COPY

DELIVER OR SEND THIS RETURN TO COLLECTOR OF INTERNAL REVENUE ON OR BEFORE MARCH 15, 1919

IF EXTENSION OF TIME FOR FILING RETURN HAS BEEN GRANTED THE AUTHORIZATION MUST BE ATTACHED TO THIS RETURN

Form 1120—UNITED STATES INTERNAL REVENUE SERVICE

CORPORATION INCOME AND PROFITS TAX RETURN

FOR CALENDAR YEAR 1918

OR

Fiscal Period begun Jan 1 1918, **and ended** Jan 31, **1918**

If the payment made on submission of Form 1031T was less than one-fourth of the tax (Item 20 or Item 25, Schedule IV) the balance of such one-fourth, with interest at the rate of 6 per cent per annum from March 15, 1919, must be remitted herewith.

(Print plainly corporation's name and principal place of business)

1501963
National Wire Co.,
373 Commercial Street,
Provincetown, Mass.

Examined by

Audited by

(DO NOT WRITE IN THIS SPACE)

PAYMENT

CASH $

CHECK $

M. O. $

CERT. OF IND. $

(Cashier's Stamp)

SCHEDULE I—NET INCOME.

Item.	1911	1912	1913
1. Net Income for Each Prewar Year (as finally determined on income return)	$	$	$
2. Plus amount of corporation excise tax paid in each year			
3. Totals for 1911, 1912, and 1913	$	$	$
4. Less dividends received in 1913			
5. Net Total for 1913			$
6. Average Net Income for Prewar Period (sum of items on line 3 for 1911 and 1912 and Item 5 for 1913, divided by number of years)			$
7. Net Income for Taxable Year (Item 25, Schedule A, page 2)			$ 3 710 51

SCHEDULE II—INVESTED CAPITAL.

Item.	1911	1912	1913	Taxable Year.
1. Capital, surplus, and undivided profits at the close of the preceding year as shown by corporation's books before any adjustments are made therein (from Schedule E)	$	$	$	$ 11 930 54
2. Plus adjustments by way of additions (from Schedule F)				
3. Total	$	$	$	$ 11 930 54
4. Less adjustments by way of deductions (from Schedule G)				
5. Balance	$	$	$	$ 11 930 54
6. Plus or minus changes in invested capital during year (from Schedules H and J)				1 859 94
7. Total (or Balance)	$	$	$	$ 10 070 60
8. Less deduction on account of inadmissible assets (from Schedule L)				none
9. Invested Capital for Each Year	$	$	$	$ 10 070 60
10. Average Invested Capital for Prewar Period (sum of items on line 9 for 1911, 1912, and 1913 divided by number of years)				none
11. Increase or Decrease in Invested Capital for Taxable Year as Compared with Average Prewar Invested Capital (Indicate decrease by "D")				$ none

SCHEDULE III—EXCESS-PROFITS AND WAR-PROFITS CREDITS.

(If this return is made for a period less than a full year, Items 3 and 8 must be reduced as provided in paragraph 1, page 1 of Instructions.)

Excess-profits credit.	Amount
1. Eight per cent of invested capital for taxable year (Item 9, last column, Schedule II)	$ 805 65
2. Exemption ($3,000)	3 000 00
3. Excess-Profits Credit (Item 1 plus Item 2)	$ 3 805 65

War-profits credit.	Amount
4. Average net income for prewar period (Item 6, Schedule I)	$
5. Plus 10% of increase or minus 10% of decrease shown by Item 11, Schedule II	
6. (a) Total of (or Difference Between) Items 4 and 5, or (b) 10% of invested capital for taxable year (Item 9, last column, Schedule II), whichever is larger	$ 1 007 06
7. Exemption ($3,000)	3 000 00
8. War-Profits Credit (Item 6 plus Item 7)	$ 4 007 06

SCHEDULE IV—COMPUTATION OF TAXES.

WAR-PROFITS AND EXCESS-PROFITS TAX (Brackets one and two).

(If this return is for a period less than a full year the invested capital must be reduced as provided in paragraph 1, page 1 of Instructions.)

1. Brackets.	2. Amount of Net Income (Item 7, Schedule I) in Each Bracket.	3. Excess-Profits Credit (Item 3, Schedule III).	4. Balance Subject to Tax.	5. Rate.	6. Amount of Tax.
1. Not over 20% of invested capital	$ 3 710 51	$	$ None	30%	$
2. Over 20% of invested capital	3 805 65			65%	None
3. Totals	$ none	$	$		$

WAR-PROFITS AND EXCESS-PROFITS TAX (Bracket three).

	Amount
4. Net income for taxable year (Item 7, Schedule I)	$ 3 710 51
5. Less amount of war-profits credit (Item 8, Schedule III)	4 007 06
6. Balance	$ none

		Amount
7. Eighty per cent of Item 6	$ None	
8. Less Item 3 column 6 (if smaller than Item 7)		
9. Tax in Bracket three (Item 7 minus Item 8—if Item 8 is the larger, make no entry).		$

	Amount
10. Total War-Profits and Excess-Profits Tax as Computed under Section 301 (a) (Item 3 column 6 plus Item 9)	$ None
11. Total War-Profits and Excess-Profits Tax, if Computed under Section 302, 303, 304 (c) or 337 (see Instructions, page 1, paragraphs 6 and 7)	$

INCOME TAX.

		Amount
12. Net income for taxable year (Item 7, Schedule I)		$ 3 710 56
13. Less: Interest on obligations of U. S. not exempt (Item 4, Schedule A, page 2)	$	
14. War-profits and excess-profits tax (Item 10 or 11)		
15. Exemption ($2,000 unless return is for less than a year)		2 000 00
16. Balance subject to income tax (Item 12 less Items 13, 14, and 15)		$ 1 710 57

	Amount
17. Tax of 12% on Item 16	$ 205 26
18. Item 10 or Item 11 plus Item 17	
19. Less income, war-profits, and excess-profits taxes paid or accrued to foreign countries on income arising from sources therein, and to possessions of the United States (see Sections 238 and 240 (c) of Revenue Act of 1918)	
20. Total War-Profits, Excess-Profits, and Income Taxes (except in case of a fiscal year) (Item 18 minus Item 19)	$ 205 26

ADJUSTMENT OF TAX FOR FISCAL YEAR ENDED IN 1918.

	Amount
21. That proportion of Item 20 which the number of months within the calendar year 1918 is of the number of months in the entire period	$
22. That proportion of a tax computed under the revenue acts of 1916 and 1917 which the number of months within the calendar year 1917 is of the number of months in the entire period	$

	Amount
23. Total tax (Item 21 plus Item 22)	$
24. Less total tax already paid for the fiscal year ended in 1918	
25. Balance of Tax	$

26. **Tax paid:** On submission of tentative return (1031 T). $ 108.00 ; by remittance accompanying this return, $ 97.26 Total $ 205 26

Mar 10, 1919   May 17, 1919

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SCHEDULE A—TAXABLE NET INCOME.

NOTE.—Railroad corporations, banks, insurance companies, and other corporations required to submit statements of income and expenses to any national, State, municipal, or other public officer may submit instead of Schedule A a statement of income and expenses in the form in which submitted to such officer. In such cases the taxable net income will be reconciled by means of Schedule B with the net profit shown by the income and expense statement submitted, and should be entered as Item 7, Schedule I, page 1.

GROSS INCOME.			
1. Gross sales, less returns and allowances	$ 15 383 78		
2. Less cost of goods sold, exclusive of expenses, repairs, and other items called for separately below (from Schedule A2)	none	$ 15 383 78	
3. Gross income from operations other than trading or manufacturing, less allowances (from Schedule A3)		none	
4. ~~Interest on~~ obligations of the United States or its possessions not exempt (from Schedule A4)		none	
5. ~~Interest~~ from other sources (from Schedule A5) 5852		none	
6. Rentals		none	
7. Royalties		none	
8. Share of net income earned since December 31, 1917, by personal service corporations (whether received or not)		none	
9. Dividends on stock of foreign corporations (from Schedule A9)		none	
10. Gross income from all other sources except dividends (not including any amount in respect of sales of capital assets or miscellaneous investments—see Item 23, below) (from Schedule A10)		none	
11. TOTAL OF ITEMS 1 TO 10			$ 15 442 30
DEDUCTIONS.			
12. Ordinary and necessary expenses (except amounts reported in Item 2 above or called for separately below, and not including cost or value of capital assets or miscellaneous investments sold during taxable year—see Item 23) (from Schedule A12)		$ 11 242 63	
13. Compensation of officers (including salaries, commissions, and other compensation in whatever form paid) (from Schedule A13) J. K. Dyer serves as Treasurer		144 76	
14. Repairs (including labor, supplies, overhead, and other items properly chargeable to repairs) (from Schedule A14)		none	
15. Interest (except on indebtedness incurred or continued to purchase or carry obligations or securities, other than obligations of the United States issued after September 24, 1917, the interest on which is wholly exempt from income tax)		none	
16. Taxes (except Federal income, war-profits, and excess-profits taxes, taxes which are a credit under Section 238, and taxes assessed against local benefits of a kind tending to increase the value of the property assessed)		402 92	
17. Debts ascertained to be worthless and charged off within the taxable year		none	
18. Exhaustion, wear and tear (including obsolescence) (from Schedule A18)		none	
19. Amortization of war facilities (from Schedule A19)		none	
20. Depletion (if depletion is claimed, Form A (revised) of Mines and Minerals Section should be obtained from the Collector, filled in, and filed)		none	
21. TOTAL OF ITEMS 12 TO 20			$ 11 790 31
22. DIFFERENCE BETWEEN ITEMS 11 AND 21			$ 3 651 99
23. Profit or loss on sales of capital assets and miscellaneous investments (from Schedule A23)		$ 58 52	
24. Losses sustained during the taxable year from fire, storm, or other casualty, or from theft, not compensated for by insurance or otherwise (from Schedule A24) (extend in last column net total of Items 23 and 24)		none	$ 58 52
25. NET INCOME FOR TAXABLE YEAR (total of or difference between Item 22 and Item 24, last column) (to be entered as Item 7, Schedule I, page 1)			$ 3 710 51

SCHEDULE B—RECONCILIATION OF NET PROFIT PER BOOKS WITH TAXABLE NET INCOME.

1. Net profit for year per books, before any adjustments are made therein	$ 3 577 06
2. Unallowable deductions:	
(a) Donations, gratuities, and contributions	none
(b) Income, war-profits, and excess-profits taxes paid or accrued to the United States, its possessions, or a foreign country	133 45
(c) Special improvement taxes	none
(d) Furniture and fixtures, additions, or betterments treated as expenses on the books	none
(e) Replacements covered by depreciation	none
(f) Insurance premiums paid on the life of any officer or employee for the benefit of the corporation or business	none
(g) Interest on indebtedness incurred or continued to purchase or carry obligations or securities (other than obligations of the United States issued after September 24, 1917) the interest upon which is wholly exempt from income tax	none
(h) Additions to reserves for bad debts, contingencies, etc. (to be detailed)	none
(i)	
(j)	
(k)	
(l)	
(m) Other unallowable deductions (to be detailed)	
(n)	
(o)	
3. Amount necessary to adjust book profit or loss with the amounts reported in Items 23 and 24, Schedule A (unless entry belongs on line 7)	
4. TOTAL	$ 3 710 51

5. Nontaxable income:	
(a) Interest on obligations of the United States and its possessions, wholly exempt	$
(b) Interest on obligations of States, Territories, and political subdivisions thereof	
(c) Interest on Farm Loan Bonds issued under Federal Farm Loan Act	
(d) Dividends on stock of domestic corporations	
(e) Dividends on stock of personal service corporations declared out of profits earned prior to January 1, 1918	
(f) Other items of nontaxable income (to be detailed)	
(g)	
(h)	
(i)	
6. Charges against reserves for bad debts, contingencies, etc. (to be detailed)	
(a)	
(b)	
(c)	
(d)	
7. Amount necessary to adjust book profit or loss with the amounts reported in Items 23 and 24, Schedule A (unless entry belongs on line 3)	
8. Taxable net income (Item 25, Schedule A)	3 710 51
9. TOTAL	$ 3 710 51

SCHEDULE C—BALANCE SHEETS.

Attach hereto balance sheets as of the beginning and end of the taxable year (preferably in parallel columns), showing as nearly as practicable the details called for below:

ASSETS.

Cash (including cash in bank and on hand, certificates of deposit, etc.).
Trade accounts and notes receivable (before deducting reserves for losses).
Other accounts and notes receivable (to be classified).
Inventories:
Raw materials.
Work in progress.
Finished products.
Supplies.
Investments:
U. S. bonds and obligations (each issue to be stated separately).
Stock of corporations—
Foreign.
Domestic.
Bonds—
Exempt (municipal, State, etc.).
Other.
Loans and advances:
To officers and employees.
To others.

ASSETS (Continued).

Deferred charges to future operations.
Fixed assets:
Land.
Buildings.
Machinery.
Tools and minor equipment.
Delivery equipment.
Office furniture.
Other (state character).
TOTAL.
Less reserve for depreciation.
NET VALUE.
Patents, good will, and other intangible assets:
Paid for in cash or other tangible property.
Paid for in stock (other than stock dividends).
Created by stock dividend or otherwise.
Discount:
On bonds.
On stock.
TOTAL.

LIABILITIES.

Notes payable:
To officers and stockholders.
To others (including bank loans).
Accounts payable:
Trade.
Other.
Accrued expenses and reserves, the charges creating which are allowable deductions from income (to be detailed).
Reserve for losses on notes and accounts receivable.
Reserves for contingencies, etc., the charges creating which are not allowable deductions from income (to be detailed).
Capital stock outstanding (to be classified).
Surplus and undivided profits.

A corporation having a net income of $3,000 or more, which was in existence during at least one full prewar year, should also attach to this return similar balance sheets (preferably in parallel columns) as of the beginning of its first full prewar year and as of December 31, 1913.

SCHEDULE D—ANALYSIS OF SURPLUS ACCOUNT. none

Attach hereto an analysis of the corporation's surplus account, showing the details of all adjustments of surplus for the taxable year, as nearly as practicable in the following form:

1. Surplus at beginning of year per books.
Add: 2. Total net profit per books and per Schedule B (Item 1).
3. Other credits to surplus (to be detailed).
4. Total of Items 1, 2, and 3.

Deduct: 5. Dividends (state date payable and amount of each, and whether in cash or in stock).
6. Other debits to surplus (to be detailed).
7. Surplus at end of year per books.

A corporation having a net income of $3,000 or more, which was in existence during at least one full prewar year, should also attach to this return a similar analysis of its surplus account for its first full prewar year and for each subsequent year down to the beginning of the taxable year.

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SCHEDULES SUPPORTING SCHEDULE A

The schedules called for below should be prepared and firmly stapled to this return. Designate each schedule with the number of the item in Schedule A which it explains. Make schedules on paper of uniform size so far as practicable. In the space provided for the purpose on page 6 list all schedules attached to this return, giving the title and schedule number of each.

SCHEDULE A2: COST OF GOODS SOLD, EXCLUSIVE OF EXPENSES, REPAIRS, AND OTHER ITEMS CALLED FOR SEPARATELY.

In support of Item 2, Schedule A, corporations engaged in manufacturing or trading operations should submit an analysis, in reasonable detail, of the cost of goods sold. This statement should ordinarily include the following items but should not include any expense items called for separately in Schedule A.

1. Inventories at beginning of period (to be reconciled with balance sheet).
2. Purchases during period.
3. Labor and wages ordinarily charged to manufacturing cost on the corporation's books, showing the principal items separately.
4. Other expenses ordinarily charged to manufacturing cost on the corporation's books. (State separately large or unusual items.)
5. Total.

Deduct:

6. Inventories at close of period (to be reconciled with balance sheet).
7. Cost of goods sold (Item 5 less Item 6).

Note.—Inventories should be valued at (*a*) cost or (*b*) cost or market, whichever is lower, provided, however, that whichever basis was adopted by a taxpayer for the taxable year 1917 must be continued unless upon application to the Commissioner permission is granted to change. If basis (*b*) is used it must be applied to each item in the inventory and not to a part only. Inventories should be recorded in a legible manner, properly computed and summarized, and should be preserved as a part of the accounting records of the taxpayer. (See Articles 1581 to 1585 of Regulations No. 45.)

State here which of the above-mentioned bases for valuing inventories is used in this return______________________________

SCHEDULE A3: GROSS INCOME FROM OPERATIONS OTHER THAN TRADING OR MANUFACTURING, LESS ALLOWANCES.

Submit a schedule showing the nature and amount of the principal items included in Item 3, Schedule A.

Life insurance companies should enter as Item 3, Schedule A, the total premiums received from policyholders less such portion thereof as has been paid back or credited to, or treated as an abatement of premiums of, such policyholders within the taxable year. (See Articles 546 and 547 of Regulations 45.)

Mutual marine insurance companies should report as Item 3, Schedule A, the gross premiums collected and received by them less amounts paid for reinsurance.

SCHEDULE A4: INTEREST ON OBLIGATIONS OF UNITED STATES OR ITS POSSESSIONS NOT EXEMPT.

Enter in table below the maximum amount of Liberty Bonds and other obligations of the United States issued since September 24, 1917 (par value) held at any one time, from which interest was derived during the taxable year:

1. Class of Obligation.	2. Maximum Amount of Obligations.	3. Maximum Exemption.	
1a. First Liberty Loan converted into Second Loan and Second Liberty Loan unconverted (interest received since January 1, 1918)	$	$45,000 (See Note.)	
1b. First and Second Liberty Loans converted into Third Loan and Third Liberty Loan			In addition an exemption of $5,000 may be claimed as to any one of these classes or may be divided among them.
2. First Liberty Loan converted into Fourth Loan		30,000	
3. Fourth Liberty Loan		30,000	
4. Other obligations issued since September 24, 1917		0	

Note.—This exemption as to Items 1a and 1b (maximum $45,000) is limited to one and one-half times the amount of bonds of the Fourth Liberty Loan originally subscribed for and still held. State that amount here, $______________

In order to ascertain the amount to be entered as Item 4, Scehedule A, refer first to the table above.

If the amount entered in column 2 of the table for any class of obligations exceeds the maximum exemption for the same class of obligations plus any part of the $5,000 exemption assigned to that class (see column 3), attach hereto a schedule showing in separate columns the following information:

(*a*) Class of obligations.

(*b*) First and last dates of each period during which the corporation's holdings of that class of obligations remained unchanged.

(*c*) Amount of obligations of that class held by the corporation during each such period.

(*d*) Amount by which each amount entered in column (*c*) exceeds the maximum exemption for that class of obligations.

(*e*) Rate of interest.

(*f*) Interest derived from each amount of principal stated in column (*d*).

For the purpose of showing changes in holdings and applying the exemption, classes 1a and 1b must be taken jointly, but for the purpose of computing the taxable interest they must be entered separately.

Enter as Item 4, Schedule A, the total of column (*f*) for all classes of oblgations.

Submit also a statement showing the amount of interest derived from bonds and other obligations of the United States and its possessions, exclusive of those described in the table above.

SCHEDULE A5: INTEREST FROM OTHER SOURCES.

Submit a schedule showing the source, nature, and amount of the principal items included herein, the minor items being grouped in one figure. The total of the schedule should be entered as Item 5, Schedule A.

For interest on foreign bonds submit a schedule showing (*a*) name of country; (*b*) kind of obligations (whether national, state, municipal, or corporate obligations); (*c*) amount of principal; and (*d*) amount of interest.

SCHEDULE A9: DIVIDENDS ON STOCK OF FOREIGN CORPORATDNS.

Submit a schedule showing (*a*) name of corporation; (*b*) country in which organized; (*c*) total par value of stock held; and (*d*) amount of dividends.

SCHEDULE A10: GROSS INCOME FROM ALL OTHER SOURCES EXCEPT DIVIDENDS (not including any amount in respect of capital assets or miscellaneous investments).

Submit a schedule showing the source, nature, and amount of the principal items included herein, the minor items being grouped in one figure. The total of the schedule should be entered as Item 10, Schedule A.

SCHEDULE A12: ORDINARY AND NECESSARY EXPENSES (except amounts called for separately in Schedule A and not including cost or value of capital assets or miscellaneous investments sold during taxable year).

Submit a statement showing character and amount of the principal items included in Item 12, Schedule A.

Insurance companies should state separately in Schedule A12 (*a*) the net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or Territorial officers pursuant to law as additions to guarantee or reserve funds; and (*b*) the total of sums other than dividends paid within the year on policy and annuity contracts.

Corporations issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium payment plan continuing for life and not subject to cancellation should report in Schedule A12 such part of the net addition (not required by law) made within the taxable year to reserve funds as is required for the protection of the holders of such policies.

Mutual marine insurance companies should report in Schedule A12 amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment and the payment thereof.

Mutual insurance companies (other than mutual life and mutual marine insurance companies) that require their members to make premium deposits to provide for losses and expenses should report in Schedule A12 the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves (unless deducted elsewhere in Schedule A).

SCHEDULE A13: COMPENSATION OF OFFICERS.

Submit a schedule showing for each officer (1) name, (2) duties, (3) time devoted to such duties, (4) shares of stock owned, (5) total annual compensation for the years 1916, 1917, and 1918, and (6) reasons for increases.

SCHEDULE A14: REPAIRS (including labor, supplies, overhead, and other items properly chargeable to repairs).

Submit a schedule showing the nature and amount of the principal items included in Item 14, Schedule A.

Incidental repairs, which do not add to the value or appreciably prolong the life of property, are deductible as expenses. Expenditures for new buildings or for permanent improvements or betterments which increase the value of the property are chargeable to capital account. Expenditures for restoring or replacing property are not deductible under this or any other item of the return. Such expenditures are chargeable to capital account or to depreciation reserves, depending on the treatment of depreciation on the books of the taxpayer.

SCHEDULE A18: EXHAUSTION, WEAR AND TEAR (including obsolescence).

Submit a columnar schedule containing, in the most practicable form, substantially the following information:

1. A classification of depreciable assets subdivided on the bases of (*a*) character, (*b*) term of useful life.
2. The fair market value of such assets March 1, 1913, if acquired before that date.
3. The cost of such assets if acquired after February 28, 1913.
4. The estimated life or term of reasonable usefulness of such assets from date acquired or from March 1, 1913, as the case requires. Give reasons for your conclusions.
5. For each class of assets state—
   (*a*) The total amount of depreciation from March 1, 1913, to the beginning of the taxable year.
   (*b*) The total amount of depreciation (exhaustion, wear and tear, including obsolescence) claimed for the taxable year.
6. A reconciliation of all figures shown in this schedule with corresponding figures reflected in the balance sheets.

SCHEDULE A19: AMORTIZATION OF WAR FACILITIES.

If amortization of war facilities is claimed the taxpayer is required to submit with this return the information and schedules called for in Articles 181 to 187 of Regulations 45.

SCHEDULES A23 and A24: PROFIT OR LOSS ON SALES OF CAPITAL ASSETS and miscellaneous investments, and losses sustained during the taxable year from fire, storm, or other casualty, or from theft, not compensated for by insurance or otherwise.

Submit a columnar schedule setting forth for each sale of capital assets or of miscellaneous investments and for each loss during the taxable year the information called for below:

1. Description of property sold or of property in respect of which a loss is claimed.
2. Date acquired.
3. Fair market price or value on March 1, 1913, if acquired before that date, or cost if acquired after February 28, 1913.
4. Cost of improvements, if any, since February 28, 1913, or since date of acquisition, if acquired after February 28, 1913.
5. Total of Items 3 and 4.
   Less—
6. Depreciation or depletion of property subject thereto—
   (*a*) Per books.
   (*b*) Accrued but not on books.
7. Salvage value, if any, of property on which a loss is claimed.
8. Amount of insurance or other recovery on property, if any.
9. Proceeds of sale or cash value of property received in exchange (for transactions falling in Item 23, Schedule A) (see Note).
10. Total of Items 6 to 9, inclusive.
11. Profit or loss.
12. Cause of loss (for losses falling in Item 24, Schedule A).

Note.—Submit evidence substantiating the basis used by you in arriving at the cash value of property received in exchange for other property.

COMPENSATION AT RATE OF $3,000 OR MORE PER ANNUM.

Submit a schedule showing for each employee (if a stockholder of the corporation), whose compensation is at the rate of $3,000 or more per annum, facts similar to those called for in Schedule A13.

WORKING PAPERS.

Every corporation should preserve, available for inspection by a revenue officer, working papers showing—

1. The balance in each account on the corporation's books that was used in preparing Schedule A.
2. The amount deducted from each such balance on account of each class of nontaxable income, unallowable deductions, and other adjustments indicated in Schedule B, with a reference to the number of the item in Schedule B in which each amount so deducted was included.
3. The remainder of each such balance, analyzed to show the amount included in each item of Schedule A, with a reference to the number of the item in Schedule A in which each such amount was included.

SCHEDULE E—CAPITAL, SURPLUS, AND UNDIVIDED PROFITS AS SHOWN BY BOOKS BEFORE ANY ADJUSTMENTS ARE MADE THEREIN.

E4. Stock actually outstanding at the end of the preceding taxable year should be entered in this schedule to the extent that it is paid up. If stock or shares were issued at a nominal value or without par value, the entries should reflect the amounts on the books in respect thereof at the close of the preceding taxable year.

E5. This item should include paid-in surplus per books at the end of the preceding year. If any amount is claimed under Section 326(*a*)(2) of the Revenue Act of 1918 or under Article 837 of Regulations 45 the amount claimed should be entered under Item 1, Schedule F, and not in this schedule.

E7. Reserves which represent allocations of surplus and were not accumulated through deductions made in computing net income as returned in previous years may, if properly explained, be entered on line 7. Such entries should be identified and if necessary reconciled with balance-sheet reserves.

E9. The cost (or book value if different from cost) of treasury stock held at the end of the preceding taxable year should be deducted on line 9, if the par value of such stock is included in the amount entered on line 4. Treasury stock includes all stock reacquired by the corporation and not canceled, regardless of the reason for the acquisition.

Item.	1911	1912	1913	Taxable Year.
Capital stock paid up and actually outstanding at the close of the preceding year:				
1. First preferred	$ ~~none~~	$ ~~none~~	$	$ none
2. Second preferred	~~none~~	~~none~~		none
3. Common	~~8 000 00~~	~~8 000 00~~		8 000 00
4. Total	$ ~~8 000 00~~	$ ~~8 000 00~~		$ 8 000 00
Surplus and undivided profits:				
5. Paid-in surplus				none
6. Earned surplus and undivided profits				3 930 54
7. Reserves, additions to which are not deductible in computing net income (to be reconciled with balance-sheet items)				
8. Grand totals of Items 4, 5, 6, and 7	$	$	$	$ 11 930 54
9. Deduct cost of treasury stock (or book value if different from cost), if any is included above as outstanding				
10. Net total (Item 8 minus Item 9)	$	$	$	$ 11 930 54

SCHEDULE F—ADJUSTMENTS BY WAY OF ADDITIONS.

F1. If an addition to invested capital is claimed in Item 1, Schedule F, submit a statement showing (*a*) the kind of property, (*b*) the year in which it was paid in, (*c*) from whom acquired, explaining his relationship to the corporation, (*d*) the actual cash value of such property at the date when paid in, (*e*) the par value of stock or shares issued therefor and the amount at which such property is entered in the accounts, and (*f*) the basis upon which the actual cash value of the property was determined and the date when such determination was made.

F2. If an addition to invested capital is claimed in Item 2, Schedule F, submit a statement showing (*a*) the kind of property, (*b*) the year in which it was acquired, (*c*) its cost, (*d*) the amount of depreciation sustained on such property from the date of acquisition to the beginning of the taxable year. State also whether each item sought to be restored was actually used or usable at the beginning of the taxable year. Were these expenditures, when made, written off in lieu of depreciation? .... If so, explain what adjustments have been made to provide for depreciation, in view of the proposed restoration to surplus.

F3. If any addition to invested capital is claimed in Item 3, Schedule F, state specifically the amount of depreciation written off each year in the books of the company, and the amount allowed as a deduction in computing net income.

F4. If any assets of the trade or business in existence during both the taxable year and any prewar year are included in the invested capital for the taxable year but not for such prewar year, or are valued on a different basis in computing the invested capital for the taxable year and such prewar year, entries should be made in this schedule adjusting the invested capital for each prewar year affected so as to value such assets upon the same basis in the prewar period as in the taxable year.

Item.	1911	1912	1913	Taxable Year.
1. Actual cash value of tangible property clearly and substantially in excess of par value of stock issued therefor or of the cash or other consideration paid therefor (Articles 836 and 837)	$	$		
2. Additions to surplus (Articles 840 to 843)				$
3. Depreciation charged in the accounts of the corporation but not allowable as a deduction on income tax returns				
4. Adjustment of valuation of assets in existence both during taxable year and in prewar period (Article 934)				x x x x x x x x x x x
5.				
6.				
7.				
8. Total	$	$	$	$

SCHEDULE G—ADJUSTMENTS BY WAY OF DEDUCTIONS.

G1. Is any patent, copyright, secret process or formula, good will, trade-mark, trade brand, franchise, or other similar intangible property, paid in for stock, entered on the books of the corporation at a value in excess of its actual cash value when paid in? No

In excess of the par value of the stock issued therefor? No Is the aggregate of such assets acquired prior to March 3, 1917, entered on the books at a value in excess of 25 per cent of the par value of the stock outstanding on March 3, 1917? No Is the aggregate of such assets entered on the books at a value in excess of 25 per cent of the par value of the stock outstanding at the beginning of the taxable year? No

If the answer to any of the foregoing questions is "yes," submit a statement showing separately with respect to such assets acquired (1) before March 3, 1917, and (2) on or after that date: (*a*) Date of acquisition; (*b*) cash value at that date, with a complete explanation of the basis upon which such cash value was determined; (*c*) par value of the stock issued therefor; (*d*) par value of total stock outstanding March 3, 1917; (*e*) par value of total stock outstanding at the beginning of the taxable year; (*f*) the value at which such assets are entered on the books of the corporation.

If all the intangibles were acquired before March 3, 1917, the amount by which (*f*) exceeds (*b*), (*c*), 25 per cent of (*d*), or 25 per cent of (*e*), whichever is lowest, must be entered as Item 1, Schedule G, for the taxable year and for each year of the prewar period that is affected.

If the intangibles were acquired on or after March 3, 1917, the amount by which the entry in (*f*) relating to such intangibles exceeds (*b*) or (*c*) relating thereto, or 25 per cent of (*e*), whichever is lowest, must be included in Item 1, Schedule G, for the taxable year: Provided, that if intangibles were acquired before March 3, 1917, and also on or after that date, deduction shall be made so that the amount included in invested capital for the aggregate of intangibles shall not exceed 25 per cent of the par value of the total stock outstanding at the beginning of the taxable year.

Note.—If the stock of the corporation was issued at a nominal value or without par value, for the purpose of the computation under Item 1 the par value shall be deemed to be the fair market value as of the date or dates of issue. The aggregate value so determined of stock outstanding on March 3, 1917, or at the beginning of the taxable year, shall be the basis for the computation.

G2. Is any tangible property, paid in for stock, entered on the books of the corporation at a value in excess of its actual cash value when received? No In excess of the par value of the stock paid therefor? No

If the answer to either of the foregoing questions is "yes," submit a statement showing (*a*) kind of property; (*b*) when acquired; (*c*) par value of the stock paid therefor; (*d*) actual cash value of the property when paid in; (*e*) the basis on which that value was determined; (*f*) value at which the property is entered on the corporation's books; and (*g*) amount by which such value exceeds the allowable value under section 326 (*a*) (2) of the Revenue Act of 1918. Enter this amount as Item 2, Schedule G, for the taxable year and for each year of the prewar period that is affected.

G3. (*a*) Was any stock issued by the corporation ever returned as a gift or for a consideration substantially less than its par value? No (*b*) If so, what was the total par value of such stock? $ None (*c*) What was the consideration paid for the return thereof? $ None (*d*) What amount of cash or its equivalent was derived from the resale of such stock? $ None (*e*) What entries were made in the accounts to evidence the return and the resale of such stock? None

The excess of (*b*) over (*d*) must be entered as Item 3, Schedule G, for the taxable year and for each year of the prewar period that is affected. However, no deduction is necessary if adequate adjustment has been made under Item 2 of this schedule.

G4. Was the business reorganized or consolidated or was its ownership changed or was there a change in ownership of property after March 3, 1917? No If so, answer the following questions:

(*a*) Did an interest of 50 per cent or more in the business or in the property which changed ownership remain in the control of the same persons, corporations, associations, or partnerships, or of any of them? No

(*b*) Were any of the assets entered on the books of the corporation making this return at a higher value than on the books of its predecessor? No

(*c*) If such previous owner was not a corporation attach a statement showing (1) the cost of acquisition to the previous owner of any asset so transferred or received; (2) expenditures subsequent to that date for betterment or development, not deducted as expense or otherwise since March 1, 1913, by such previous owner; (3) the allowance for depreciation, depletion, or impairment since the date of acquisition by such previous owner.

(*d*) If all, or substantially all, of the property was acquired from a corporation during the taxable year attach hereto balance sheets of such predecessor corporation as of the beginning of the taxable year and as of the date immediately prior to the transfer of the property to the corporation making this return, and also a balance sheet or statement of the corporation making this return showing the values at which such property received or transferred was entered on the books.

The increase in book value of any property acquired by reorganization, consolidation, or change of ownership, over the amount allowable to the predecessor corporation or over the amount as computed under (*c*), if the previous owner was not a corporation, must be deducted from the invested capital for the taxable year as Item 4, Schedule G.

G5. If any property (including physical property, securities, and intangible property) paid for with cash or with other tangible property entered on the books of the corporation at a value in excess of the amount of cash paid therefor or the actual cash value of the tangible property paid therefor? No If so, submit a statement showing (*a*) kind of property; (*b*) amount of cash paid therefor; (*c*) actual cash value of other tangible property paid therefor; (*d*) how that value was determined; (*e*) value at which the property is entered on the books of the corporation; and (*f*) excess of (*e*) over (*b*) or (*c*). This excess must be entered as Item 5, Schedule G, for the taxable year and for each year of the prewar period that is affected.

G6. Has adequate provision been made in the expense accounts of the company for (*a*) losses of every kind? Yes; (*b*) depreciation? Yes; (*c*) obsolescence? No (*d*) depletion of mineral deposits, timber supplies, and the like? No

If adequate charge has not been made for depreciation, depletion, obsolescence, and other losses, and the value of the property has not been maintained by replacements that have been charged to expense, proper additional charges therefor must be computed for all years in which they were not made on the books, and the total amount of such charges must be entered as Item 6, Schedule G, for the taxable year (and for each year of the prewar period that was affected) and deducted in arriving at the surplus and undivided profits.

SCHEDULE G—ADJUSTMENTS BY WAY OF DEDUCTIONS (Concluded).

Item.	1911	1912	1913	Taxable Year.
1. Valuation of patents, copyrights, secret processes or formulæ, good will, trade-marks, trade brands, franchises, or other intangible property	$	$	$	$
2. Valuation of tangible property paid in for stock				
3. Stock returned to the corporation as a gift, etc				
4. Valuation of assets acquired in reorganizations				
5. Appreciation				
6. Depreciation and depletion				
7.				
8.				
9. Total Deductions	$ none	$ none	$ none	$ none

SCHEDULE H—CHANGES IN INVESTED CAPITAL DURING TAXABLE YEAR.

1. Changes in invested capital during the taxable year ordinarily arise in one or more of the following ways:
   (a) Additions by reason of the sale of capital stock or the issue of capital stock for tangible or other assets.
   (b) Liquidation of part of the capital by retirement of stock or purchase of treasury stock not out of current earnings.
   (c) Payment of cash dividends out of earnings of prior years.
   (d) Deduction of the amount of Federal income and excess-profits taxes for the previous year.
   (e) Payment of assessments by stockholders, or creation of paid-in surplus by contribution of stockholders.

Specify (by using red ink for distributions, or otherwise) whether each item represents an addition or a distribution.

2. Report dividends paid out of profits of prior years but not dividends paid out of profits of the taxable year. Any distribution made during the first 60 days of the taxable year shall be deemed to have been made from earnings or profits accumulated during preceding taxable years; but any distribution made during the remainder of the taxable year shall be deemed to have been made from the profits for that year to the extent that such profits are sufficient. (See Article 1541.)

3. If stock is issued for cash, the actual cash received (but not the amount of discount) should be entered in this schedule. Assets (other than cash) paid in for stock must be valued in accordance with Section 326 (a) (2) of the Revenue Act of 1918.

4. The amount of Federal income and excess-profits taxes payable should be deducted as of the date when due and payable whether reserves have been set up on the books or not. (See Article 845.)

5. If capital stock of the corporation is reacquired but not paid for out of current profits, the cost of such stock should be deducted from invested capital.

6. The data called for in columns 1 to 5 should be given for all transactions, except that columns 3 and 4 are applicable only to the issue or reacquisition of the corporation's stock.

7. In Column 6 enter the number of days remaining in the taxable year (including the date of change).

8. The net changes, if not in accordance with the increases or decreases reflected in the balance sheets, should be fully reconciled therewith.

1. Nature of Additions and Distributions.	2. Date.	3. Number of Shares Sold or Reacquired.	4. If for Cash, State Price per Share.	5. Amount of Cash or Cash Value Actually Received or Paid Out.	6. Number of Days Effective.	7. Adjusted Average. (Column 5 × Column 6 / Number of days in taxable year.)
1.			$	$		$
2.						
3.						
4. U. S. Income Tax	June 5 1918			133 45	200	73 66
5.						
6. Dividends paid out	Feb 9 1918			2 000 00	[illegible]	1 786 28
7.						
8.						
9.						1 859 94

SCHEDULE J—CHANGES IN INVESTED CAPITAL DURING PREWAR YEARS.

(Compute the net addition or reduction separately for each year. See instructions under Schedule H.)

1. Nature of Additions and Distributions.	2. Date.	3. Number of Shares Sold or Reacquired.	4. If for Cash, State Price per Share.	5. Amount of Cash or Cash Value Actually Received or Paid Out.	6. No. of Days Effective.	7. Adjusted Average. (Column 5 × column 6 / Number of days in year.)
1.			$	$		$
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						

None

SCHEDULE K—CHANGES IN INVESTED CAPITAL FROM END OF PREWAR PERIOD TO BEGINNING OF TAXABLE YEAR, NOT SHOWN IN SCHEDULE E.

(See instructions under Schedule H, so far as applicable.)

1. Nature of Additions and Distributions.	2. Date.	3. Number of Shares Sold or Reacquired.	4. If for Cash, State Price per Share.	5. Amount of Cash or Cash Value Actually Received or Paid Out.
1.			$	$
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

None

SCHEDULE L—INADMISSIBLE ASSETS.

Has the corporation any inadmissible assets (i. e., stocks, bonds, and other obligations, except obligations of the United States, the income from which is not taxable)? No

If so, attach hereto a statement showing for 1911, 1912, 1913, and the taxable year, separately, the facts called for in Items (a) to (j) of this schedule.

If the income from such assets consists in part of gain or profit from the sale or other disposition thereof, or if all or part of the interest derived from such assets is in effect included in the net income because of the limitation on the deduction of interest under Section 234 (a) (2) of the Revenue Act of 1918, then a corresponding part of the capital invested in such assets is deemed an admissible asset. In such case, set forth in detail—

(a) The various kinds of income derived from such assets and the computation of the part of the capital invested therein which is deemed an admissible asset.

For the purpose of this schedule, inadmissible assets shall be valued at cost of acquisition except that if the taxpayer has in previous years been allowed a deduction on account of the fall in the market value of securities, such assets shall be valued at cost less the deduction allowed. Admissible assets shall be valued as provided in Sections 326, 330, and 331 of the Revenue Act of 1918 and Articles 831-869, 931-934, and 941 of Regulations 45. The average amount of assets of each kind held during any year may ordinarily be determined by dividing by 2 the sum of the amount of such assets held at the beginning of the year and the amount held at the end of the year. In such case the amount of admissible assets may best be determined from (1) the balance sheet as of the beginning of the year *adjusted* with respect to the items in Schedules F and G, and (2) the balance sheet as of the end of the year correspondingly adjusted. But if at any time during the year a substantial change has taken place in the amount of such assets, the average amount must be determined as provided in Article 852 of Regulations 45. In such case, show in detail—

(b) The computation of such amount.

State also—

(c) Amount of inadmissible assets held at beginning of the year.
(d) Amount of inadmissible assets held at end of year.
(e) Average amount of inadmissible assets held during year.
(f) Amount of admissible assets held at beginning of the year.
(g) Amount of admissible assets held at end of year.
(h) Average amount of admissible assets held during year.
(i) Sum of (e) plus (h).
(j) Percentage which (e) is of (i).

This percentage (j) for each year should be applied to the figures for that year appearing on line 7, Schedule II, in order to obtain the deduction on account of inadmissible assets, which should be entered on line 8, Schedule II.

QUESTIONS.

KIND OF BUSINESS.

1. Explain below the nature of the corporation's business in sufficient detail to show in which of the following general classes of activities it falls:

(1) Agriculture and related industries, including fishing; (2) mining, quarrying, and related industries; (3) manufacturing; (4) construction; (5) trading; (6) transportation; (7) storage; (8) other services; (9) banking and insurance.

2. If the business falls in any of the classes from 1 to 5, state the special product or products handled; if in class 5, state whether wholesale or retail, or both; if in class 6, state whether rail, water, or other, whether general or local, and the special commodities (if any) transported; if in class 7, state the special commodities stored (if any) or the special kind of storage; if in class 8, state in detail the kind of service rendered; if in class 9, state the branch of banking or insurance engaged in.

3. In all cases state whether the corporation acts as principal (using its own capital) or as agent or broker (on commission) or as both.

(a) Main business Weir Fishing and Selling Catches at Wholesale

(b) Collateral businesses, if any

None

OTHER CONCERNS IN SAME BUSINESS.

4. Enter on the following lines the names and addresses of five representative concerns in your locality or section of the country engaged in the same kind of business:

Manuel James, Provincetown, Mass.
Jackson Williams, Provincetown, Mass.
Richard A. Rich, Truro, Mass.
David Ryder, Truro, Mass.
Fred Rich, Truro, Mass.

INCORPORATION.

5. Date of incorporation 1899.

6. Under the laws of what State or country? Maine

PREDECESSOR BUSINESSES.

7. If the corporation was not in existence during the whole of any one of the calendar years 1911-1913, is its business substantially a continuation of a business carried on during any one or more of those years? No predecessor If so, give name under which, and address at which, its business was then carried on

ACQUISITION OF MIXED AGGREGATES OF ASSETS.

8. Did the corporation ever take over a going business or otherwise acquire a mixed aggregate of tangible property, patents and copyrights, and good will and other similar intangible property, and pay for such property in whole or in part with stock or other securities? No

9. If so, submit a statement showing—
(a) The name of the concern taken over (or from which the property was acquired);
(b) The nature of the assets and liabilities so acquired;
(c) The total par value of the stock issued therefor;
(d) The value at which each class of assets was carried on the books of the concern from which acquired (if obtainable submit a balance sheet of the predecessor corporation as of the date of acquisition);
(e) The value at which each item was entered on the books of the corporation making this return.

10. If patents, copyrights, secret processes or formulæ, good will, trade-marks, trade brands, franchises, or other intangible property were acquired, state also the basis on which their value was determined and how they were paid for.

AFFILIATIONS WITH OTHER CORPORATIONS (TO BE ANSWERED BY EVERY CORPORATION).

11. Do you own directly or control through closely affiliated interests or by a nominee or nominees over 50 per cent of the outstanding capital stock of another corporation or of other corporations? No

12. Is over 50 per cent of your capital stock owned by another corporation or by two or more corporations that are affiliated? No

13. Is over 50 per cent of your capital stock as well as over 50 per cent of the capital stock of another corporation or of other corporations owned or controlled by the same individual or partnership or by the same individuals or partnerships? No

14. Is this return a consolidated return within the meaning of Articles 631 to 638, inclusive, of Regulations 45? No

15. Affiliated corporations as indicated in 11, 12, or 13 above must comply with the following requirements:

16. If the answer to question 11 is "yes," submit a statement showing for each of the corporations over 50 per cent of whose stock is owned or controlled by you, either directly or through closely affiliated interests or by a nominee or nominees:—
(a) The name and address;
(b) The total par value of the outstanding capital stock at the beginning of the taxable year, and the date and amount of each change therein;
(c) The total par value of such outstanding capital stock owned or controlled by you at the beginning of the taxable year, or at the date of acquisition if acquired during the taxable year, and the date and amount of each change therein.

17. If the answer to question 12 is "yes," state—
(a) The name and address of such corporation or corporations;
(b) The par value and percentage of your stock held by each.

18. If the answer to question 13 is "yes," submit a statement showing—
(a) The names and addresses of such corporations;
(b) The name or names and address or addresses of the owning or controlling interest or interests;
(c) The total par value of the outstanding capital stock of each corporation at the beginning of the taxable year, and the date and amount of each change therein;
(d) The total par value of the outstanding capital stock of each corporation owned or controlled by each one of the several individuals or partnerships at the beginning of the taxable year, and the date and amount of each change therein.

19. If the answer to question 14 is "yes," the information furnished under 16 and 18 should identify the corporations included in the consolidation.

20. If one corporation owns 95 per cent or more of the stock of another, or if 95 per cent or more of the stock of two or more corporations is owned by the same individual or individuals in substantially the same proportion, a consolidated return must be filed, except that the limitations as to consolidation under Article 635 must be observed. If the ownership is less than 95 per cent, but exceeds 50 per cent, the parent corporation or principal corporation of any group of affiliated corporations must furnish the information called for above and in addition must file a statement fully disclosing the details of affiliation other than stock ownership and all other information which will be helpful in determining whether or not a consolidated return should be filed.

VALUATION OF CAPITAL STOCK.

21. What was the fair value of the total capital stock of the corporation as determined in the last assessment of the capital stock tax (if any)? $29782.10 Date of that assessment No assessment Less than $75,000.00.

LIST OF ATTACHED SCHEDULES.

Make below a list of all schedules attached to this return, giving for each a brief title and the schedule number.

Schedules A-12
Schedules A-13
Schedules A-23
Schedules D
Balance Sheets

We, the undersigned, president and treasurer of the corporation for which this return is made, being severally duly sworn, each for himself deposes and says that this return, including the accompanying schedules and statements, has been examined by him and is to the best of his knowledge and belief a true and complete return made in good faith pursuant to the Revenue Act of 1918 and the Regulations issued thereunder.

Sworn to and subscribed before me } this ________ day of ____________, 19____

Seal of officer taking affidavit.

____

____
(Official capacity.)

______________________________ *President.*

______________________________ *Treasurer.*

2—8620

COPY

SCHEDULE A-12

Expenses

Oil	$372.08
Captains' Commissions,	295.45
Shipping	330.20
Freight	134.59
Netting	1899.85
Tar	116.03
Paint	131.23
Poles & Fittings	166.05
Rent	150.00
Sail cover	42.69
Labor	174.58
Rope	118.36
Crew	7324.74
Miscellaneous	76.78
Total	$11242.63

SCHEDULE A-13

Compensation of Officers

1. J. H. Dyer
2. Treasurer
3. About 2 hours a day
4. 1 Share
5. 1916 - $126.13)
   1917 - 112.67 (
   1918 - 144.76)
6. Due to increased business.

SCHEDULE A-23

Amount derived from sale of weir poles-------------- $58.52

SCHEDULE D Analysis of Surplus Account

1918

Surplus at beginning of year	1930.54
Net profit for year	3577.06
	5507.60
Dividends	3200.00
Surplus at end of year	2307.60

Surplus at beginning of year 1913	$594.98
Net profit for year	1938.78
	2533.76
Dividends paid	2000.00
	533.76

Surplus beginning year 1914	$533.76
Net profit for year	2228.34
	2762.10
Dividends	2000.00
	762.10

SCHEDULE D (Continued)

Surplus beginning year 1915	$762.10
Net profit for year	5713.50
	6475.60
Dividends	4800.00
	1675.60

Surplus beginning year 1916	$1675.60
Net profit for year	3158.61
	4834.21
Dividends	3200.00
	1634.21

Surplus beginning year 1917	$1634.21
Net profit for year	2296.33
	3930.54
Dividends	2000.00
	$1930.54

2307.60
3440.35
5747.95
3200.00
2547.95