing.

British casualties reported in December reached a total of 79,527.

A dispatch to Reuter's Limited from British headquarters says the Germans are experiencing difficulty in maintaining efficiency in their air service on the western front.

One of the forts in Kronstadt, the naval base near Petrograd, has been blown up by an extremely violent explosion, according to a Petrograd dispatch to the London Times.

Coal producers supplying army cantonments and camps were notified Wednesday by the fuel administration that in no circumstances must they allow the posts to become short of fuel.

H. R. Gladback, of Fort Wayne, Ind., civilian aviation instructor, and Cadet R. A. Saguin, of Rouse's Point, N. Y., were killed when their machine fell 300 feet Wednesday afternoon at San Antonio, Texas.

In the Monte Tomba region on the Italian northern front the French have captured many positions between Osterai di Monferena and Marankine, the war office announces. They also captured about 1400 men and 60 machine guns and seven cannon.

Lighthouse service employees who have been transferred to the service of the War and Navy departments are to be regarded as part of the country's defense forces during the war and so are entitled to war risk insurance, according to a new ruling.

Earl Rogers, editor of the Nome, Alaska, Industrial Worker, and five members of the editorial board of the publication, which is owned by the Miners' unions, were arrested Tuesday for alleged seditious articles, which, it is charged, appeared in the Worker.

The British now have four strong positions interposed between the enemy and Jerusalem instead of the one that existed before the recent serious Turkish attempt, with German assistance, to retake the city, says Tuesday's London War office statement on the Palestine operations.

Five German airplanes were destroyed or put out of action Tuesday by the British, who lost none of theirs. "Two hostile machines were brought down in our lines," says an official statement. "A third was brought down in the enemy's lines. Two other hostile machines were driven down out of control. None of our airplanes is missing."

Permission has been given by the Paris municipal council for the holding of art exhibitions in the Petit Palais in the Champs Elysses. The Grands Palais, where the exhibitions usually are held, is occupied at present as a hospital. Both the old and new salons are likely to be held this season for the first time since the beginning of the war.

Traffic on American railroads passed the \$4,000,000,000 mark during the past year for the first time in history, according to figures compiled by the bureau of railway news and statistics, made public Wednesday. The figures are based on official returns to the Interstate Commerce commission for the first 10 months of the year and on estimates of the last two.

Minneapolis mills have begun grinding "war flour," under the new government regulations designed to save 16,000,000 bushels of wheat in the present crop year. Under these regulations, which provide for the use of 74 per cent of the wheat berry instead of but 50 per cent, two grades of flour will be eliminated and the output will be listed as war flour of first and second grades.

Cadet A. Davidson, an American aviator, was killed at Hicks Field, Fort Worth, Texas, Thursday, when he fell 700 feet while making his first attempt at a spiral descent.

Shipyards in the San Francisco Bay region will construct a total of 600,000 tons of wood and steel vessels in 1918, according to a report sent to Edward N. Hurley, chairman of the United States Shipping board, by Attorney Gavin McNab, after a conference with shipbuilders.

RIFLES PROMISED ALL

General Crozier States Complete Supplies Will Be On Hand Within Month—Blame is Placed.

Washington, D. C. — Complete supplies of rifles within a month for all American forces under arms were promised Wednesday by Major General Crozier, chief of ordnance, testifying before the senate military committee. Springfield for every regular and National guardsman will be ready before February 1, he said, and the manufacture of remodeled Enfields for the First National army will be finished in a week.

As to machine guns, the General said, a full supply of American make should be ready by July 1, next. Rifles for the next draft, he declared, would be on hand before the men were in camp. In reply to assertions made recently by other witnesses that the allies had furnished heavy guns to the American expeditionary forces only because the Americans were worse off than they, the General submitted official documents to prove that England and France voluntarily offered to provide cannon, their output having developed to the point where a surplus was being produced.

General Crozier refused to shoulder responsibility for the failure to equip the army adequately with ordnance before the war. He said it belonged to the country and cited the refusal of the Secretary of War and congress in the past to appropriate for "modest" ordnance programs.

The General vigorously defended his course in regard to the Lewis machine gun. He gave the committee the record of the various tests to which the gun was put and reports of the army experts to show it had been demonstrated to be a satisfactory weapon until April, 1916, after which orders for them were given by the department.

RESOURCES EQUAL DEMANDS

Trade Balance Shows United States Has Plenty of Sinews.

Washington, D. C.—America's exports were estimated Tuesday at the Department of Commerce to have passed the \$6,000,000,000 mark in 1917, a new high record. Imports were less than \$3,000,000,000 and the trade balance in favor of the United States probably will be more than \$3,150,000,000.

The country's gold supply showed less increase than last year because of the substitution of credits for cash in handling allied purchases after the United States entered the war. Imports of gold in March amounted to \$139,000,000, but in November were less than \$3,000,000. The total for the year was estimated at \$537,000,000, compared with \$686,000,000 in 1915.

Exports of gold showed a heavy increase over the preceding 12 months, due chiefly to the large movement to Japan, Spain and South American countries. The total was estimated at \$374,000,000, compared with \$155,000,000 last year.

The trade balance of more than \$3,000,000,000 with the country at war was regarded by officials as the best evidence that this country has the economic resources necessary to defeat Germany.

WILSON AT SHIPPING BOARD

Plans for Speeding Up Construction Work Please President.

Washington, D. C.—President Wilson Monday paid a personal visit to the offices of the Shipping Board and conferred for half an hour with Chairman Hurley. He left apparently well pleased with the way affairs are going.

Mr. Hurley outlined to the President the board's plans for speeding construction by putting into shipyards double and triple labor shifts and other measures for hurrying the work. The board has just arranged for installing electric lighting systems in all yards to make night work possible and is about to start its campaign for obtaining additional labor from other industries.

The board will use the services of the committee on information's four-minute men who, speaking in theaters in all industrial centers, will urge men to enter the shipyards to render patriotic service to the government.

A committee of six experts will be sent by the board to the Pacific Coast yards to study means of speeding construction.

Italians Laud Red Cross.

Rome — Queen Helena Wednesday telegraphed to the Red Cross committee at Genoa in the name of the king as well as herself, an expression of appreciation of its work in opening a canteen there.

The message says all classes of the people are grateful to the Red Cross and that the desire has been expressed by many to send greetings for the New Year to their benefactors from the United States.

FARMERS WHO ARE TO PAY INCOME TAX ARE NUMEROUS

Officials Will Visit Every County in U. S. to Check Returns Which Must Be In By March 1. Penalties are Prescribed for Failure to Make Reports.

Washington, D. C. — "How many farmers in the United States will pay an income tax?"

This is a question not yet answered by government officials.

There is one thing, however, of which they are certain. The farmer class forms a large percentage of the 6,000,000 persons assessed under the War Revenue Act of October 3, 1917, who never before have paid an income tax.

The year 1917 was a prosperous one, especially for the man who makes his living from the land. Crops were plentiful and good prices prevailed. Therefore, the farmer, like other good Americans, is called upon to pay his proportionate share, in the way of an income tax, of the cost of the war.

The estimated revenue to be collected within the next twelve months under the War Revenue act is \$2,500,000,000. Of this \$660,000,000 is in individual income taxes. The man who thinks to evade this tax is making a serious error. Revenue officials will be in every county to check returns. Failure to make a correct return within the time specified involve heavy penalties.

Every unmarried person having a net income of \$1000 or more and every married person or head of a family having a net income of \$2000 or more must file a return. These returns must be in the hands of the collector of internal revenue in the district in which the taxpayer lives or has his principal places of business between January 1 and March 1, 1918. The period of the return is for the calendar year 1917.

The average farmer does not keep books, but if he avails himself of the services of government experts who will be sent to aid him, it will not be difficult for him to ascertain the amount of his net income.

"Net income" means gross income less certain deductions provided for by the act. The law defines income as profit, gain, wages, salary, commissions, money or its equivalent from professions, vocations, commerce, trade, rents, sales and dealings in property, real and personal, and interest from investments except interest from government bonds, or state, municipal, township or county bonds. Income from services as guardian, trustee or executor; from dividends, pensions, royalties, or patents, or oil and gas wells, coal land, etc., are taxable.

The normal rate of tax is 2 per cent on net incomes above the amount of exemptions, which is \$2000 in the case of a married person or head of a family, and \$1000 in the case of a single person. A married person or head of a family is allowed an additional exemption of \$200 for each dependent child if under eighteen years of age, or incapable of self-support because defective. The taxpayer is considered to be the head of a family if he is actually supporting one or more persons closely connected with him by blood relationship or relationship by marriage, or if his duty to support such person is based on some moral or legal obligation.

The farmer in making out his return may deduct depreciation in the value of property and machinery used in the conduct of his farm, and loss by fire, storm or other casualty, or by theft if not covered by insurance. Expenses actually incurred in farm operation may be deducted, but not family or living expenses. Produce raised on the farm and traded for groceries, wearing apparel, etc., are counted as living expenditures and cannot be deducted.

Salaries paid by the state or political subdivision of the state are exempt. A farmer holding the job of county supervisor, for instance, does not have to include his salary in his income tax return.

Deductions may be made for necessary repairs to farm buildings but not

\$50,000 Theft Disclosed.

New York—Louis Davidson, proprietor of a cloth shrinking and finishing works in this city, was locked up in the Tombs prison Saturday night on a charge of embezzling government property.

The arrest was made in connection with the disappearance of 350 bolts of olive drab uniform cloth valued at \$50,000, which for several months has puzzled the quartermaster's department of the army.

for permanent improvements nor for new machinery. The cost of running a tractor or threshing machine may be deducted but not the cost of operation of the family automobile if used as a pleasure car.

Debts ascertained to be worthless and charged off within the year and taxes paid, except income taxes and those assessed against local benefits, are deductible. These and other points of the income tax section of the War revenue act will be fully explained by revenue officers who will visit every county in the United States between January 2 and March 1, to assist taxpayers in making out their returns.

Notice of their arrival in each locality will be given in advance through the press, banks and postoffices.

They will be supplied with income tax forms, copies of which may be obtained also from Collectors of Internal Revenue.

The Bureau of Internal Revenue is seeking to impress upon persons subject to the tax that failure to see their official in no way relieves them of the duty imposed by law to file their returns within the time specified.

The government is not required to seek the taxpayer. The taxpayer is required to seek the government. Persons in doubt as to whether they are subject to the tax or as to how to make out their returns will understand, therefore, that a visit to this official may mean the avoidance of later difficulties.

The penalty for failure to make the return on time is a fine of not less than \$20 nor more than \$1000 and in addition 50 per cent of the amount of the tax due. For making a false or fraudulent return the penalty is a fine not to exceed \$2000 or not exceeding one year's imprisonment or both in the discretion of the court and in addition 100 per cent of the tax evaded.

"FIX" AMERICAN TORPEDOES

German Foreman in Munition Factory Accused of Treason.

New York—Paul Hennig, a naturalized German, who has been employed as a foreman in a Brooklyn factory engaged in the making of torpedoes for the United States government, was remanded to jail without bail in Federal court here Saturday, charged with treason.

Hennig, authorities say, superintended the assembling of the gyroscopes, which control the course of the torpedoes. According to District Attorney France, some of these gyroscopes have been found "maliciously mutilated." This was done in such a way as to render useless the torpedoes in which the gyroscopes were installed.

"Not only would these torpedoes have been worthless as weapons, but it is possible they would have proved engines of destruction for their own users," said the district attorney.

Hennig came to the United States in 1908 and was naturalized in 1916. Naval inspectors, it was stated, have had him under close observation for several weeks, imperfections in the parts of the gyroscopes which were assembled in Hennig's department having aroused suspicion.

The gyroscope, which has been termed "the brain of the torpedo," is of such intricate construction, authorities say, that a defect, which could be detected only by an expert, would divert the missile from its course. In the indictment which was returned by the grand jury, it is charged that Hennig "maliciously and traitorously aided Germany in equipping torpedo gyroscopes with imperfectly fitted bearings and wheels which were found to be cracked."

"Baby Jim" Simons Dead.

Philadelphia — "Baby Jim" Simons, colored, said to be the heaviest man in the world, died here Saturday. He weighed 800 pounds and for years had been one of the sights of circus side-shows. He was 37 years old and is survived by a widow and two small children.

The body will be taken to the former home of Simons in Texas. For its transportation it was necessary to charter an entire freight car.

EARTHQUAKE RUINS GUATEMALA CITY

Many People Killed in Disaster,
in Homes and Streets.

80,000 ARE HOMELESS

American Red Cross Takes Steps to Relieve Distress—\$10,000 Will Be Spent—Many Are Hungry.

San Salvador—Guatemala City, capital of the republic of Guatemala, has been completely destroyed by an earthquake. Many persons were killed in the disaster, some in their homes and others in the street.

The Colon Theater, which was filled with people, collapsed. There were many casualties among the audience. Various hospitals and asylums and the prisons were badly damaged and many patients and prisoners were killed.

The railroad depot, sugar mills, postoffice, the American and British legations, United States consulate and all churches in the city have been leveled.

Deep fissures opened in the middle of the city.

The inhabitants, in panic, have fled from the capital. More than 80,000 persons are homeless. The stock of provisions in the city is scant and aid is required promptly.

The Salvadorean government has suspended the official New Year celebration and entered into mourning in sympathy with Guatemala.

Washington, D. C.—Another earthquake at Guatemala City Sunday virtually destroyed the city. A Navy department report says everything was in ruins and that 125,000 people were in the streets. American naval vessels have been ordered to render assistance.

The series of earthquakes began on Christmas day and culminated Saturday night in violent shocks completed the work of destruction.

Following is the brief dispatch which brought the news of the catastrophe:

"Bad earthquake Sunday finished the work of others. Everything in ruins and beyond description as a result of the shock. One hundred and twenty-five thousand people in the streets. Parts of the country are very cold and windy. Tents are needed badly. Quite a number killed by falling walls."

In response to an appeal for assistance from Alfred Clarke, chairman of the Red Cross chapter at Guatemala City, a preliminary appropriation of \$10,000 has been authorized for the purchase of relief supplies.

Materials for temporary shelters are being assembled, but mildness of the climate in the devastated region minimizes fears of suffering likely to be caused by exposure.

At a Guatemala port large quantities of flour, potatoes, crackers and other staple foodstuffs, as well as disinfectants and stores of galvanized iron for temporary buildings, already are being loaded aboard a vessel to sail for Puerto Barrios, on the east coast of Guatemala.

FUEL WILL SOON BE SCARCE

Government Control of Coal Mines is Freely Predicted.

Washington, D. C. — Government control of mines and conscription of labor were predicted by L. A. Snead, head of the fuel administration's distributing agency, in testifying Monday before the senate committee investigating the coal situation.

Co-ordination of effort is necessary to meet present demands, Mr. Snead said, and he added that he could see no possibility of the production of the 50,000,000 tons the fuel administration estimates the Nation is short this year. Restricted use is the only solution, he declared.

Priority orders for coal shipments might afford some temporary relief from shortages experienced in many parts of the country, Mr. Snead said, but the only solution of the whole problem is adequate and efficient transportation.

Laws May Be Set Aside.

Denver—Notice that it soon would ask the governors of this and other states to set aside, for the duration of the war, laws affecting the hours and conditions of labor of women and children, was given in a letter from the National Council of Defense received Monday by Governor Julius C. Gunter. The letter said this step would be made to apply to war work only and that it was to be taken because "nothing must stand in the way of the war."