

By CHARLES A. MULLENS and CHARLES W. SCHOENEMAN
Written for Newspaper Enterprise Assn.
As of Jan. 1, 1963, every businessman, professional man and salesman who wants to continue deducting the cost of entertaining an associate, client, or customer or the cost of travel, meals and lodging on the road with have a lot of adjusting to do.

First time record - keeping or other substitution will be a legal necessity.
For example, if the businessman does not keep proper records or have someone else willing and able to testify to the amount, time and place of the entertainment expense, then the Internal Revenue Service can disallow a deduction.
A later income tax primer article will discuss these record-keeping rules in detail. But remember that unless you have the proper records starting Jan. 1, no matter how directly an entertain-

ment expense relates to your business, you may be denied a deduction.
The new law makes the following changes:
An entertainment expense will not be deductible unless the taxpayer establishes that it is directly related to or associated with the active business. That is, the entertainment must be conducted either where there is an opportunity for business discussion, or it must precede or follow what the law calls a "substantial and bona-fide business discussion."
Many club dues will not be deductible at all unless over one-half of the use of the club during the year is for the furtherance of the taxpayer's business. And then, dues are deductible only to the extent directly related to business.
Business gifts will be deductible only to the extent of \$25 per recipient - except for certain promotional advertising materials.
Fourth, no longer will the entire amount you spend for meals and lodging while away from home be deductible only because the primary purpose of the trip is business. No travel expense which is "lavish or extravagant under the circumstances" will be deductible. Furthermore, the Internal Revenue Service will publish rules for allocating the expenses of a trip of more than one week's duration to business and pleasure.
The new law will permit a deduction for only the business portion of such trips, despite the primary business purpose.
However, the new law will not require an allocation to pleasure where the trip lasts less than one week or where less than 25 percent of the time of any trip is shown to be devoted to pleasure.
There is technical exception to these rules for employees who are reimbursed for such expenses but then, of course, the employer must abide by the new rules or lose his (or its) deduction for the amount reimbursed.
These new rules apply to expenses incurred after Jan. 1, 1963.
Q—If the membership in a country club entitles the member's entire family to use the facilities of the club, does his family's use count when determining whether or not the club was used in the furtherance of his business?
A—Yes, and if over one-half of the use of the club is by him and his family for personal purposes, none of the dues will be deductible for 1963.
Q—How about dues in civic organizations like Kiwanis? Are such dues subject to the strict new tests?
A—No, they are only subject to the old "ordinary and necessary" business expense test. The same is true of professional associations and of union dues.
Next: How to keep records.

ALWAYS RECORD ENTERTAINMENT, TRAVEL EXPENSES.
Note Expenditures as You Go. Business Gifts Over \$25 Won't Be Deductible, With Few Exceptions.

'Do-Gooder' Daughter Hands Mama Problem

By ANN LANDERS
Dear Ann Landers: This is a delicate problem and I need to know how to handle it—should it be handled at all?
Our 12-year-old daughter is a born do-gooder - always looking for someone to help. Yesterday Mary came home from school and told me about a new girl in her room who is very nice. The new girl's father brings her to school every morning in a beat-up truck. Mary said, "Her daddy wears overalls so I know he doesn't work in an office or anything like that."

I think he is a sucker. What do you think?—HYPO HARRIET, THE LENSOUND'S WIFE.
Dear Wife: The leishound sounds like a sweet guy who enjoys his hobby, so why don't you keep your nose out of his hydroquinone? If he tried to sell his pictures it would no longer be a hobby—it would be a business.
The relatives ought to buy him a little gift for his time and trouble . . . or better still, they should get together and buy him a big gift for his years of generosity.

The new girl has very bad teeth. Even the ones in front are always puts her hand up to her mouth which indicates she is self-conscious about it.
My husband is a dentist. Mary has asked her dad if he will fix the girl's teeth without pay. My husband said he would. Now, how do we go about it? Should I call the girl's mother? Should my daughter ask the girl directly? Of should we not get involved?—MARY'S MOTHER
Dear Mother: Speak to the teacher. Ask her to contact the new girl's mother and give her the information. The child need not know it's "a gift." And, incidentally, you are raising an admirable daughter.

Confidential to View From the Audience: Women who appear on a public platform should sit with their legs crossed at the ankle rather than at the knee. Short, slim skirts wrap or a stole across the knees can be helpful.
Are your parents too strict? You can benefit from the experience of thousands of teenagers if you write for Ann Landers' booklet, "How to Live With Your Parents," enclosing with your request 20 cents in coin and a long, self-addressed, stamped envelope.
Ann Landers will be glad to help you with your problems. Send them to her in care of this newspaper, enclosing a stamped, self-addressed envelope.

FRIDAY
EAGLES AUXILIARY, 8 p.m. Meeting, Eagles Hall.
LADIES ENCAMPMENT AUXILIARY, 8 p.m., officers installation, IOOF Hall.
SATURDAY
KLAMATH COUNTY HOME EXT. ALUMNI, 12 noon, potluck, Mrs. Claude Williams, 1916 Logan.
RAMBLING SQUARES, 8 p.m., square dance, Bob's Barn. Bring refreshments.
MIDLAND RANGE HOME EC CLUB, 8 p.m., card party, grange hall.
MERRY MIXERS, 8 p.m., square dance, Pelican City Hall. Bring sandwiches.
PROSPERITY REBEKAH LODGE NO. 194, 8:30 p.m., installation, IOOF Hall.

ANNUAL PUBLIC GUINEA FOWL FEED, Malin Masonic Lodge, 6 to 8 p.m., Malin Masonic Temple. Tickets from members or at door.
LAKE SHORE DUPLICATE BRIDGE CLUB, 8 p.m., Duplicate Bridge, City Library.
LOOM AND WOTM, Chapter 467, 6:30 p.m., December birthday dinner, Moose Home.
CHILOQUIN DO SI DO, 8 p.m., Square dance. Bring potluck.
ALPHA DELTA KAPPA, 1:30 p.m., Meeting, Lynn Propst, 1635 Portland.
SUNDAY
INSTALLATION, Lost River De Molay and Bethel, 51, Job's Daughters, 2 p.m., Henley High School cafeteria.

MONDAY
CAR, 7 p.m., Meeting, Winter for Charles Waters, 4436. Home for Freedom First Dates rehearsal.

PAINTING SESSIONS, 11 a.m. to 5 p.m., Klamath Art Gallery, 140 Riverside. Public invited. No charge.
GREAT BOOKS DISCUSSION CLUB, 7:30 p.m., "King Lear," City Library, Marilyn Schenk, Leader.
DEGREE OF HONOR, 7:30 p.m., Meeting and Installation practice, New K. C. Hall, 10th and Main.
CATHOLIC DAUGHTERS OF AMERICA, Court Klamath No. 1295, 8 p.m., Meeting, Sacred Heart Parish Hall. District Deputy to visit.
More vessels pass through the Kiel Canal between the North and Baltic Seas than travel through either the Panama or Suez Canals.

stories of Pacific Powerland
WINEMA - hear the story of Klamath's "Woman of The Brave Heart" . . .
told by master storyteller NELSON OLMSTED
A radio presentation of PACIFIC POWER & LIGHT COMPANY
KLAD KFLW
12:25 p.m. 5:25 p.m.
Friday, January 11

Report of Condition of The Bank of Klamath Falls of Klamath Falls in the State of Oregon at the close of business on Dec. 28, 1962.

ASSETS
1 Cash, balances with other banks, and cash items in process of collection 1,115,486.72
2 United States Government obligations, direct and guaranteed 928,863.62
3 Obligations of States and political subdivisions 151,747.78
4 Other bonds, notes, and debentures 10,920.00
5 Loans and discounts (including \$2,446.10 overdrafts) 1,323,860.17
6 Bank premises owned 81,549.35, furniture and fixtures 317,812.00
11 Other assets 19,028.44
12 TOTAL ASSETS 3,837,289.51

LIABILITIES
13 Demand deposits of individuals, partnerships, and corporations 1,983,551.29
14 Time and savings deposits of individuals, partnerships, and corporations 1,186,836.71
15 Deposits of United States Government (including postal savings) 27,616.40
16 Deposits of States and political subdivisions 512,402.92
17 Deposits of banks 310,800.00
18 Certified and officers' checks, etc. 44,388.57
19 TOTAL DEPOSITS 3,325,595.89
(a) Total demand deposits 1,718,132.18
(b) Total time and savings deposits 1,607,463.71
21 Other liabilities 27,616.47
24 TOTAL LIABILITIES 3,380,712.06

CAPITAL ACCOUNTS
25 Capital, 1st Common stock: total par value \$250,000.00 250,000.00
26 Surplus 16,700.00
27 Undivided profits 62,377.11
28 TOTAL CAPITAL ACCOUNTS 329,077.11
29 TOTAL LIABILITIES AND CAPITAL ACCOUNTS 3,837,289.51

MEMORANDA
31 Assets pledged or assigned to secure liabilities and for other purposes (including notes and bills discounted and secured) (See also agreement to reimburse) 754,675.24
I, Frank Tomic, Cashier, of the above-named bank, do solemnly affirm that this report of condition is true and correct to the best of my knowledge and belief.
Correct—Frank Tomic
Directors: D. D. Reeder, B. F. Mast, C. A. Henderson
STATE OF OREGON, County of Klamath, ss: I, Mary E. Schilling, Notary Public, do hereby certify that I am not an officer or director of this bank. My commission expires April 12, 1964.

OUR ANCESTORS by Quincy

"You've got the neatest slicker on 'the campus—you must have a swell writer!"

Identical Bidders Get Warning From Attorney
SALEM (UPI) — Identical bidding on government contracts "is fairly prevalent throughout the state," Atty. Gen. Robert Y. Thornton said today.
The warning was contained in a memorandum calling for a coordinated crackdown on noncompetitive bidding and price-fixing. The memorandum was addressed to Oregon's district attorneys, state, county and local governmental units, and purchasing officers.
Thornton cited a survey of state, county, city and school districts completed by his office. He said of 47 replies, 22 furnished information on one or more cases of identical bidding.
They included the state of Oregon, seven cities, three counties, and nine school districts. Products most commonly involved were asphalt, liquid chlorine, fuel oil, bakery products and traffic control equipment.
Thornton said federal and state laws should be brought to bear on the problem, including state statutes that "have apparently never been used but remain in full force."
He also recommended two specific procedures in bidding on public contracts.
One would require the bidder to submit an affidavit of noncollusion. The other would require bidders to submit background information to help in checking out possible collusion.
Thornton called for action not only against identical bidding, but also against more sophisticated forms of collusion.



JACK HOLT
Executive Vice President



FRANK TOMIC
Cashier



CARL A. TAYLOR
Asst. Cashier



Come to our OPEN HOUSE Tomorrow, Friday, Jan 11 from 9:00 a.m. to 6:00 p.m.

We're Celebrating 5 Years of Steady Growth That Prove Our Service To The People of The Entire Klamath Basin

Door Prizes
Refreshments
Gifts for All
Free Samples

See the Latest In Banking Automation Equipment in Action by Burroughs!

WE INVITE YOU TO TRY BANKING -- HOMETOWN STYLE

BOARD OF DIRECTORS
HARRY BOIVIN — J. O. FISHER — C. A. HENDERSON — BOB MEST — DICK REEDER

The Bank of Klamath Falls
So. 6th at Klamath Avenue Member F.D.I.C.

The Town Shop
5th and Main
Another Group Goes On Sale Tomorrow!
Sportswear
Famous Oregon-Made SKIRTS AND SWEATERS
1/3 off
Use Your Charge Account
Free Parking 5th and Klamath