

NEWS GIVES 5TH ARTICLE ON TAX

List of Deductible Expenses Are Herein Set Out for Reader

The following is a list of expenses deductible from the income as allowable on the new federal tax return, and appears as the fifth of a series of explanatory articles on the Income Tax law set forth in the Klamath Daily News.

Expenses Deductible From Earnings

All ordinary and necessary expenses incurred in earning compensation are deductible, including:

Business Travelling Expenses Deductible

Cost of meals and lodging while the taxpayer is away from home on business. (A "home" is a house or room maintained by the taxpayer to which he may at any time return and which is at all times available for his use.)

Traveling expenses (railroad or other transportation charges) incurred in business.

Automobile-keep, operation expense and depreciation on business car, on proportion of such costs in the case of a car used partly for business purposes.

Taxi fares, street car fares, etc., for local business calls. (To substantiate this deduction records should be kept.)

Upkeep, depreciation, etc., on typewriter or other equipment used in business, whether used at home or at place of business.

Telephone, telegraph or radio message (business).

Postage and stationery used in business correspondence.

Cost of newspapers, magazines, etc., purchased for business purposes.

Employment agency fees.

Compensation paid to assistants.

Customers' entertainment expenses.

Due to labor unions.

Reimbursement for deductible expenses.

Personal family or living expenses (except hotel bills, etc., incurred when the taxpayer is away from home on business).

Commutation fares (between home and place of employment).

Cost of training for position or promotion, as distinguished from expenses incurred in actual earning of compensation.

Railroad fares expended in seeking employment.

Cost of advertising for employment.

Cost of uniforms which take the place of ordinary clothing.

Contributions to pension fund, whether paid voluntarily or withheld by employer.

Definition of "Earned Income."

Earned Income Credit—The revenue act of 1926 provides that the tax of an individual shall be credited with 25 per centum of the amount of tax which would be payable if his "earned net income" constituted his entire net income.

"Earned net income" is "earned income" minus "earned income deductions."

"Earned income" means wages, salaries, professional fees and other amounts received as compensation for personal services actually rendered. In case the taxpayer is in business, trade or calling on his own account, in which both personal services and capital are necessary, then an amount not exceeding 25 per cent of his share of the net profits may be considered earned income. The earned income credit will be allowed to the members of a partnership with respect to the share of the net income belonging to each which consists of earned income, subject to the limitation of \$20,000, explained below.

"Earned income deductions" means such deductions as are allowed by Section 214 for the purpose of computing net income, and which may be properly allocated or charged against earned income, as being necessary expenses in connection with the earning of "earned income," such as traveling expenses, entertaining expenses, etc.

EMULATES PONZI

CHICAGO, March 9.—(United News)—A two-year penitentiary sentence was only the beginning of the troubles of N. P. West, a former big house and lot man from Florida, who had a string of offices, a staff of salesmen and a mail order selling scheme, through which he eluded the law.

West was to have surrendered to the United States marshal here, but instead he went directly to the prison at Kansas City.

Denver People Are Con Game Victims

DENVER, March 9.—(United Press)—Five men and two women are under arrest tonight at Las Vegas, N. M., according to word reaching local police, charged with operation of a confidence game in Denver, wherein residents are alleged to have been mulcted of between \$200,000 and \$300,000.

The arrests made late this afternoon are the climax of investigations carried on here. Those arrested are said to be members of the firm of Kenneth Lewis and company, which maintained luxurious offices here and did a stock brokerage business.

In the offices was a battery of 12 telephones, over which "salesmen" are said to have rounded up prospects on a wholesale basis. A card index system, listing thousands of Denver citizens was in the office together with waste paper baskets filled with destroyed records.

TRANS-ATLANTIC TELEPHONE CALL FACES PROBLEM

(Continued from Page One)

that an increase of transmitting power by a factor of 10,000 would be required to drive through intelligible speech.

Discussing the success of Sunday's conversations officials pointed out that research engineers were in complete charge of the apparatus and carefully supervising all parts of the conversation, an impossibility in commercial use.

Time Differs.

"The difference of five hours in time and the comparatively short overlap of the business day in London and New York are factors demanding serious attention in the establishment of service," the company said in discussing the market for it.

Such establishment is, nevertheless, within the realm of probability and the ultimate goal would be to provide reliable and satisfactory telephone service between any subscriber of the Bell system in America and any subscriber in England.

"Steady progress has been made in solving the technical aspects of the problem. Much more has yet to be done before we can speak definitely of the date of establishment and cost of commercial trans-Atlantic radio telephony."

PREMIER BRIAND REFORMS CABINET

(Continued From Page One)

Caillaux was holding aloof, apparently in the hope that he could land the premiership. For that reason presumably Briand desired to exclude him and gave the finance portfolio to Raoul Peret.

Has Hard Task

Minister of Finance Peret goes into office with one of the heaviest responsibilities ever shouldered by a French official. To him falls the work of solving the financial problem of France, which was responsible for the fall of the Briand ministry last Saturday, and which lately has troubled the various French cabinets more than any other single problem.

Announcement of the cabinet leaves Briand free to go back to Geneva and take up the stand of the French government in the dispute over enlargement of the league council. Briand's responsibility internationally as a Locarno delegate and one dedicated to preserve the spirit of Locarno at Geneva is heavy, but the work facing Peret at home is even more difficult.

MORE PUBLICITY

NEW YORK, March 9.—The department of labor, following its promise Saturday on the appeal of the Countess Cathcart, has instructed U. S. Attorney Buckner to proceed with the action, Buckner announces.

When the countess was ordered admitted to the United States, Buckner agreed with the court's decision. The labor department, however, appears to desire a higher court ruling which will define the term "moral turpitude," as used in the immigration laws.

FAIL TO AGREE

WASHINGTON, March 9.—(United News)—The United States government recently tendered its good offices to Chile and Peru in case both governments were willing to undertake negotiations towards a settlement of the Acuna-Arica dispute without holding a plebiscite, the United News was reliably informed Monday.

The Peruvian government declined the proffered office. The American offer was received, it is said, favorably by the Chilean government.

ARGUMENTS HALT WATER WAY PLAN

WASHINGTON, March 9.—Just as congress prepares for an extensive program of development of the country's inland waterways one-half of the system planned has become the center of a dispute which has revealed differences in the administration.

The proposed Great Lakes-St. Lawrence waterway is opposed by two members of the cabinet, Secretary of War Davis and Secretary of the Navy Willard and the New York congressional delegation, although the president is on record as favoring it, the Secretary of Commerce Hoover is opposing it.

The other half of the inland waterway program concerns the Mississippi valley system, which congress is planning to develop.

The opposition to the Great Lakes-St. Lawrence route was presented vigorously to the army board of engineers here Tuesday by representatives of New York state, who advocate the federal government taking over the New York barge canal and thus finding an outlet from the Great Lakes through New York City, instead of the Canadian route. Their attitude is based on reasons of national defense.

Their position was bitterly attacked by Representative Sosnowski, Michigan republican, who got a taste of military discipline and was gagged when he began to criticize Davis and Willard for stating their preference before the board of engineers has made public its report.

CHICAGO, March 9.—Secretary of Commerce Hoover urged development of the two great inland waterway systems of the country, the Mississippi valley and the Great Lakes, as a means of permanent relief to farmers by bringing their markets nearer, in a speech here Tuesday night before John Ericsson Republican league of Illinois.

Pointing out that President Coolidge supports an appropriation of \$20,000,000 next year for the Mississippi system, Hoover said he hoped that "the battle for construction of the great Mississippi system will be won at this session of congress."

Completion of the waterways, which have been built up by segments, "will secure the better distribution of population, and will be of vast importance in bringing industry into the agricultural area with its scores of interacting benefits to both," he added.

The economic position of the middle west "will then be assured and much relief will have been secured for our farmers," the secretary said.

"The Great Lakes system is an equally important part of this whole problem, for it presents the possibility for cheapened transportation for import and export of grain and raw materials and other goods to Europe and the North Atlantic for 12 or 15 states in the middle west," he declared.

LEAVES FOR CAMP

ST. PETERSBURG, Fla., March 9.—(United News)—Wally Pipp, former first baseman of the New York Yankees, who has been sold to the Cincinnati Reds, left here Monday for Orlando to start training with the Reds. He has been engaged in the building business with Robert Shawkey, veteran Yankee pitcher, during the winter.



Are you getting your share of the light? Are your eyes comfortable? Do they function correctly at all times? If not let us inspect them and advise you.

DR. H. J. WINTERS
Eye Sight Specialist.
We Grind Our Own Glasses.
Klamath Falls, Ore.
Have Moved Upstairs In Winters Bldg.

American Girl Jap Stowaway

HONOLULU, March 9.—(United News)—The first American girl stowaway ever carried on a Japanese liner has arrived from the mainland after an adventurous voyage aboard the T. K. K. steamer Korea Maru.

Miss Cornelia Macallister of San Francisco made no attempt to hide after the vessel cleared from that port a week ago. At first she was assigned sleeping quarters in the steerage, but an American consular officer aboard pointed out to the captain that she was the only woman there and demanded that the arrangement be changed.

After threatening to notify Washington that an American citizen had been mistreated on a foreign vessel the official obtained private quarters for the girl, who is 21 years old.

Miss Macallister spent part of the voyage in the hospital.

The girl stowaway said that a friend, a Miss Dempster had planned to accompany her, but that she had carried out the adventure alone when her chum "barked out."

NEW MOVIE STAR

CULVER CITY, Calif., March 9.—(United News)—Vera Reynolds, Richmond, Virginia beauty, is the first of the "1926 Whumpas" baby stars to be elected to "covered full fledged stardom."

Cecil de Mille, "maker of stars," announced Tuesday night he had picked Miss Reynolds to be starred in a series of forthcoming productions.

Houses built. None too large, none too small. Pellett & Campbell, contractors. Phone 394-R. M67.9.10.11.12

PLAN TO IMPEACH A FEDERAL JUDGE

WASHINGTON, March 9.—(United News)—Impeachment of Federal Judge W. English of the eastern district of Illinois has been recommended to the house of representatives by the judiciary committee.

The charges were based on alleged irregularities in administration of bankrupt estates and tyrannical conduct on the bench.

The committee vote was 14 to 6 in favor of the impeachment report, including proxies from two members who were recorded in the majority.

A sub-committee has been appointed to prepare the articles of impeachment which will be passed on by the full judiciary committee next Tuesday.

The article of impeachment then will be presented to the house for action. This will be the first time since the famous Judge Archbald case in 1917 that the house has been faced with an impeachment vote.

If the house sustains the judiciary committee the senate will immediately sit as a court and try the charges.

CAR HITS PAINTER

PARIS, March 9.—(United News)—William Baird, American portrait painter, and dean of the American art colony in Paris, is near death in the Beaujon hospital as a result of severe injuries received Monday when he was struck by a taxicab.

Old Time Dance

Virginia Reel, Square dance, Polka, Sally in the Cabbage Patch, Rye Waltz, etc.

Called by a caller that can call.

Real old time music.

Scandia Hall

Thursday, March 11th.

THEY OFTEN CORRECT INDIGESTION

LISTERINE THROAT TABLETS

Made by LAMBERT PHARMACEUTICAL CO., SAINT LOUIS, MO.

For INCOME TAX RETURNS See W. W. SOUTHWELL 620 1/2 Main St.

COVER UP THE NAME PLATE

Forget the low price — then judge New Star "6" purely on its merits

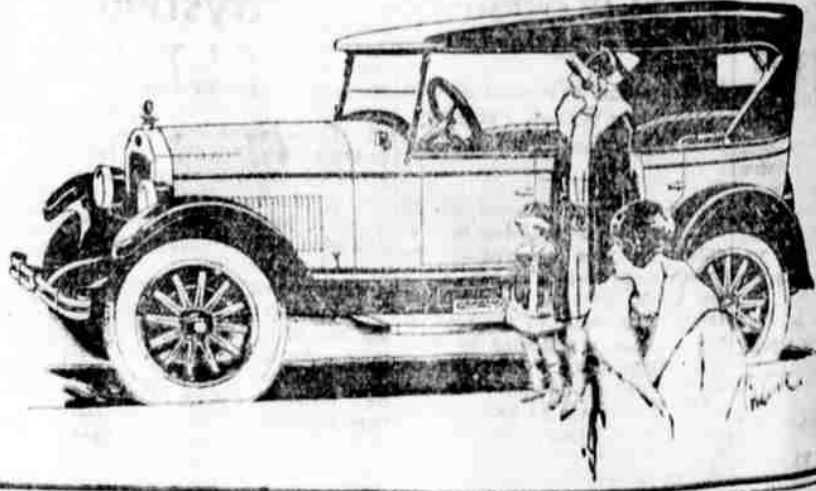
THAT'S the fairest invitation we can make to prove the instant value of the New Star Six.

Already thousands have bought on sight. For this "6" is built to uphold not only the fine reputation of the famous Star "4," but actually produced to upset all previous price values.

Built on a new engineering principle, volume production, backed by the huge Durant interests, makes possible not only the low price of \$855 here, but gives in every point, from its fine drawn, new, low lines and hand-hayes-Hunt bodies, through every feature that makes for a fine car value that compares with cars up to \$1600.

And then this new Star Six is honestly priced. No F.O.B. or extras to confuse you, but a marvelous value to you here, of \$855.

Before you even think of any other car, see the new Star "6." There are hundreds of dealers ready to demonstrate.



The STAR SIX

Hamaker Motor Co.

"Service Worth While."

Phone 1040 Eighth and Klamath Ave.