

RAIL STOCKS AGAIN LEAD

Show Early Strength But Recede on Profit Taking At Close.

EXPECT TAX DECISION

Wall Street Believes Supreme Court May State Decision Tomorrow.

New York, Feb. 28.—Professional traders tried to continue the advance of rails again today but with indifferent success. Most of the advances were lost before the close.

What optimism there was in the street was based largely on the sign the railroad bill immediately. Account was also taken of the possibility of the Supreme Court handing down a decision Monday. There was also some selling on account of the possibility of an income tax decision for the language of the law is very clear on this point and says dividends are taxable.

There was also some selling on the theory that the attorney general would file an appeal in the Southern Pacific land cases. He has stated that he will not appeal.

Discounted paper held by the Cleveland, Atlanta, Chicago, Minneapolis, Kansas City and Dallas banks includes \$6.9 millions of bills discounted for the New York and Philadelphia banks, as against \$2.9 millions the preceding week.

FEDERAL RESERVE REPORT SHOWS SUBSTANTIAL FIGURES

The weekly report of the Federal Reserve Board shows a substantial increase in discount operations, accompanied by corresponding increases in net deposits and a further expansion of Federal reserve note circulation.

Safe Investments

If you have \$100 or more to invest, and want the highest possible rate of interest with ABSOLUTE SECURITY, let us send you full particulars of First Mortgages on Washington real estate—a form of investment that is as secure as the fact that Washington will continue to be the Capital of this great country.

Wm. S. Phillips 1409 New York Ave. REAL ESTATE INVESTMENTS

Investors and Traders.

Since the middle of January our weekly advice has been "Stocks will break down in March." At 290 we advised selling Mexican for 165; other big ones in proportion.

Midwest Refining

International Pete Cities Service Brit-Amer Tobacco General Motors w. i. Tobacco Products Export White Oil Submarine Boat United Ret. Candy Stores Arkansas Natural Gas

JAS. W. BALL & CO.

67 Exchange Place, N. Y.

Have You Ever Lost Money in the Stock Market?

If so, and you desire to safeguard your future operations, write for free booklet "A" showing how this may be accomplished.

H. L. Mandeville & Co. 120 Broadway New York

Don't sell your liberty bonds. If you need funds, go to any bank and secure a loan.

FAULTY SYSTEM OF TAXATION

Present Methods Unfair And Direct Cause of Inflated Era.

PUBLIC PAYS DEARLY

Otto H. Kahn Suggests Plan to Relieve Heavy Burdens.

Otto H. Kahn, of the banking house of Kuhn, Loeb & Co., New York, has prepared an exhaustive pamphlet on our present bungling methods of taxation—Two Years of Faulty Taxation and the Results—and embraces in his summary many provisions which undoubtedly would tend toward eliminating most of the unequal, unfair

and inflated principles of our present system. Mr. Kahn says: "Taxation, while necessarily involving political and social considerations, is essentially a problem in national economics. It is primarily a question of public advantage wisely, truly and broadly conceived. Its effects are subtle, profound and manifold and, unless carefully studied and measured in advance, apt to crop up in unexpected ways and places. The very extreme of the burden laid upon business and incomes by the method of taxation adopted by Congress in 1917 and since continued, has partially defeated the purposes which the framers of that legislation had in view, and at the same time has given rise to certain unforeseen and troublesome developments—as invariably happens in the case of extreme measures, especially where economies are involved.

"Several factors are responsible for the economic dislocation and resulting ills (including high prices) which confront us. Among these factors, none has been more potent for harm than our Federal taxation. The result which has arisen from it were bound to arise. It did not need a prophet to foretell, for instance, that the existence of many millions of Federal, State and Farm Loan Bonds, entirely free from all taxes (and more of such bonds coming out almost daily), on the one hand, and income taxation on a scale unparalleled in any other country in respect of a person's income from business and corporate securities, on the other hand, would drive a very great portion of the country's liquid capital into tax free securities, and thus largely prevent the access of private and corporate trade and industry to the great reservoir of individual investment capital.

"The free flow of capital, the normal working of the investment market are absolutely basic elements for every kind of trade and industry. The effects of their disturbance to any serious degree, for any length of time are all-pervading. "We cannot have a return to a state approaching normal conditions of trade, prices, credit until our investment market will have come within measurable distance, at least, of normal conditions. "And that is impossible as long as our present income tax scale is in force, even if the other elements which have operated to bring about the present abnormal situation were removed.

"It is an old axiom of taxation that an excessive tax destroys its own productivity. "A small committee of well-informed men, entirely free from all approaching their tasks from political, social and sectional bias, would not find it a formidable undertaking to evolve a measure which, while fully responsive to the dictates of equity and social justice, would produce no less revenue than the taxation now in force, and yet would be far less burdensome upon the country, less hampering to enterprise, and less productive of economic disturbance and location.

"It might recommend a radical revision of income taxation on the theory that the emphasis of taxation should be laid rather on expenditures than on incomes, and that a sharply marked distinction be made between such portion of a person's income as is used constructively in savings, investments, or enterprise and such portion as is spent on his scale of living. A tax based on that theory would no doubt exempt expenditures of a certain minimum sum per annum, say, \$2,500 for a single and \$4,000 for married persons, would be applied moderately to moderate expenditures, and would be severely progressive on large expenditures. "Much can be done for such a tax from both the economic and moral

points of view. Among other desirable effects, it would reach those who, by holding tax-exempt securities, now escape the burden of income taxation, and it would go a long way to eliminate the undue advantage now attaching to tax-exempt securities and to correct the resulting evils which I have pointed out before in discussing that phase of our tax problem.

"The result would be a great reduction in the cumulative percentages with which prices are now 'loaded' to meet taxation; that is to say, there would be bound to ensue a lowering of prices all around. Competition would see to that. It should not do so, other agencies will. "Another advantage of the sales tax is the mere simplicity of its working and the definiteness of its application, especially as compared to the vexatious, uneven and unfair working of the excess profit tax. "Furthermore, to such a tax no special bookkeeping, no intricate schedules, no lawyers' and accountants' services, and no army of government inspectors are required. It can be increased or decreased in short order and without any resulting economic disturbance, according to the financial needs of the Government. "If it is a simple process to decrease it is a very simple process to increase it by an appropriate percentage. If it produces too little a small additional percentage will yield the sum needed. "We have had a two-years' test run of a scheme for raising revenue which is unscientific, inconsistent and ill-designed and has as its principal characteristic the taxation of business and constructively increased cost of living, without a parallel anywhere. The result is writ large in the high cost of living, industrial and economic dislocation and social discontent for all of which our tax policy is strongly contributory, though, of course, not the sole cause. "In common with all right thinking men, I desire very earnestly and sincerely to see the burdens of the poor and those of moderate means lightened to the utmost extent possible. "I realize but too well that the load which upon them has not been increased cost of living has become almost intolerable. I welcome every means compatible with the reason and the test of experience and with national welfare, to remedy that situation, or at least to mitigate it to the limit of our ability. "But I am entirely convinced that crushing and bungling taxation of capital and industry is not the way to accomplish that result. I am convinced, on the contrary, that such taxation is bound to rebound to the detriment of all the people. "If our extreme surtaxes on incomes, and our excess profit tax had the effect of breaking the vicious circle of price-boasting and wage-boasting, if these taxes had power to eliminate or curb 'profiteering,' much might be forgiven them. "But experience has proved that not only have they no such effect and no such power, but indeed they have tended to greatly intensify those evils. To deal with these noxious things, measures of quite a different nature are required."

NEW YORK STOCK MARKET QUOTATIONS

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

Table with columns: Open, High, Low, Close. Lists various stocks like Am Ry, Am Tel, etc.

ACTIVE NEW YORK STOCK EXCHANGE BONDS

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

Table with columns: Issue, Price, etc. Lists Liberty Bonds and other securities.

HIGHER SILVER B. AND O. S. ANTICIPATED OFFICIAL STAFF

Continued Heavy Demand Basis for Prediction. Willard Announces Appointments Together With Other Plans.

OUTPUT IS LIMITED TO USE PA. TERMINAL

Supply Far Below Present Requirements Here and Abroad. Arrangement at New York To Be Continued Until Further Notice.

So great is the demand for silver that it is difficult to predict where the upward trend of the prices will stop. However, the United States is given the credit for holding the upper hand at this time, according to a dispatch received at the Bureau of Foreign and Domestic Commerce from the American Chamber of Commerce in London.

The report points out that it has become profitable in most countries for them to convert their minted silver into bullion, and that "small change" continues to disappear on the continent with remarkable rapidity, postage stamps largely replacing the former silver coin of small value.

The silver standard in use in Oriental countries, coupled with the enormous commercial expansion now in course of progress between the West and the East, indicates that there is an immense shortage of the white metal to meet the demands of trade, the chamber reports, and continues: One result of this shortage is that American and Mexican silver mines may look forward confidently to an era of unprecedented prosperity for many years to come.

When the roads go back George M. Shriver will become the senior vice president of the Baltimore and Ohio, in charge of accounting, treasury, claim and relief departments.

Table with columns: Issue, Price, etc. Lists various bonds and securities.

Table with columns: Issue, Price, etc. Lists various bonds and securities.

Table with columns: Issue, Price, etc. Lists various bonds and securities.

Table with columns: Issue, Price, etc. Lists various bonds and securities.

CITIZENS SAVINGS BANK 1336 New York Avenue Just five minutes from anywhere downtown