

U. S. PAY CHECKS TAKE A NEW CUT

5 Per Cent on All Over \$12 a Week to Be Paid as Victory

Tax for All 1943 Earnings; Part to Be

Refunded After War.

By DICK THORNBURG
Times Special Writer

WASHINGTON, Jan. 1.—Beginning today, the tax collector is going to put the bite on your pay check even before you get it.

The new 5 per cent victory tax now is effective and your employer will deduct 5 per cent of your salary over \$12 a week and pay it to the treasury.

The tax applies to all income in excess of \$624 a year whether you get it by salary, wages, dividends, interest, annuities, other compensation for personal services, or net income from business or profession.

But under certain conditions the treasury will give you a kickback as a post-war credit—25 per cent of the total victory tax paid in the case of single persons (but not more than \$500 post-war credit per year) and 40 per cent in the case of married persons (but not more than \$1000), plus 2 per cent for each dependent (but not more than \$100 per dependent).

Those conditions are that you spend a portion of your money for anti-inflation purposes—buying war bonds, paying insurance premiums, paying off a mortgage or paying on a bona-fide debt.

Most Pay on Gross Income
In figuring the victory tax no allowance is made by your employer for interest payments, charitable deductions, etc., as is the case under

the regular income tax. You can deduct such allowances if incurred in carrying on a trade or business. A person in business can also deduct other regular business expenses such as the cost of goods sold. A simple way to state it is: The tax applies to gross income in the case of wages and salaries and to net income in the case of a business or professional man.

Here's How to Figure It

If you choose you may use up your post-war credit before the end of the war by deducting from your next year's income tax (the tax that will become payable in March, 1944) whatever your share of the post-war credit is for that year.

For example: Suppose you are married and your salary is \$624 a year. The tax applies only to income in excess of \$624, so your employer will take out of your regular check 5 per cent of the \$2000 balance. At the end of 1943 he will have taken out \$100. But during

the year you paid \$100 in insurance premiums, bought \$250 worth of war bonds, paid \$100 on a mortgage, a total of \$450.

You are allowed credit directly against the amount of your victory tax for any such expenditures up to 40 per cent of the tax, so in this case you have \$40 post-war credit.

You can apply that credit to your 1943 income tax (payable in March, 1944), or wait until the end of the war to collect it, in cash if you want it that way.

In order to use your post-war credit against your income tax, the life insurance or mortgage or other debt must have been incurred before Sept. 1, 1942. (In the case of war bonds that time limitation does not apply.) If you use up all your post-war credit against your taxes, no repayment will be made after the war.

Men in Service Exempt

Your employer does not take cognizance of any bond buying, insurance payments, mortgage or debt payments as you go along. At the end of the year he will send you a form telling you how much he deducted from your salary. You will enter on this from the money spent on life insurance, mortgages and war bonds, to compute how much post-war credit is due you.

The only persons exempt from the victory tax are members of the armed forces, domestic servants, and agricultural labor.

The tax will reach an estimated 46,000,000 persons and yield a gross revenue this year of \$3,600,000,000, of which \$1,100,000,000 will be returned as a post-war credit, leaving a net yield of \$2,500,000,000.

**STAMPS REPLACING
FOOTBALL CORSAGES**

SEATTLE (U. P.)—Big yellow chrysanthemums—the traditional football corsage—are out for the duration at the University of Washington. Co-eds have banned the flowers and instead have adopted lapel gadgets made of wire and ribbon and war stamps.

★

Vonneguts
DOWNTOWN STORE
120 East Washington Street
CLOSED SATURDAY
JANUARY 2nd

The seven other neighborhood stores, and the wholesale store, will be open as usual on Saturday, the day after New Year's.

Vonneguts

• 120 E. Washington MA. 2321
• 38th and Illinois Sts. TA. 3321
• 42nd and College HU. 1397
• Broad Ripple, 802 E. 63d BR. 5464
• Irvington, 5609 E. Wash. IR. 2321
• East 10th at LaSalle CH. 2321
• Fountain Sq., 1116 Prospect MA. 3976
• 2125 W. Washington MA. 1771

Standard Life of Indiana

Proudly Presents Its

GAINS FOR 1942

35% GAIN in Size or

Insurance In Force
1942—\$21,827,573
1941—16,147,000
. \$5,680,573

250% GREATER Sales

Insurance Paid For
1942—\$7,147,676
1941—2,853,058
. \$4,294,618

25% GAIN in Assets or

**1942—\$1,242,446
1941—957,150
. \$285,286**

17% GAIN in Surplus or

**1942—\$150,699
1941—128,375
. \$22,324**

12% GAIN in Paid-in Capital or

**1942—\$341,217
1941—303,815
. \$37,402**

In addition the Company experienced the lowest lapse rate in its entire history.

FINANCIAL STATEMENT—DECEMBER 31, 1942

Assets	Liabilities
First mortgage real estate loans	Legal reserve for policyholders
\$409,650.46	\$637,446.00
Bonds—amortized cost	Policy claims—proof not complete
477,998.45	8,485.60
Preferred stocks (market value)	Reserve for policy dividends and matured endowment insurance coupons
85,337.50	10,701.10
Invested shares of federally insured savings and loan associations	12,895.36
60,000.00	43,166.11
Policy loans	37,835.77
13,033.47	
Cash in bank and on hand	
103,865.03	
Net premiums deferred and uncollected	
83,016.10	
Accrued interest receivable	
9,604.35	
Total Admitted Assets	
\$1,242,446.36	
	\$1,242,446.36
	Total Liabilities
	\$750,529.94
	Additional funds for protection of policyholders
	Capital paid up
	\$341,217.00
	Surplus
	130,000.00
	Unassigned funds (Re-serve for war mortality & fluctuation in security values)
	20,699.42
	491,916.42
	Total
	\$1,242,446.36

**STANDARD LIFE INSURANCE CO.
OF INDIANA**

Harry V. Wade, Vice-President and General Manager

OFFICERS AND DIRECTORS: J. Raymond Schutz, President; Harry V. Wade, 1st Vice-President and General Manager; J. W. Cherry, Vice-President; E. J. Barker, Treasurer; J. W. Canady, Medical Director; Edward H. Stein, Secretary; E. M. Rice, Charles F. Gerber, Marshall Haywood, Wayne Ladd, Frank J. Latendress, Scott Mills, Otto M. Mueller, E. M. Rice, John L. Richardson, Urs Seeger, Charles E. Smith, R. B. Stewart, John H. Teder, and Edw. A. Wolfe.

Getting Ready for North Africa



Six U. S. navy fighter planes line up along the edge of the flight deck of an aircraft carrier to test their machine guns, as the warship nears the shores of North Africa. Smoke around the nose of the third fighter from the left shows its guns are in action. This photo has just been released in Washington.

VACCINATION OF CHILDREN URGED

Outbreak of Smallpox in East Proves Need of Precautions.

By JANE STAFFORD
Science Service Medical Writer

WASHINGTON, Dec. 30.—The question of how far the smallpox outbreak reported from a Pennsylvania farming district will spread can be answered as follows: It will not spread to persons who have been successfully vaccinated against smallpox. Unvaccinated persons who have come in contact with smallpox patients are in danger of getting the disease, because everyone is susceptible to it unless he has had an attack or been vaccinated.

Most people think of smallpox as a skin disease, but actually it starts and spreads like influenza. The disease is caused by a virus which invades the body through the nose and throat and during the first two days before the skin rash appears, the patient has fever and a generally ill feeling suggesting an attack of grippe or flu.

Spread Through Air

The virus of the disease is spread through nose and throat discharges from the patient as well as through material from the skin spots after these appear. Crowding favors the spread of smallpox, as it does the spread of influenza or other diseases transmitted by nose and throat discharges. Unlike influenza, however, it develops very quickly, the incubation period for smallpox is eight to 10 or 16 days, so that unprotected persons are not at danger until at least 16 days following exposure to a smallpox patient.

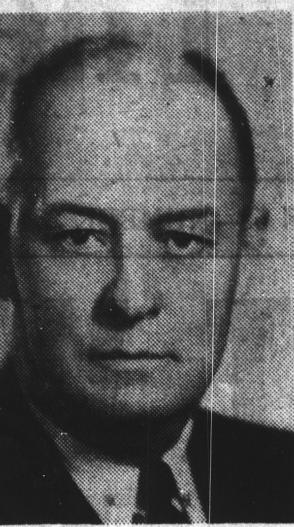
Parents of the small children reported to have caught smallpox evidently did not follow President Roosevelt's advice when, in proclaiming May 1 as child health day for 1942, he urged that all children over nine months of age be vaccinated against smallpox before the first of May, 1942. Doctors and health officers for years have urged that all babies be vaccinated against this dangerous, disfiguring disease before they are one year old.

A single vaccination in infancy, however, does not guarantee full protection against smallpox for life. The vaccination should be repeated on entering school and at intervals during later life.

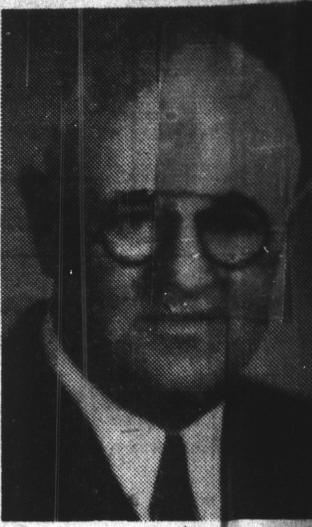
THIS IS WAR! MAN HEADS P.T. A.

CARMEL, Cal. (U. P.)—Carmel, always different, has come forth again. With women taking over many jobs formerly held by men, Carmel residents elected a man, E. M. Selfert, as president of the parent-teacher association.

Phone Counsel Retires



Thomas D. Stevenson



R. F. Davidson

R. F. Davidson Succeeded by Atty. Thomas D. Stevenson

Thomas D. Stevenson, who for the past year has been counsel for the Indiana Bell Telephone Co., today was named general counsel, suc-

ceeding R. F. Davidson who is retiring from active service.

Mr. Stevenson was born in Rising Sun, Ind., and later his family moved to Racine, Wis., where he attended the Racine College grammar school, and later the University of Wisconsin. He graduated from the Indiana Law School in 1908 and immediately started law practice in Indianapolis.

In 1915 he became deputy prosecu-

tor of Marion county and three

years later was appointed city at-

torney for Indianapolis. In mid-

1918, Mr. Stevenson was com-

missioned a captain in the judge ad-

vocate general's department of the

army and served as judge advo-

cate at the port of embarkation, Hobo-

ken, N. J., until June, 1919. He re-

turned to Indianapolis after the

war and completed his term as city

attorney.

Headed Bar Association

Mr. Stevenson has been associated with the law firms of Miller, Daily and Thompson; Thompson, Rabb and Stevenson, and recently the partnership of Stevenson and Chambers. Since Jan. 1, 1942, he has been counsel for the Indiana Bell.

Mr. Stevenson for many years has been one of the leading attor-

neys in Indianapolis and was presi-

dent of the Indianapolis bar asso-

ciation in 1938. He is now a mem-

ber of the committee of illegal

practices of law and grievances of

that association.

Mr. Davidson, the retiring general

counsel, has practiced law in Indi-

anapolis since 1896. For many

years he was a member of the law

firm of Pickens, Davidson, Gause,

Gilliom and Pickens. He has been

associated with the legal depart-

ment of the Indiana Bell and its

predecessor, the Central Union

Telephone Co., since 1914.

He is a member of the Indiana

Bar Association, the Indiana and the Amer-

ican