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NEW TAX BLOW AT JEWS FORESEEN IN EXPECTED REVISION OF REICH CAPITAL LEVY

BERLIN, Feb. 8. (JTA) -- DISCRIMINATORY ALTERATION OF THE CAPITAL TAX IS EXPECTED TO BE THE NEXT STEP IN THE ANTI-JEWISH TAX CAMPAIGN. COMMENTING ON THE ANTI-SEMITIC TREND OF TAX REGULATIONS, THE FRANKFURTER ZEITUNG REMARKS SIGNIFICANTLY: "THE APPLICATION OF THE NUREMBERG LEGISLATION TO THE TAX LAWS IS AN IMPORTANT STEP IN THE REFORM OF THE REICH'S TAX SYSTEM."

THE FORM OF ALTERATION OF THE CAPITAL TAX IS NOT KNOWN YET. IT IS POINTED OUT THAT IT MAY INVOLVE A DRASTIC REVISION OF THE RATES, BUT MORE LIKELY THE EXTENSION OF THE NEW "JEWISH CHILD PRINCIPLE" ALREADY APPLIED TO INCOME TAX. IF THIS PRINCIPLE IS ACCEPTED, JEWS WILL BE UNABLE TO CLAIM EXEMPTIONS ALLOWED AT THE RATE OF 10,000 MARKS FOR EACH CHILD AND EACH PARENT.

THUS, A MARRIED MAN WITH THREE CHILDREN DOES NOT BEGIN PAYING A CAPITAL TAX UNTIL HIS CAPITAL IS 50,000 MARKS. THE PRESENT TAX IS ONE-HALF PER CENT. UNDER THE LAW AS REVISED IN ACCORDANCE WITH THE "JEWISH CHILD PRINCIPLE," A PARENT WITH THREE JEWISH CHILDREN WOULD BE ALLOWED AN EXEMPTION OF 20,000 MARKS FOR HIMSELF AND HIS WIFE. IT IS POINTED OUT THAT UNFAVORABLE ALTERATION OF THE CAPITAL TAX WOULD PARTICULARLY AFFECT A CONSIDERABLE NUMBER OF JEWS FORCED OUT OF BUSINESS AND COMPELLED TO LIVE ON THEIR SAVINGS.

LOSS OF CHILD EXEMPTIONS DOUBLES TAX FOR THOUSANDS

THE FULL SIGNIFICANCE OF LAST SATURDAY'S TAX LAW CHANGES, OBSCURED BY THE WILHELM-STRASSE DEVELOPMENTS OF THE WEEKEND, IS ONLY AT PRESENT BECOMING APPARENT. THE FACT IS THAT HENCEFORTH THE INCOME TAX BURDEN FOR TENS OF THOUSANDS OF JEWISH FAMILIES IS MORE THAN DOUBLED.

THE NEW PROVISIONS ARE EMBODIED IN A LENGTHY TECHNICAL REVISION OF THE GENERAL INCOME TAX REGULATIONS IN WHICH THE PHRASE, JEWISH TAXPAYER, IS NOT MENTIONED. THE MOST IMPORTANT PROVISION IS THAT HENCEFORTH NO EXEMPTIONS CAN BE CLAIMED IN BEHALF OF JEWISH CHILDREN. THE EFFECT OF THIS IS TO FORCE EVERY JEWISH TAXPAYER IN ANY INCOME GROUP TO PAY THE SAME TAXES, REGARDLESS OF THE NUMBER OF HIS CHILD DEPENDENTS.

IN THE 250-MARK MONTHLY INCOME GROUP, FOR INSTANCE, THE TAX IS AT PRESENT 14.3 MARKS PER MONTH, WHEREAS FORMERLY THE FATHER OF THREE PAID ONLY 4.16 MARKS, THE FATHER OF TWO, 7.80 MARKS, AND THE FATHER OF ONE, 10.92.

A SECOND PROVISION FORCES ALL PERSONS OVER A CERTAIN AGE, WHO FORMERLY WERE PERMITTED TO PAY THE "MARRIED RATE" IF DIVORCED OR WIDOWED, TO PAY THE "SINGLE RATE" IF THEY HAVE A JEWISH CHILD. FOR EXAMPLE, A WIDOWER WITH ONE CHILD EARNING 3,600 MARKS YEARLY USED TO PAY 250 MARKS ANNUALLY IN TAX. IF THE CHILD IS JEWISH, HE MUST NOW PAY 563 MARKS.

A THIRD PROVISION LIMITS THE DEDUCTION FROM GROSS TAXABLE INCOME ALLOWABLE FOR CHURCH TAXES, JEWISH OR NON-JEWISH. IT IS POINTED OUT, HOWEVER, THAT THIS STRIKES HARDEST AT THE JEW, SINCE JEWISH RELIGIOUS TAXES, BECAUSE OF JEWISH COMMUNITIES' WIDESPREAD ACTIVITIES, ARE HIGHER THAN THE CHRISTIAN TAXES, REPRESENTING TWENTY-FIVE PER CENT OF THE TAX PAID TO THE STATE. UNDER THE OLD LAW THE FULL AMOUNT WAS DEDUCTIBLE FROM GROSS TAXABLE INCOME. UNDER THE NEW LAW, THE DEDUCTION IS LIMITED TO TWO PER CENT OF THE GROSS INCOME. IN MANY CASES THIS LIFTS THE TAXPAYER INTO THE NEXT HIGHER TAX-RATE BRACKET.

ARAB SLAIN IN BUS ATTACK; SHERTOK VISITS EGYPT

JERUSALEM, FEB. 8. (JTA) -- AN ARAB BAND TODAY HALTED AN ARAB BUS BETWEEN JERUSALEM AND HEBRON, COMPELLED THE PASSENGERS TO ALIGHT, KILLED ONE WHO OFFERED RESISTANCE AND STOLE THE RIFLE AND UNIFORM OF THE GHAFIR ACCOMPANYING THE BUS. BY THE TIME TROOPS ARRIVED AT THE SPOT THE BAND HAD DISAPPEARED.

MOSHE SHERTOK, HEAD OF THE POLITICAL DEPARTMENT OF THE JEWISH AGENCY, LEFT FOR A VISIT OF SEVERAL DAYS IN EGYPT.

JEWISH PROBLEM IN ITALY POLITICAL, ROME HOLDS, DENYING ANTI-JEWISH MEASURES

ROME, FEB. 8. (JTA) -- "THE JEWISH PROBLEM IN ITALY IS POLITICAL, NOT RACIAL," THE ITALIAN GOVERNMENT DECLARED TODAY IN AN OFFICIAL STATEMENT DENYING REPORTS OF ANTI-SEMITIC MEASURES.

"THE ITALIAN GOVERNMENT ACKNOWLEDGES THE EXISTENCE OF ANTI-JEWISH TENDENCIES IN ITALY, BUT POINTS OUT THAT THESE ARE NOT DIRECTED AGAINST ITALIAN JEWS, WHOSE LOYALTY IS RECOGNIZED, BUT AGAINST INTERNATIONAL JEWRY, WHICH IS ANTI-FASCIST," THE STATEMENT SAID.

"SHOULD BOOKS AND PLAYS BY JEWISH WRITERS BE PROHIBITED, IT IS BECAUSE THEY ARE BY INDIVIDUALS WHO HAVE PARTICIPATED IN ANTI-ITALIAN ACTIVITIES."

CURBS ON BOOKS, PLAYS BY JEWS REPORTED

LONDON, FEB. 8. (JTA) -- THE ITALIAN GOVERNMENT HAS TAKEN MEASURES AGAINST PUBLICATION OF BOOKS, PRODUCTION OF PLAYS AND RADIO BROADCASTS BY JEWS, THE TIMES REPORTED TODAY FROM ROME.

ITALIAN PUBLISHERS, THE DISPATCH SAID, HAVE RECEIVED AN OFFICIAL WARNING THAT BOOKS BY JEWS ARE NOT TO BE PUBLISHED WITHOUT SPECIAL AUTHORITY, BOOKS BY FOREIGN JEWS ARE NOT TO BE TRANSLATED INTO ITALIAN, NO PLAYS BY FOREIGN JEWS ARE TO BE PRODUCED AND JEWS ARE NOT ALLOWED TO BROADCAST.

THE MOVE WAS EXPECTED FOR SOME TIME, THE TIMES SAID, BUT NO PUBLICITY WAS GIVEN TO THE NEW ANTI-JEWISH REGULATIONS. IT WILL BE INTERESTING TO SEE WHETHER THEY WILL BE FOLLOWED BY MORE DEMONSTRATIVE MEASURES, THE REPORT DECLARED, AND THERE IS REASON TO BELIEVE SUCH MEASURES ARE UNDER CONSIDERATION.

BECAUSE OF THE SMALL JEWISH POPULATION OF ITALY, IT SEEMS HARDLY LIKELY THAT ANTI-SEMITISM WILL GATHER MUCH STRENGTH, UNLESS RAISED BY OFFICIAL PROPAGANDA, THE TIMES CORRESPONDENT ASSERTED. BUT ITALIAN FASCISM, HE ADDED, HAS GIVEN MORE THAN ONE PROOF OF LATE OF ITS SUSCEPTIBILITY TO INFLUENCE FROM BERLIN.

ORMSBY-GORE SEEN EAGER TO PUSH PARTITION; ANTI-ZIONIST OFFICIALS TARGET OF ATTACK

LONDON, FEB. 8. (JTA) -- ZIONISTS WERE GIVEN NEW ASSURANCES TODAY OF COLONIAL SECRETARY WILLIAM ORMSBY-GORE'S INTEREST IN PROMOTING THE JEWISH HOMELAND WHILE A FORMER OFFICIAL CHARGED THAT ANTI-ZIONISTS IN THE GOVERNMENT HAD NEVER GIVEN THE HOMELAND A CHANCE TO SUCCEED.

MEANWHILE, THE DAILY TELEGRAPH REPORTED THAT THE COLONIAL OFFICE HAD RECEIVED THREE ACCEPTANCES OF FOUR MEMBERSHIPS IN THE NEW PALESTINE TECHNICAL COMMISSION, THE CHAIRMAN TO BE A FORMER COLONIAL GOVERNOR. THE COMMISSION WILL LEAVE AT THE END OF MARCH, IT WAS STATED.

MR. ORMSBY-GORE "IS GENUINELY ANXIOUS TO MEET FEARS AND CRITICISM AND IS DETERMINED, IF HE POSSIBLY CAN, TO GO AHEAD WITH THE SCHEME OF THE JEWISH NATIONAL HOME WITH ALL THE ENERGY OF WHICH HE IS CAPABLE," A ZIONIST MEETING HERE WAS INFORMED LAST NIGHT.

CAPT. AUSTIN HUDSON, PARLIAMENTARY SECRETARY OF THE TRANSPORT MINISTRY, WHO SAID HE HAD BEEN IN CLOSE TOUCH WITH JEWISH LEADERS AND IN CONSTANT COMMUNICATION WITH MR. ORMSBY-GORE, DECLARED THAT THE COLONIAL SECRETARY WAS "MOST HELPFUL AND SYMPATHETIC."

CAPT. HUDSON BRANDED AS UNTRUE PUBLISHED REPORTS THAT THE GOVERNMENT HAD DECIDED TO SCRAP PARTITION AND KEEP THE JEWISH PEOPLE AS A PERMANENT MINORITY IN PALESTINE, CAPT. HUDSON ASSERTED. WHILE EXPRESSING REGRET OVER THE DELAY, HE SAID THAT "EVERY EFFORT IS BEING MADE TO COLLECT THE PERSONNEL OF THE PALESTINE COMMISSION MOST QUICKLY, AS THE DESIRABILITY OF AN EARLY PRONOUNCEMENT IS APPRECIATED BY THE GOVERNMENT."

REFERRING TO THE PARAGRAPH OF THE WHITE PAPER REGARDING THE DESIRABILITY OF INCLUDING THE FEWEST POSSIBLE ARABS AND ARAB ENTERPRISES IN THE JEWISH AREA, CAPT. HUDSON GAVE ASSURANCES THAT THIS PARAGRAPH DID NOT SIGNIFY AN INTENTION TO INSTRUCT THE COMMISSION TO REDUCE THE AREA OF THE PROPOSED JEWISH STATE.

HE POINTED OUT THE NECESSITY OF CARE IN REGULATING IMMIGRATION. "IN YOUR ANXIETY TO HELP UNFORTUNATE JEWS OF RUMANIA, GERMANY AND ELSEWHERE, YOU MUST NOT FLOOD PALESTINE WITH GREAT NUMBERS, CAUSING UNEMPLOYMENT AND ECONOMIC DISLOCATION," HE SAID.

NOTING WITH INTEREST THE SUGGESTION THAT A PALESTINE JEWISH DOMINION BE INCLUDED IN THE BRITISH COMMONWEALTH OF NATIONS, CAPT. HUDSON DECLARED THAT WHILE IT WAS FLATTERING THAT A BODY OF PEOPLE SHOULD WISH TO LIVE UNDER THE BRITISH FLAG, THE SUGGESTION MIGHT CAUSE ALARM AND ANNOYANCE IN OTHER COUNTRIES. IT IS IMPOSSIBLE FOR THE BRITISH GOVERNMENT TO ACCEPT THE SUGGESTION WITHOUT QUESTION, HE SAID, CONCLUDING BY EXPRESSING THE HOPE THAT A JEWISH STATE WOULD COME INTO EXISTENCE IN A SHORT TIME.

HOLDS ANTI-ZIONIST OFFICIALS ENCOURAGED ARAB OPPOSITION

ANTI-ZIONIST OFFICIALS IN PALESTINE AND LONDON NEVER GAVE THE JEWISH HOMELAND EXPERIMENT A CHANCE TO SUCCEED, IT WAS DECLARED YESTERDAY BY REICHARD MEINERTZHAGEN, CHIEF POLITICAL OFFICER IN PALESTINE AND SYRIA IN 1919 AND 1920 AND MILITARY ADVISER OF THE COLONIAL OFFICE'S MIDDLE EAST DEPARTMENT.

"ARAB OPPOSITION TO ZIONISM IS NURSED AND ENCOURAGED BY ANTI-ZIONIST VIEWS, NOT ONLY IN PALESTINE, BUT IN WHITEHALL AND WESTMINSTER," MEINERTZHAGEN DECLARED IN A LETTER TO THE TIMES. "ZIONISM NEVER HAD A FAIR CHANCE. WITH AN ADMINISTRATION LOYAL TO THE SPIRIT OF THE BALFOUR DECLARATION, BACKED BY OFFICIALS IN WHITEHALL SYMPATHETIC TO ZIONISM, THE ARAB OPPOSITION COULD NEVER GET SO COMPLETELY OUT OF HAND."

DECLARING THE PROPOSED PARTITION OF PALESTINE WAS UNACCEPTABLE TO EITHER PARTY, AND THAT A JEWISH STATE WAS IN BRITAIN'S BEST INTERESTS, HE ADVOCATED IMMEDIATE REVERSION TO THE PALESTINE MANDATE. THE ARABS SHOULD BE INFORMED THAT THE BALFOUR DECLARATION STANDS, THE ULTIMATE AIM BEING A JEWISH SOVEREIGN STATE IN PALESTINE, INCLUDING THE AREA FROM DAN TO BEERSHEBA (THE BIBLICAL BOUNDARIES OF PALESTINE), HE ASSERTED.

37 SEIZED AT SAFED AS ILLEGAL ENTRANTS; 11 CHILDREN, 19 WOMEN IN GROUP

JERUSALEM, FEB. 8. (JTA) -- THIRTY-SEVEN ILLEGAL JEWISH IMMIGRANTS FROM BUKHARA, INCLUDING 11 CHILDREN AND 19 WOMEN, WERE UNDER ARREST TODAY IN SAFED. ONE OF THE WOMEN GAVE BIRTH FOUR DAYS AGO. ALL THE IMMIGRANTS, EXCEPT FIVE UNMARRIED WOMEN, WERE RELEASED ON BAIL.

IRAQI PARLIAMENT PROTESTS BRITISH POLICY IN PALESTINE

BAGHDAD, FEB. 8. (JTA) -- PARLIAMENT TODAY UNANIMOUSLY ADOPTED A RESOLUTION PROTESTING TO LONDON ON BRITISH POLICY IN PALESTINE.

GOGA EXPECTED TO LOSE ELECTIONS NEXT MONTH, OBSERVER DECLARES

NEW YORK, FEB. 8. (JTA) -- MOST POLITICIANS IN BUCHAREST BELIEVE THAT PREMIER GOGA WILL LOSE IN THE MARCH 2 ELECTIONS, G.E.R. GEDYE, CHIEF CENTRAL EUROPEAN CORRESPONDENT OF THE NEW YORK TIMES, DECLARED TODAY IN THE LAST OF FIVE DISPATCHES ON THE RUMANIAN SITUATION.

GOGA CANNOT WIN WITHOUT THE USE OF UNPRECEDENTED TERRORISM, POLITICIANS AGREE, AND RESPONSIBILITY WILL BE LAID ON KING CAROL FOR WHATEVER METHODS GOGA EMPLOYS TO ACHIEVE VICTORY. A SECOND DEFEAT FOR GOGA, WHOSE NATIONAL CHRISTIAN PARTY OBTAINED LESS THAN 10 PER CENT OF THE VOTES IN THE DECEMBER ELECTIONS, WOULD MEAN THAT RUMANIA WOULD HAVE THRICE REJECTED THE KING'S POLICY, THE DISPATCH SAID.

ECUADOR WELCOMES IMMIGRANTS AIDING HER ECONOMY, RULER DECLARES

BOGOTA, COLOMBIA (JTA) -- THE ECUADOREAN REPUBLIC REPUDIATES NAZI AND RACIAL PHILOSOPHIES AND WELCOMES ALL IMMIGRANTS WHO AID HER ECONOMY, COL. ALBERTO ENRIQUEZ, HEAD OF ECUADOR'S PROVISIONAL MILITARY GOVERNMENT, HAS DECLARED.

REPLYING TO AN APPEAL TELEGRAPHED BY BERTHA SINGERMAN, ARGENTINE JEWISH DELEGATE, FOR REVOCATION OF AN ORDER FOR DEPORTATION OF SEVERAL HUNDRED JEWS, COL. ENRIQUEZ STATED IN A TELEGRAM THAT HIS GOVERNMENT WAS FREE FROM "FOREIGN DOCTRINES" AND HAD NOT ISSUED THE DECREE IN ORDER TO DISCRIMINATE AGAINST ANY RACE.

"ECUADOR," HE SAID, "WELCOMES ALL FOREIGNERS, NO MATTER TO WHAT RACE OR NATION THEY BELONG, WHO COME INTO THE COUNTRY TO WORK AT AGRICULTURE OR USEFUL INDUSTRIES, INSTEAD OF INCREASING THE NUMBER OF UNEMPLOYED, OR ENLARGING THE PARASITIC TRADE, WHICH BRINGS NO BENEFITS TO THE CITIZENS IN GENERAL."

BULLETIN

JERUSALEM, FEB. 8. (JTA) -- A BRITISH ARMY SERGEANT WAS KILLED TONIGHT NORTH OF TULKAREM, DURING A SEARCH OF A VILLAGE, BY A SHOT FROM A HOUSE, IT WAS OFFICIALLY ANNOUNCED. THE ASSAILANT ESCAPED.