

Capital Strikes Against Taxes, Kahn Declares

Banker Explains How Levies Have Stagnated Investment Market and Proved a Menace to Business

Prices Must Remain Up Foreign Relations Council Hears Domestic Problems and Paish's Call for Funds

American capital has gone on strike against high taxes, according to Otto H. Kahn, of Kahn, Loeb & Co. In an address before the Council of Foreign Relations at the Hotel Astor last night, the investment banker declared that the owners of medium size or large incomes have gone on strike as far as investing in corporate securities is concerned, thus greatly diminishing the quantity of funds available for private enterprise.

In consequence of this entirely logical attitude of the defense on the part of capital, he continued, "the American investment market for the time being has been largely destroyed. Unparalleled stagnation has characterized the market for many months.

Shrinkage in Values Shown "The shrinkage in the value of existing corporate bonds, which, though in part due to causes of a general character, is to the largest extent attributable to the increase in taxes to billions of dollars. A successful bond issue of large size, even at what formerly would have been considered exorbitant rates, has not been known for a long time.

The free flow of capital, the normal condition of the investment market, is absolutely basic element for the kind of trade and industry. The effects of their disturbance to any serious degree for any length of time are all too plain.

"We cannot have a return to normal conditions of trade, prices, etc., until our investment market will have come to a point where we are no longer able to grant any credits.

Benefit in Combine Shown In urging credits for Europe, Senator Edgar Cowley, of the finance committee, said regarding the prospects of action under that law.

"I believe it is possible we may face a breakdown of exchange to which the present collapse is no comparison," Mr. Cowley said, "but of course, action to relieve starving European nations was imperative, but commented on the fact that these nations had shown little disposition to decrease their expenditures after the war.

Federal Income Tax Questions

(Answered for The Tribune by Morris F. Frey, assistant treasurer Guaranty Trust Company)

Q.—J. T. W.: I have traded in stocks on margin on and off through the year, the net result of which shows a loss of \$1,500. In making my return must I show all these transactions, giving profit or loss on each item? Or can I lump the whole thing in one item, "Lost in Wall Street, \$1,500"?

A.—Where profits or losses on sales made through any one broker aggregate \$1,000 or more, the Treasury Department has ruled that such transactions should be reported on separate lines under Block "D" of the individual income tax return, giving name and address of the broker.

Where the profits or losses through one broker do not aggregate \$1,000 or more the taxpayer may report the amount of gain or loss in one lump sum. The Commissioner of Internal Revenue has the power under the revenue law of 1918 to call for further information if he deems it necessary in order properly to audit the return.

Q.—F. C. L.: My family consists of myself, an unmarried daughter, aged 21, attending high school, and a sister and another brother, one of whom has not earned over \$1,000 during the year 1919. We contribute about half our salary toward the expenses of the family, but the other half goes to my brother, my sister and myself.

A.—If you are the head of a family you are entitled to a personal exemption of \$2,000, and an additional exemption of \$200 for each dependent person who is either (a) under eighteen years of age or (b) incapable of self-support.

Q.—G. B. M.: I have worked only four months this year, being discharged from the service in December, 1919. Is it necessary for me to make a return if my yearly income exceeds the exemption amount?

A.—Under the 1918 revenue law, salary or compensation not in excess of \$3,000 received by a person who actually supported and maintained in one household one or more individuals who are closely connected with him by blood, marriage, or adoption, and whose support is not allowable deductions in any event.

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Jews Preparing For Great Exodus Into Palestine

Homeland To Be Peopled by Ancient Race Gathered From All Parts of World Under Zionist Leadership

As soon as Great Britain assumes the mandate for Palestine, a worldwide mass migration of Jews to their homeland will begin, according to an announcement yesterday by the Zionist Organization of America.

London and Copenhagen will be the centers through which the pilgrims will pour. At the Danish capital, a bureau will register and organize emigration from Eastern and Central Europe and Scandinavia. London will handle those who come from Great Britain, the British colonies and dominions, France, Italy, Spain, Switzerland, Holland, the Balkan Peninsula, North Africa and Asia.

District emigration bureaus will be opened in every country from which emigration will take place. In addition, there will be stations in all important ports of departure, such as Odessa, Trieste, Salonica and Constantinople.

At Jaffa or Haifa, in Palestine, a central office will be set up. The headquarters of this office will be the chief place of entry, and branch receiving stations will be set up at all other points in the country. Hospitals and quarantine stations will be erected.

Every emigrant must submit to a physical examination, and will be classified according to his occupation and the kind of work he is best fitted to be assigned to go first.

Orders will be issued from London directing the movement of groups from the various countries. Every applicant will fill out a personal card giving full information about himself.

An emigration bureau will be established in New York to handle emigrants from North and South America. Five thousand applications from teachers, engineers and executives willing to serve in building a Jewish state in Palestine will be accepted.

A campaign for a \$10,000,000 Palestine fund will begin on January 15. This city's quota is \$3,500,000.

Japan Denies Cruiser Convoy Arms to Mexico

U. S. Satisfied That Training Ship Did Not Escort Munitions Craft

WASHINGTON, Jan. 13.—Intelligence officials of the War Department are satisfied after an investigation that the simultaneous arrival at Manzanillo, Mexico, of a steamer bearing arms and munitions from Japan and the Japanese cruiser Yushima, and the Japanese training ship Yushima, was a coincidence.

These officers said today that the Yushima was a training ship and could not have protected the munitions ship even had there been occasion for the effort.

Mr. Sheidehara, the Japanese Ambassador, authorized the statement that the Japanese government had not been a party to the supplying of arms to Mexico, either directly or indirectly, and that no Japanese warship had escorted or protected any other ship carrying arms to Mexico.

The embassy here, inquiring into the subject, it was said, with the purpose of ascertaining the nationality of the steamer which carried the arms, even if it had the appearance of a Japanese ship, was a training vessel made port, as the training vessel was on her regular cruise.

When the present Mexican Minister to Japan, Seno, reached Tokyo last week, he was said to have been informed that it was fruitless for him to endeavor to procure arms in Japan. While in Japan, he was said to have been friendly to the Japanese government, and represented as desiring to avoid the appearance of confirming suspicions set forth in the United States by German agents that Japan entertained designs to exploit Mexico.

Relations with that country for purposes hostile to the United States.

Activity of Ford in River Widening Faces Inquiry

Congress Is Asked to Stop Improvement in Michigan Pending Investigation

WASHINGTON, Jan. 13.—Senator Sherman, Republican, of Illinois, introduced today a resolution calling for cessation of all government work in the widening and improvement of the River Rouge, in Michigan, pending an investigation by the Senate Appropriations Committee of the activities of Henry Ford in connection with the work and the feasibility of the project.

The resolution asks that inquiry be made by the committee "in particular to the interest and influence of Henry Ford and his agents and the use of the name of the United States and powers of the Secretary of War in condemnation proceedings" for land along the river.

U. S. Budget Plan Explained

Expert Suggests Reorganization of System on Holding Lines

WASHINGTON, Jan. 15.—Reorganization of the government's financial system along the lines of a holding company, with the departments and independent bureaus representing subsidiaries, was proposed today at the Senate committee hearing considering a national budget system by Thomas R. Lill, of New York, who aided Mexico in establishing a budgetary committee.

Mexico's monthly expenses were reduced, Mr. Lill said, from 15,000,000 to 10,000,000 after the system was put into effect in 1918.

Shipping Board Cuts Estimate \$125,000,000

Congressional Committees, Delighted but Amazed, Send Thanks to Chairman Payne

WASHINGTON, Jan. 13.—A cheerful variation of the protests of the executive departments of the government that their applications are down to bedrock and cannot be pruned, was received in the mail today by the chairman of the House and Senate Appropriations committees from Chairman John Barton Payne, of the Shipping Board. Amazement was expressed by some of the members.

Mr. Payne admitted that he could get along with \$125,000,000 less than the \$160,000,000 originally asked, and that he might not need the remaining \$41,000,000. Of this reduction \$100,000,000 was made possible by high rentals for ships leased to private operators.

It was also announced that the construction division had been reduced by 2,000 persons, at a saving of \$3,500,000, and that the recruiting service "about the same."

New Wireless Station Opened

The new Norwegian wireless station at Nasarland, Norway, was opened officially on November 20, 1919. The station is prepared at present to communicate with America, Sweden, Denmark and Finland.

WINTERGARDEN 45th St. Eves 8:30. Mat. Wed. & Sat. 2:30. Always You

LYRIC THEATRE 43rd St. Eves 8:30. Mat. Today, Best Seats \$1.50

THE LIGHT OF THE WORLD

LONGACRE 48th St. Eves 8:30. Mat. Today, Best Seats \$1.50

CENTURY THEATRE 119th St. Eves 8:30. Mat. Today, Best Seats \$1.50

AMERICAN OPERA 42nd St. Eves 8:30. Mat. Today, Best Seats \$1.50

MY LADY FRIENDS

THE ACQUITTAL

LAURETTE TAYLOR

OTIS SKINNER

ANGEL FACE

INA CLAIRE

GLOBE "Apple Blossoms"

STANDARD BWAY

CARNEGIE HALL

ORCHESTRAL SOCIETY

JUBILEE WEEK

EDNA THOMAS

BOOTH DITRICHSTEIN

PLAYHOUSE

RICHARD BENNETT

Maxine Elliott's

NO MORE BLONDES

REPUBLIC

THE SIGN ON THE DOOR

BIJOU

BARNEY BERNARD

ELTINGE

THE GIRL IN THE LIMOUSINE

BROADHURST

JANE COWL

VANDERBILT

IRENE

GREENWICH VILLAGE FOLLIES

43rd St.

STORM

THEATRE PARISIEN

PRINCESS

LEO KLEIDER

BRUCE BAINSFATHER

"OLD BILL" AND ME

SIR OLIVER LODGE

CAPITOL

METROPOLITAN

LEXINGTON THEATRE

CHICAGO OPERA

LENOX LITTLE

SPARKES

NEZ BARBOUR

CORTO

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