

AMERICAN NAT'L BANK CHOOSES YEAR'S OFFICERS

The regular annual meeting of the American National bank, the baby of the city's financial institutions, was held last night and the following elections for the ensuing year took place:

Directors—W. C. Dalton, E. M. Bubb, M. S. West, C. J. Ferguson, G. W. Houston, Marion Hanks, Bert E. Withrow, J. J. Steiger and G. V. Wimberly.

Officers—W. C. Dalton, president; E. M. Bubb and M. S. West, vice presidents and G. V. Wimberly, cashier.

Satisfactory growth of business during the few months that the bank has been opened was reported.

All the finishing touches have been given to the new quarters at Fifth and Main streets and the bank makes a fine appearance. A handsome oak and glass partition extends around the building, separating the departments from the public foyer. This partition is wainscoted in Texas marble, with a base of Vermont marble. The floor is laid with Italian marble tiling. The bare details fall to give adequate description of the richness and convenience of the interior, but the general result is a handsome and properly appointed banking house, convenient alike to bankers and public.

Butte Valley Bank Elects Directors

DORRIS, Calif., Jan. 12.—(Special to The Herald).—The annual meeting of the stockholders of the Butte Valley bank was held today and the following directors were elected: J. D. Waltz, Charles Bernath, John Heyworth, Merrill Evans and William G. Hagelstine. Following the meeting the directors chose the following officers for the ensuing year: J. D. Waltz, president; Charles Bernath, vice president; William Hagelstine, secretary and cashier; Mrs. Mabel Hagelstine, assistant cashier.

A dividend of \$5,000 was declared, and the statement showed that the past year was the most prosperous in the history of the institution.

Marshall Chosen By 2 to 1 Vote

A. L. Marshall was re-elected director of the Klamath Irrigation district yesterday by a vote of approximately 2 to 1. The figures, with one precinct incomplete, stood 115 to 57.

An eleventh hour effort was made by friends to elect Charles Gray, local stock raiser, but the Marshall supporters rallied strongly. The contest brought out a heavier vote than had anticipated would be cast.

The vote by precincts in the Klamath district was:

Precinct	Marshall	Gray
Precinct one	29	0
Precinct two	10	0
Precinct three	5	2
Precinct four	21	2
Precinct five	24	7
Precinct six	26	5*
Total	115	57

*Incomplete.

In the Langell Valley precinct Leslie Boggs was elected over Will Campbell, as director, by a vote of 23 to 17.

Jury Disagrees in Damage Suit Case

The jury in the case of Laura E. Madison against L. O. Mills, U. E. Reeder and B. C. McKimmons failed to reach an agreement, and were discharged by Judge Kuykendall at 3:20 this morning. It is understood that the jury stood eight for the defendants and four for the plaintiff.

GUILD MEETING TOMORROW AT PRESBYTERIAN CHURCH

St. Paul's Episcopal guild will meet tomorrow afternoon at 2:30 o'clock in the parlors of the Presbyterian church. All members of the guild are urged to attend and a cordial invitation is extended to all visiting Episcopalians in the city to be present.

Income Tax Men to Open Quarters Here Feb. 1 to 9

John Wilkinson and G. G. Hewitt of Medford, income tax appraisers, are in the city on a preliminary visit. Mr. Wilkinson stated that their present stay would be short but they will return January 31 and remain until February 9, with headquarters in the chamber of commerce rooms in the American National bank, and be prepared at that time to aid all persons in preparing their statements, explaining all matters pertaining to the tax.

There is little change in requirements this year over last year. An official statement from bureau of internal revenue appears in another column of today's issue.

Only One Smallpox Case at the Fort

A case of smallpox has developed at Fort Klamath and the hotel is quarantined. The patient is the young daughter of a family that recently came from Corvallis. Dr. George Merriman, county physician, stated today that he knew of no other cases, which disposes of the rumor that the town of Fort Klamath is quarantined.

Dr. Soule went to Fort Klamath to look the situation over and vaccinate and exposed persons. The agency physician has been attending the smallpox patient but was taken ill with influenza and incapacitated.

Trio Bound Over on the Charge of Aiding Delinquency

Mike Daly, John O'Connor, and Dick Williams, arrested on complaint of E. J. Johnson on charge of contributing to the delinquency of his daughter, Frankie, a minor, waived preliminary examination today and were bound over to await the action of the Klamath county grand jury. They were released on bonds of \$1,000 each. Daly and O'Connor are farmers, living about two miles south of town, and Williams is a comparative newcomer here.

Y. M. C. A. TO MEET IN VISALIA IN JANUARY

(By Associated Press) VISALIA, Jan. 12.—San Joaquin valley Young Men's Christian Association secretaries will meet in Visalia on January 10th to discuss plans for a valley unity campaign looking to the organization of association activities along lines which will bring together the various county units on several occasions during the coming year. The expansion of the efforts of the Y. M. C. A. from county units to valley activities is said to be the first time in the history of the organization that this work among the younger boys has ever been carried this far.

JAPANESE TAX-PAYERS ON THE DECREASE

(By Associated Press) HONOLULU, T. H., Dec. 28.—(By Mail)—The number of Japanese paying taxes on real property in the territory is on the decrease, according to figures compiled by D. E. Metzger, territorial treasurer. The same figures show that the number of Hawaiian tax payers is on the increase. According to Metzger's figures, during the 12 months ending June 30, 1920, a total of 1015 Japanese paid taxes on real property, while for the year ending June 30, 1919, this number was 1183. In the same periods the Hawaiian tax payers increased from 5878 to 6377.

Committee to Have Charge of the Forum Luncheons Hereafter

Hereafter the weekly forum luncheons will be in charge of a committee headed by W. A. Weist, it was announced at today's forum. Other members are W. O. Smith, Fred Fleet, James Swansen and Dr. T. C. Campbell.

All arrangements regarding speakers, topics, etc., will be in the hands of this committee, relieving the president and secretary who have heretofore borne the burden of conducting the meetings.

CONFIDENCE IN BANK REOPENING IS MANIFESTED

"This bank is in the hands of the state superintendent of banks. There is every indication that this bank is solvent, but owing to heavy withdrawals which have resulted in depleted reserves, it has been forced to close its doors."

The foregoing statement posted upon the doors of the First State & Savings bank this morning by Marshall Hooper, assistant state superintendent of banking, tells the whole story.

Rumors, rife during the past ten days, that the bank was unsound, while apparently without good foundation, caused a quiet run on the institution, as nearly as The Herald can ascertain the facts. Withdrawals of accounts reached a point where the reserve of the bank could not stand the strain and to protect the depositors whose loyalty to and confidence in the bank would not permit them to withdraw, it was found necessary to close the doors.

But this does not mean that the bank is unable to pay dollar for dollar to its depositors and there is every indication that reorganization will be effected in the near future and the bank will reopen.

Mr. Hooper, who with W. M. Adair, state bank examiner, is in charge, said he could not at this time make a detailed statement. He did not enlarge greatly on the posted notice in an interview, beyond expressing a belief in the probability of reorganization. The state law allows 60 days to effect the reorganization.

In banking circles today confidence was generally expressed that the suspension of the First State & Savings is only temporary. Capt. J. W. Siemens, president of the involved institution, is in Portland, and local bankers generally expressed the belief that upon his return he would take the matter of reorganization in hand with successful results.

"I have every confidence that when Captain Siemens returns he will be able to straighten matters out quickly," said Leslie Rogers, of the First National.

E. M. Bubb of the American National and O. D. Burke, president of the Klamath State bank, were equally optimistic in predictions that the First State would emerge from the temporary difficulty.

Under the state banking laws depositors of savings banks are adequately protected. Section 44, paragraph h, dealing with savings banks, says:

In the event of the insolvency or bankruptcy of any state bank doing business within the meaning of this act, depositors of such bank; shall have a first prior lien on all the assets of such bank; and in distribution of such assets or the proceeds thereof, the same shall be first applied to satisfy the amount due such depositors after the payment of expenses of liquidation of any such bank.

Dealing with reorganization of banks, the state law, section 47, paragraph c, applies as follows:

If the superintendent of banks shall discover, upon taking charge of a bank, as herein provided, that such bank is only temporarily embarrassed for want of available funds, that in his opinion such bank's assets are sufficient to pay its liabilities, leaving its capital unimpaired, or if the stockholders of such bank will arrange to make good its capital, if impaired, he may permit the officers and directors of such bank to arrange with its depositors and creditors for extension of time for payment of said depositors and creditors and the resumption of business by said bank. And when the superintendent of banks shall be satisfied that the capital of said bank has been made good and that it is solvent and has funds on hand with which to meet the demands made on it in the ordinary way, and that it has arranged with its depositors and creditors for such extension of time as to enable said bank to realize on its

SUP'T STUDIED BANK PROBLEM FOR TWO WEEKS

(By Associated Press) SALEM, Jan. 12.—The First State & Savings bank of Klamath Falls today was closed by Frank C. Bramwell, state superintendent of banks, who announced his department took this action because of the depleted reserve of the bank.

Bramwell said he had been watching the situation for two weeks, endeavoring to find a way out of the difficulty for the bank. Further action depends on the developments resulting from an examination of the bank which is now under way, said Bramwell.

The bank has a capitalization of \$100,000, a surplus of the same amount, and deposits amounting to about \$1,250,000. Captain J. W. Siemens is president.

Marshall Hooper, assistant state bank superintendent, and W. M. Adair, state bank examiner, are at Klamath Falls and at midnight last night Superintendent Bramwell telephoned Hooper to close the bank this morning.

Composer Will Hear His Song Sung at the Chicago Auditorium

Frank B. Robinson, of this city, who recently wrote a sacred song entitled "Take Thou My Hand," left for Chicago yesterday morning in response to a wire from Chicago publishers who want him to sign a contract for its publication. This song has already been sung in the Chicago auditorium, and will be sung again Sunday, and apparently has made a tremendous hit in musical circles there.

Mr. Robinson's song, "Would a Little Bit of Love Make Life Seem Sweeter," has also been purchased by Chicago publishers, according to information received from him, and he states that the publishers have contracted to publish all his song productions on a royalty basis.

WILL INCREASE SIZE OF STANFORD DORMITORY

(By Associated Press) STANFORD UNIVERSITY, Cal., Jan. 12.—Plans for proposed addition to Encina hall, one of the men's dormitories here, for the purpose of providing dining room accommodations for 400 students, have been approved, and work on the structure will commence shortly.

The new building will be a one-story structure extending the length of the present hall, and connected with each of the present rear entrances. There will be six dining rooms, with intervening courts, with a capacity of about 40 each, and two large dining rooms. The dining rooms will be arranged with courts between them in such a way as to afford abundant windows for light and ventilation.

assets to meet such obligations, he may at any time within 60 days after taking charge of such bank permit same to resume business.

The First State & Savings bank has the reputation throughout Oregon of being under the management of conservative men, well grounded in local financial needs. Its capitalization is \$100,000, with a surplus of the same amount.

Deposits on the last statement were shown at approximately \$1,400,000, with loans of approximately the same amount outstanding. Since the statement was issued there has been a shrinkage in deposits, and the present total is about a million and a quarter dollars. The loans have been cut correspondingly by payments, it is understood.

Besides Capt. J. W. Siemens there are interested in the bank such well-known men as Ed and George Bloomington, Dan Murphy, Fred Garich, and others of high local standing. Captain Siemens is absent in Portland and his son was not at the bank today, therefore no statement was obtainable from either.

Union Hi School Forced to Move By the Zero Weather

MALIN, Jan. 12.—Monday was moving day for the Union high school, which left the cold Malin hall and moved into a small building near the bank. The new headquarters was built by A. Kalina for use as a barber shop, but has never come into its own yet.

The triumph of the recent zero weather over necessitated facilities of the hall necessitated the change which has proven entirely satisfactory to the school.

RUSTY VOICES LIMBERED UP

"Take your neighbor by the hand call him by his first name and tell him you're glad to meet him. Show him you're interested in his welfare. He'll reciprocate and you've no idea how the community interest will be advanced."

Having elucidated to the foregoing effect how the community service works, H. W. Arbury, who is here interesting local people in trying the plan, demonstrated it to the members of the chamber of commerce at the weekly luncheon at the Rex today, and had all those present grasping hands around the table to the tune of "Hello, neighbor."

Friday evening at the new chamber of commerce rooms under the American National bank, there will be a social gathering to which the entire community is invited, and fuller details of the community service plan will be given, while its actual workings will be revealed in social contact.

The demonstration at the forum luncheon today created a great deal of enthusiasm. Voices grown rusty from long disuse were limbered up in a series of catchy songs, apparently to the general benefit.

Petition out to Raise Salary of Co. Superintendent

A petition asking the state legislature to raise the salary of the Klamath county school superintendent from \$1500 to \$2400 a year, and the annual expense allowance from \$300 to a maximum of \$1,000, was launched at the chamber of commerce forum today and signed unanimously.

It was said by W. A. Weist, who introduced the petition, that the present salary might result in the resignation of the present superintendent, Miss Twyla Head, and that it would be impossible to fill the vacancy.

The petition will be generally circulated before being transmitted to the legislature.

3,000 Sign Better Sires Campaign

The Better Sires campaign recently passed the 3,000 mark. Altogether 3,210 persons have agreed in writing to breed all live stock kept on their farms to purebred sires only. It is one of the results thus far accomplished by the United States department of agriculture, in co-operation with the state and county agents, in a systematic campaign begun only 14 months ago to exterminate scrubs—especially scrub sires—throughout the United States. Breeders and owners of all classes of live stock and poultry are co-operating in the effort which eventually will mean a higher quality average of the country's live stock.—Agricultural Department Bulletin.

BIG BUILDING YEAR FOR SAN FRANCISCO

SAN FRANCISCO, Jan. 12.—San Francisco last year registered the largest amount of building since the exposition year of 1915. Building operations for the year embraced 5626 permits issued by the board of public works, entailing an expenditure of \$28,720,992, compared with \$15,163,342 in 1919. Construction in 1921 will include a \$5,000,000 Standard Oil building and a \$3,750,000 federal reserve bank building.

WHAT WAS YOUR 1920 INCOME? TAXES NOW DUE

INCOME TAX IN NUTSHELL.

WHO—Single person who had net income of \$1,000 or more for the year 1920.

Married couples who had net income of \$2,000 or more.

WHEN—March 15, 1921, is final day for filing returns and making first payments.

WHERE—Collector of internal revenue for district in which the person resides.

HOW—Full directions on Form 1040A and Form 1040; also the law and regulations.

WHAT—Four per cent normal tax on taxable income up to \$4,000 in excess of exemption. Eight per cent normal tax on balance of taxable income. Surtax, from 1 per cent to 65 per cent on net incomes over \$5,000.

What was your income for 1920?

An answer to this question is required by the government of every single person (man, woman or child) in the United States whose net income for last year was \$1,000 or more, and of every married person whose net income was \$2,000 or more. Heavy penalties are provided by the revenue act for those who fail or "willfully refuse" to comply.

The period for filing returns for the calendar year 1920 is from January 1 to March 15, 1921. The bureau of internal revenue estimates that within this period there will be filed 4,000,000 individual income tax returns.

It is certain a percentage of these returns will be incorrect not because of dishonest intent on the part of the taxpayer, but because of error in making out the forms. Erroneous interpretation of the law and regulations governing the collection of the income tax and carelessness cause numerous mistakes, and result in the initial assessment and collection of considerably greater or lesser amounts than are actually due.

Frequently these mistakes result in overpayment, return of which is made upon a claim for refund. Where, upon verification and audit, underpayments are shown, taxpayers as a rule are prepared promptly to amend their returns and pay the additional tax due. In either event, there is trouble for both the taxpayer and the government.

Bureau Aids Taxpayers. To the end that this year such errors may be reduced to a minimum, the bureau of internal revenue is making special effort to inform taxpayers of their rights and duties under the revenue act as interpreted by rulings and regulations of the treasury department.

There has been prepared with the official approval of the bureau a series of short articles, of which this is the first, telling the taxpayers how to make out his 1920 return, when and where to file it, and what to do in event he meets with unusual difficulties. Errors most frequently noted in the audit of previous returns have been divided into classes, each of which will be treated in an informative way.

While there is no actual change in the law, there have been issued during the last year many rulings and decisions bearing on its various sections, all of which are of benefit to the taxpayer in the making of a correct return.

1920 Exemptions.

The exemptions for 1920 are \$1,000 for single persons, \$2,000 for married persons, and heads of families, plus \$200 for each dependent if under 18 years of age or incapable of self-support. The normal rate is 4 per cent on the first \$4,000 of net income above the exemptions and 8 per cent on the remaining net income. This applies to every citizen and resident of the United States. Alien non-resident receiving income from sources within the United States are taxed to the full 8 per cent on net income from such sources. The surtax rates for the first installment must accompany \$5,000 and \$6,000 to 65 per cent on income in excess of \$1,000,000.

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