



The LINCOLN Bulletin

Published weekly for the Field Representatives of
The LINCOLN NATIONAL LIFE INSURANCE COMPANY, Fort Wayne, Ind.

No. 39

Plan your Lincoln Month now!

December 14, 1953

FEBRUARY IS LINCOLN MONTH

LNL Representatives Enjoy Unusual Promotional Opportunity

LINCOLN Life representatives have unusual opportunities for developing wider, more useful personal contacts in February through the use of Lincoln displays, co-operative purchase items, books and other Lincoln material, a wealth of which is made available to you. Consequently, you enjoy a unique position in your community for you are the natural source of Lincoln data and Lincoln material.

On Lincoln's birthday, February 12, 1928, your Company established the Lincoln National Life Foundation for the purpose of fostering interest in Abraham Lincoln and contributing to Lincoln lore through original study and research.

The Foundation, now the center of Lincoln information in America, was placed under the direction of Dr. Louis A. Warren, outstanding Lincoln historian and author. Our Home Office building houses the largest collection of literature ever assembled in one place about one man (biblical characters excepted).

As the personal representative in your community of the Lincoln National Life Foundation, you can be of service in all matters pertaining to Lincoln—and at the same time create desirable personal publicity and contacts.

This bulletin describes much of the Lincoln material at your disposal and suggests ways in which it can be used to advantage by you, not only in February but throughout the year.

There are five basic activities available to you. You can—

1. Secure newspaper and radio publicity.
2. Use Lincoln displays.
3. Work with the schools.
4. Contact program chairmen.
5. Cement your regular contacts.

NEWSPAPERS, TV AND RADIO

Newspaper editors and TV and radio station program directors are good people to know. They work with media that reach large numbers of people in your community. Available this year for the first time are two Lincoln talks by Dr. Warren on transcription discs for radio broadcast. Frequently, radio stations are interested in talks of this type as a public service activity—particularly a Lincoln talk on Lincoln's birthday. Here is an opportunity for you to offer your local radio station one or two recorded talks by LNL's nationally known Lincoln authority. Both talks, which are designed for 15-minute

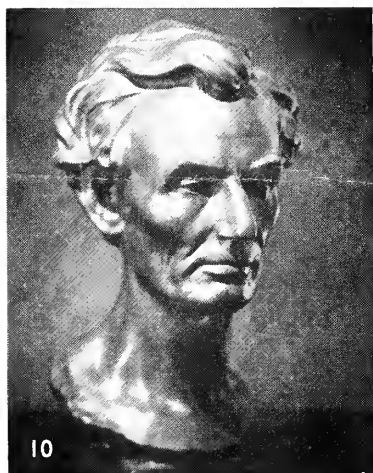
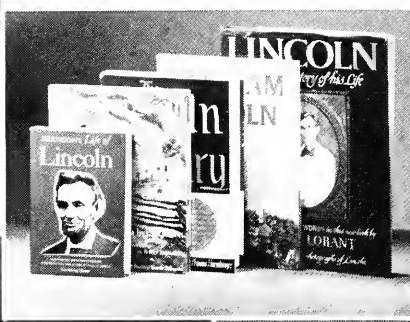
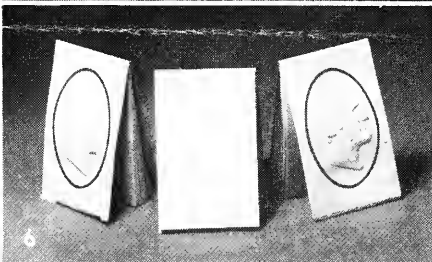
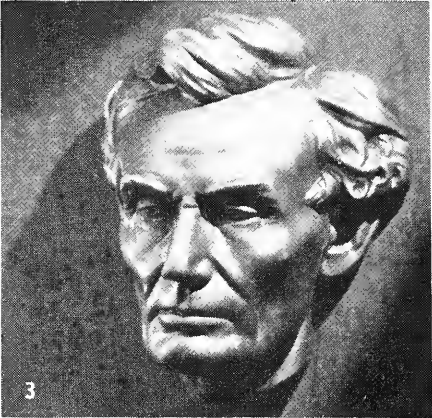
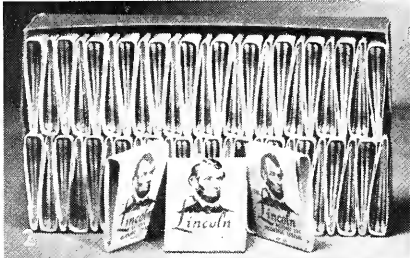
programs, are on one transcription disc, thus offering the station a choice of subjects. On one side, Dr. Warren speaks on "The Eloquence of Lincoln." This 13-minute, 25-second talk reveals and explains the origin and evolution of the Gettysburg Address and other outstanding Lincoln orations. The second talk is "America's Darkest Day," 12 minutes, 25 seconds, in which Dr. Warren explains how the assassination of Lincoln changed the social, economic and political life of the nation. The number of transcriptions is limited and they are loaned to you free of charge on a first-come-first-served basis. Please request a transcription only if you feel it will be used. The length of the talks permits the local station to add the necessary introductory and closing announcements and credits within the 15-
(Continued on page 3)

New Lincoln Item



A truly handsome presentation item is this new Lincoln paper weight. The bronze Lincoln medallion 3 3/8" in diameter is set in solid walnut 4 3/8" square and 1 1/4" in thickness. Individually boxed.
Walnut paper weight.....\$2.25

POPULAR LINCOLN ITEMS



- 1. Rebeck book ends.
- 2. Book matches (imprinted).
- 3. Head by Volk.
- 4. Lincoln playing cards.
- 5. French book ends.
- 6. Score pads (imprinted).
- 7. Transparent plastic paper weight.
- 8. Popular Lincoln books.
- 9. Gavel from Lincoln birthplace farm.
- 10. Bust by Volk.
- 11. Pyraglass plaque with base.
- 12. Six-book library.
- 13. Bust by Bastiani.

See enclosed order form for a complete list of items and prices.

(Continued from page 1)

minute period. There is no Company mention in either recording. Directions for you and information for the radio station accompany each transcription. Records should be returned as soon as possible after use so they will be available to others.

For both newspaper and radio use there is a compilation* of interesting, unusual facts about Abraham Lincoln which can be used in many ways. It is tailor-made for the feature editor or program director who wants to present some little-known facts about Lincoln on February 12. Here is another interesting possibility. Some papers feature local columnists who present unusual facts about interesting people in the community. Perhaps you can qualify as a subject for one of these columnists by providing him with little-known facts about Lincoln. Then he can refer to you as the man who provided the information, etc.

You have much other Lincoln material — four Lincoln speeches, fifteen Lincoln leaflets, many authoritative booklets and a Lincoln questionnaire listing answers to 100 questions most often asked about Lincoln. Even more important, you can secure direct from the Lincoln Foundation authoritative answers to many unusual Lincoln questions. Dr. Warren has Lincoln information catalogued in more than 3500 subject classifications and is ready to help you establish yourself as the center of Lincoln information in your community.

*Can be ordered from Agency-Supply. No cost.

LINCOLN DISPLAYS

Pictured here are six Lincoln displays which have proved to be highly effective in securing publicity. They vary in size and style and can be adapted to a wide variety of uses. They can be placed in:

1. Store windows, large and small.
2. Lobbies of office buildings, banks, hotels, theaters, large restaurants, and post offices.
3. Booths at fairs, merchandising shows, etc.
4. Book or picture sections of department stores.
5. Public libraries, universities, business colleges, schools, public buildings, lodge rooms, and clubs.
6. Private and public museums.
7. Lincoln Day meetings.

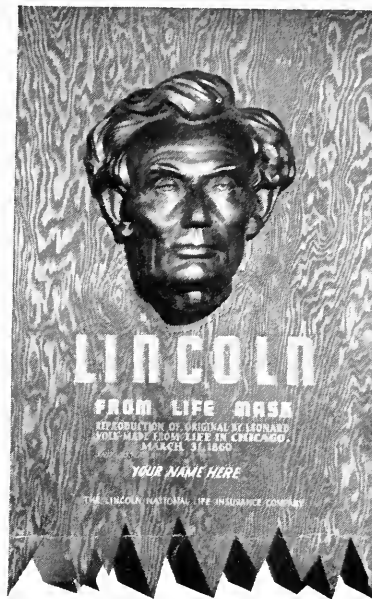
Note: Space for your own imprint is provided with each display. You can arrange to have this taken care of locally.

Lincoln Cabin Display

This exhibit which reproduces in miniature the Lincoln birthplace farm is a real attention-getter. The cabin and fence are made from wood cut on the original Lincoln farm, near Hodgenville, Kentucky. The red earth which accompanies the display also comes from Lincoln's birthplace. Designed for a space approximately 40" x 50", the exhibit comes to you complete with descriptive placards with space for your imprint.

The Lincoln Head Display

This striking exhibit, suitable for walls or windows, features an impres-



Lincoln Head Display.....\$4.00

sive Lincoln head reproduced from the original life mask by Leonard Volk. It is mounted on walnut stained plywood. The background board, 18" x 30", contains explanatory copy and space for your imprint.

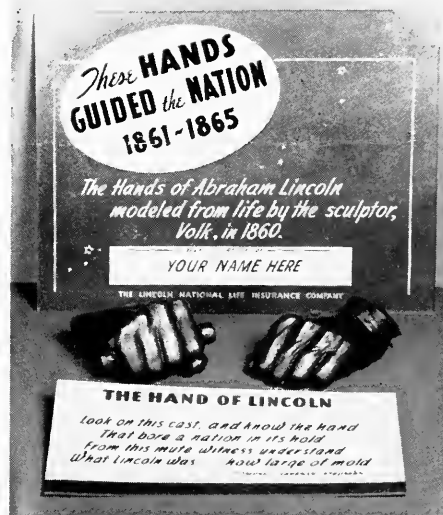
Lincoln Hands Display

The hands that guide the nation were important in Civil War days. And they still are today! The Hands Display reproduces an arresting heading built around this idea, and features life-size replicas of Lincoln's hands

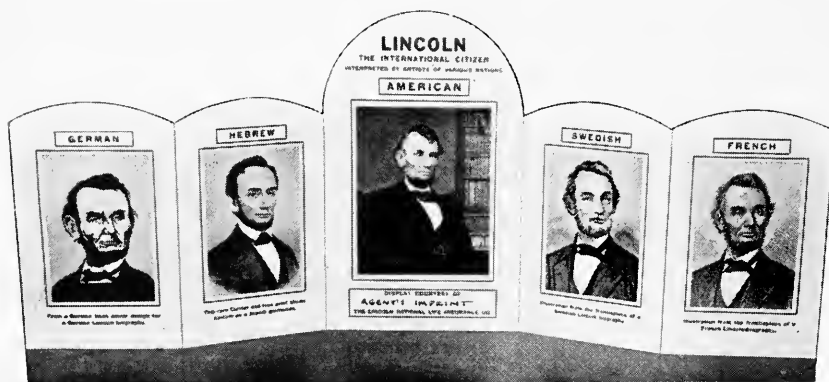
(Continued on page 4)



Lincoln Cabin Display (complete).....\$2.50
Placards only (per set)..... .75



Lincoln Hands Display.....\$3.00
Placards alone (per set)..... .50



International Lincoln Display.....50¢

(Continued from page 3)
molded in bronze-finish composition material. A descriptive card with space for your imprint and a card reproducing a poem about Lincoln's hands are included in the exhibit.

The International Citizen Display

With world problems dominating the news pages and television and radio news programs, this display is particularly appropriate now. It reproduces four portraits of Lincoln as interpreted by foreign artists who present Lincoln with the racial characteristics of the various countries. The display also carries the full-color portrait of Lincoln under which is space for your imprint. Overall size, 16" x 40".

Lincoln at Gettysburg Display

Here in Lincoln's own handwriting is his immortal Gettysburg address. Also featured is the Company's famous charcoal drawing, "Lincoln at Gettysburg," by M. Leone Bracker. Reproduced in two colors, it measures 28" x 42", yet this entire exhibit, equipped with a demountable steel easel, comes to you in a mailing tube. The display will stand by itself or hang on a wall. Room for your imprint at the bottom. Supplementing this display, you could make available either the facsimile Gettysburg Address or the pamphlet, "Little Known Facts About the Gettysburg Address" (Form 2805).

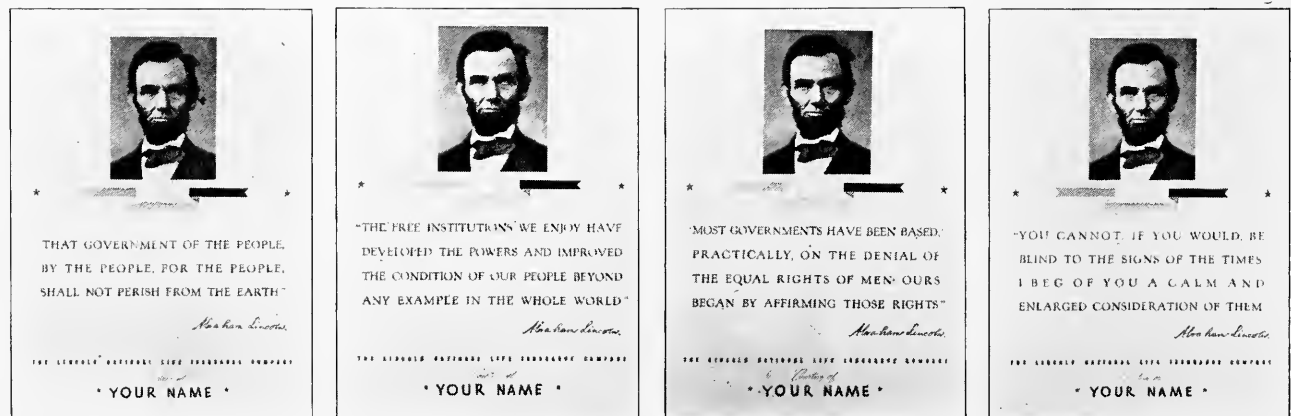


Lincoln at Gettysburg Display.....50¢

Patriotic Placards

Lincoln's declarations about our form of government are especially pertinent now. The patriotic placards feature, in addition to Lincoln's portrait, four timeless, thought-provoking statements. Printed in red, white and blue on heavy cardboard 14" x 20" with easel backs and space for your imprint.

(Continued on page 8)



The Patriotic Placards. Set of four.....50¢

● Birthday Application Footballs Form Giant Cross Month Display



Vice President Cecil F. Cross, second from right, receives some late-arriving birthday application footballs from President A. J. McAndless, second from left, as Second Vice Presidents Jack E. Rawles, left, and Harry J. Shaffer, right, stand by to recover any fumbles. The hand-off is taking place in front of the gigantic Cross Month birthday display of hundreds of application footballs in Mr. Cross's office.

**Don't Forget! Cross Month Contest business
must be paid for on or before December 17!**

1953 Cross Month

“C” MEN FOR THE MONTH

as designated by their coaches

<i>Letterman</i>	<i>Agency</i>	<i>Letterman</i>	<i>Agency</i>
G. C. Economy.....	L. T. Bates	R. L. Phillips.....	Northern Indiana
W. A. Alaimo.....	V. G. Benedict & Associates	Edward Shalowitz.....	R. C. O'Connor
J. L. McShaffry, Jr., C.L.U.....	M. S. Bennett	W. A. Kirsopp.....	J. H. Randolph, Jr.
R. S. Dice.....	O. G. Carothers	A. J. Dolak.....	C. L. Rasey
W. W. Jennings.....	T. V. Chalkley	E. N. Forrest, Jr.....	J. C. Schuller, Jr.
R. C. Koller.....	I. F. Childs & Associates	R. D. Critzer	} Carroll T. Scott & Associates
H. B. Crawley.....	A. D. Crow	J. I. Lankford	
E. R. Forseth.....	George Eccarius	C. A. Swineford	
E. C. Broussard.....	Albert R. Enderle & Associates	W. L. Pool.....	Ben Simon
David Warshawsky.....	L. H. Feder & Associates	J. V. McCabe.....	Charles L. Slane
M. M. Taylor.....	D. C. Fields & Associates	F. H. McCall.....	G. B. Slappey & Associates
B. T. Smith.....	Hackman-Feustel	W. B. Kemp.....	E. R. Small
L. T. Calaway.....	T. D. Hammond	D. G. Ryan.....	Small-Malmberg
King Baer, C.L.U.....	O. M. Heine & Associates	E. D. Gatchel.....	F. W. Spears
W. F. Lawall.....	O. Frank Helvie	A. H. Hartman.....	Wade R. Thorley & Associates
R. A. Isaacson.....	Thorpe B. Isaacson	J. F. Metz.....	Richard P. Tinkham
R. P. Rhodes.....	R. B. Lanham	G. A. Carey.....	Tuttle-Gilles
R. C. Miller.....	J. L. Lawrence	E. L. Wieand.....	W. F. VanderBrook
L. L. Elwell.....	G. F. Lofthouse	L. F. Richardson.....	Hal D. Webb
W. M. O'Connor.....	F. G. Lotito	S. H. Eastham.....	N. B. Weese
G. W. Whitney, Jr.....	W. J. Mecke & Associates	Anthony Troskey, Jr.....	R. H. Wertz & Associates
K. P. Conrad.....	D. W. Melone	John C. Gregsamer.....	Freeman J. Wood
J. S. Rollman, Jr.....	N. J. Nelson	J. B. Lawrence.....	W. F. Yates, Jr.

Additional Fourth Quarter Lettermen:

H. M. Tashima	Seth A. Bardwell & Associates	L. L. Elwell	G. F. Lofthouse
W. A. Alaimo	V. G. Benedict & Associates	J. M. Moehrlin	F. G. Lotito
G. D. Joyce, G. A. Skinner	I. F. Childs & Associates	E. N. Forrest, Jr.	J. C. Schuller, Jr.
E. F. Eastwood	E. F. Eastwood	Frank Signorelli	Richard P. Tinkham
H. H. Halverson	George Eccarius	E. C. Cole	R. E. Tuvey
L. N. Bennes	L. M. Elling & Associates	E. L. Wieand	W. F. VanderBrook

Additional Third Quarter Lettermen:

G. E. Bennett	Seth A. Bardwell & Associates	W. B. Ringo	O. Frank Helvie
J. L. McShaffry, Jr., C.L.U.	M. S. Bennett	L. L. Elwell	G. F. Lofthouse
L. G. Rupert	I. Perry Crow & Associates	Theodore Rummel	F. G. Lotito
F. M. Iwasaki	Hackman-Feustel	C. F. Edds	W. M. Quinlan, Jr.
King Baer, C.L.U.	O. M. Heine & Associates	John C. Gregsamer	Freeman J. Wood

PAY DIRT*from the***LEGAL FIELD**

By Clyde J. Cover

Assistant General Counsel

Federal Income and Estate Taxes**Agents' Commissions**

In last week's article we considered the following topics:

- Income Tax Before Agent's Death
- Income Tax On Agent's Death
- Estate Tax On Agent's Death

It remains in this article to consider the subject of Income Tax after the agent's death. This for you is a most important topic, but it cannot be understood apart from the facts and ideas developed in last week's article, which I shall assume you now have well in hand.

Income Tax After Agent's Death

Section 126 of the Internal Revenue Code deals with this subject. It does not apply solely to renewal commissions but instead it covers "the amount of all items of gross income in respect of a decedent which are not properly includable in respect of the taxable period in which falls the date of his death or a prior period * * *". In this general language is embraced all kinds of contractual or business arrangements involving deferred income earned by a decedent. I shall not quote the section because it is given more to mystification than to enlightenment.

Section 126 takes account of the fact that renewal commissions or other income of a decedent payable after death may pass (a) to the decedent's estate; (b) to a person or persons entitled thereto under a contract or property arrangement; or (c) to a person or persons entitled thereto under a will or under the law of inheritance. Confining the discussion to renewal commissions, it may be said in general that such commissions, however disposed of by the deceased agent—by a provision in the agency contract, by will or under the law of inheritance—fall within the tender embrace of Section 126.

Please do not think that I am facetious when I use the expression "tender embrace" in relation to Section 126, because actually it is a very fortunate section for the life insurance agency fraternity. Years ago the Government looked upon a deceased agent's renewal account as fair game for an immediate tax in the year of the agent's death. This treatment of renewals which coincided with the Estate Tax treatment of the same subject really gave successful agents a reason to reflect upon the value and wisdom of their success. Such hardships gave rise to Section 126.

Section 126 established a sensible view concerning renewal commissions and other like items of a decedent's income. Without giving up the idea that such items are in fact income to the decedent, it provided that they should be taxable as income to the recipient as paid in the future. Thus you can now be sure that your renewal commissions, whether passing under your agency contract, under your will or under the law of inheritance, will be taxable as a part of the recipient's gross income. What this means to you will depend upon the size of your renewal account and your attitude toward Income Tax.

Under Lincoln's agency contracts, renewal commissions on the agent's death pass to the agent's wife surviving him, otherwise to the agent's estate. Having in mind your situation, you should ask the question: Is this an advantageous arrangement taxwise? Here is introduced the subject of estate planning for you personally, not for a business acquaintance, your client. Have you given the subject careful consideration? Following are three additional methods of handling your renewals:

1. Let them go to your estate instead of to your widow. If this is done, you will either have to be content with the law's division among your heirs or else you must have a will indicating the person or persons who are to be the recipients.

2. If you let them go to your estate, you may want to establish a testamentary trust (a trust created under your will) to distribute them through the years to your widow and/or your children.

3. Under some circumstances it might be advantageous to establish a trust during your lifetime to receive and distribute the renewals both before and after your death.

The foregoing observations are about all I can do en masse toward answering your individual problems pertaining to your after-death renewal account. To individualize would be about as possible as to prescribe for each of you what you should have for supper tonight. What would be perfect for one of you might be folly for another. Anticipating some of your possible inquiries, let me say that the Home Office is willing to adapt your agency contract to your desires and needs, provided only that the beneficiary designation is clear and uninvolved. For our and your benefit we shy away from arrangements which if accepted would transform your contract into an involved will or trust.

Thus far I have paid compliments to Section 126, but now its joker must be revealed. Isn't it sad when after a long series of approving statements about an individual or an idea, one has to come to an abrupt about-face with the little word "but"! So it is in this instance.

The trouble is found in paragraph (a)(2) of Section 126 which deals with the situation presented when the recipient of a renewal account transfers it to another person. On such an event it is provided that the fair market value of the renewals at time of transfer, or the consideration received if greater than the fair market value, must be included in the gross taxable income of the transferor for the taxable period in which the transfer occurs. As used in the paragraph, "transfer" includes sales, exchange or other disposition. The Commissioner of Internal Revenue in his regulation includes transfer by will or by inheritance within the meaning of the word "transfer" as used in the paragraph.

In order to get the full impact of paragraph (a)(2), consider what would be your estate situation were you to die with a renewal account worth \$100,000, all of which devolves to your widow under the terms of your agency contract, the latter dying within a short period following your death. In such a case your estate would in effect be put through the wringer of these taxes:

(Continued on page 8)

February Is Lincoln*(Continued from page 4)***THE SCHOOLS**

Many Lincoln representatives have successfully promoted Lincoln essay contests and Gettysburg Address recitation contests in the schools. These contests, which can be held every year, afford excellent opportunities for making desirable contacts. Lincoln items such as books, busts, and bookends make desirable prizes for the winners, and Gettysburg Address facsimiles are welcomed by each pupil taking part. Also available are mimeographed copies of a school playlet which you can sponsor. It is entitled, "Why Lincoln Grew A Beard." In working with the schools you not only contact teachers who themselves are good life insurance prospects, but the door is also opened for you to contact the children's families.

Mimeographed copies of the playlet as well as instruction sheets for sponsoring an essay contest may be ordered on the enclosed order form.

PROGRAM CHAIRMEN

Republican organizations frequently sponsor Lincoln Day meetings, and luncheon clubs, business colleges, women's clubs, veterans organizations, schools, and churches — among others — will be arranging Lincoln programs in February. You can make valuable contacts while helping the program chairmen prepare for these events. Or you can gain considerable prestige and publicity by delivering such a talk yourself. You have available four Lincoln speeches suitable for delivery before general audiences. The titles are: "Lincoln's Early Vocations," "Lincoln the Prairie Lawyer," "Lincoln the Patriot," and "Abraham Lincoln, Commander-in-Chief."

At these meetings you could also distribute some inexpensive but highly-valued Lincoln mementoes: The facsimile Gettysburg Address, the famous Bixby letter in Lincoln's handwriting, the small black and white Brady photographs (Form 1966), Lincoln leaflets (15 subjects), Lincoln booklets, or a full-color Lincoln portrait (3 sizes). This is the finest color picture of Lincoln available, and since LNL owns the original T. Hamilton Crawford portrait, these reproductions are available only through you.

The gavel shown on page two has several uses. Lincoln Day Meeting

chairmen would be glad to establish a tradition of calling the meeting to order with a gavel made from wood grown on the Lincoln birthplace farm. You could arrange either to receive mention or to present the gavel. Other clubs, too, might like to present such a gavel each year to the incoming president.

YOUR REGULAR CONTACTS

In addition to the leaflets, pictures, booklets, etc. already described, there are many other Lincoln items you can use in your regular contacts in February and throughout the year. A Lincoln book with your card enclosed makes a dignified, appropriate gift which keeps your association with Lincoln National Life before your clients. Some Lincoln representatives have found it worth while to present a small Lincoln library to a school, club, or valued contact. A six-book Lincoln library is available and the total cost is only \$5.50. Some of the more popular Lincoln items are shown on page two. Two of these, the full-color Pyraglass Lincoln plaque and the beautiful Lincoln paper weights are particularly appropriate for home or office. The new paper weight, reproduced on page one, features a bronze Lincoln medallion in a walnut base. On page two is shown the paper weight with the bronze Lincoln medallion molded in transparent plastic with a black base. And remember that Lincoln bridge and gin rummy score pads and book matches take on added value in February because they feature the Lincoln identification. Your clients will appreciate them now, more than ever.

Pay Dirt from the Legal Field*(Continued from page 7)*

1. Income Tax for current period to date of your death;
2. Income Tax on income received by your estate;
3. Estate Tax on your estate;
4. State Inheritance Tax on your estate;
5. Income Tax incident to your widow's transfer;
6. Estate and Inheritance Tax on the value of your widow's estate.

Now wouldn't that be a kettle of fish to fry, and consider how hard and long you had to work to generate that much trouble! There is, however, one feature of the law that takes away part of the sting; namely, the fact that the Income Tax payable under paragraph (a)(2) on transfers allows a deduction which

goes some distance in avoiding double tax in relation to the Estate Tax paid on the agent's death and the Income Tax payable on the transferee's death or transfer.

Example:

\$80,000—value of renewals on transfer
 30,000—Estate Tax attributable to renewals
 \$50,000—net subject to Income Tax

The foregoing example is greatly abbreviated because the actual process is too complicated to explain in a general discussion such as this. The point can be made, however, that the deduction goes only part way in relieving against double taxation.

Mention should now be made of a so-called Letter Ruling of a Deputy Commissioner of Internal Revenue dated December 27, 1951, in which it was stated that paragraph (a)(2) does not apply to the situation in which the agent's widow, recipient of his renewal account, dies leaving the renewals to her children under the law of descent. Without attempting to explain the complicated reasoning of this ruling, it may be pointed out that even assuming its validity, it applies only to transfers by descent. Furthermore, the ruling is not very authoritative although it is effective so long as it remains unrevoked. At present it is in conflict with the Commissioner's regulations which regard transfers under the law of descent as within the purview of paragraph (a)(2).

If I were a successful agent with a large renewal account, I would not place much faith in the Deputy Commissioner's Letter Ruling. It is narrow in its scope and it may be changed by the Commissioner or by Congress at any time. Rather than trust the ruling, I would spread out my renewals to many persons or set them up in a trust or other arrangement so as to avoid transfers such as paragraph (a)(2) contemplates.

Now please forget all about your troubles and go out and have fun Christmas shopping. There is, as you know, a Santa Claus, and you are he.