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1625 Eye Street, NW Washington, D.C. 20006 [202] 466-8424

Gerard F. Hurley, CAE *Executive Director*

April 3, 1981

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Edwin A. Kennedy Cleveland Yachting Club Rocky River, OH

John J. McEnerney Union League Club of Chicago Chicago, IL

Milton E. Meyer, Jr. Pinehurst Country Club Denver, CO

Houston White Corvallis Country Club Corvallis, OR Mr. Morton C. Blackwell Special Assistant to the President Room 136 Old Executive Office Building 17th Street and Penn. Ave., N.W. Washington, D.C. 20500

Dear Mr. Blackwell:

It was a pleasure for Mr. Hurley and myself to visit with you last Monday. We especially appreciate your willingness to meet with us in the confused aftermath of that afternoon's horrendous events.

As we indicated, we would be delighted to assist you in developing whatever contacts you believe appropriate with our nation's vast complex of private membership organizations. We believe that our role with regard to the Conference of Private Organizations (CONPOR) would be of unique value in establishing meaningful communications between the Administration and private organizations. A brief description of CONPOR is enclosed. We might add that the organizations that comprise CONPOR count over five million Americans among their members.

It was most gracious of you to agree to secure a speaker from the White House for the May 19 Legal/Legislative Conference of the National Club Association. As we indicated to you, we hope to have Attorney General Smith and Secretary of Labor Donovan, along with key Congressmen from both sides of the aisle, participating in the Conference. In attendance will be about 150 of the leading officers and staff of the country's most prestigious private clubs, along with representatives of other national private groups. The day long meeting will be held at the Capitol Hill Club.

The best time for someone from the White House would probably be in the early morning. We would be very happy to feature the White House presentation as our main breakfast "kickoff" speech at about 8:30 a.m. We could also schedule this presentation to begin our general morning session at about 9:30 a.m.

I might add that yesterday I was impressed by Dr. James Miller's address at the Association Insiders Breakfast at the U.S. Chamber

of Commerce. He spoke on the administration's deregulatory initiatives. If he is available, that same talk would be very appropriate for our audience at the May 19 Conference. Certainly, a similar 15-20 minute address with perhaps 5-10 minutes for questions would be ideal.

Please let us know as soon as you are able to make a commitment with regard to a speaker. Mr. Hurley and I look forward to working closely with you on this and many other matters in the years ahead.

sincerely.

Aubrey C. King

Director of Public Affairs

ACK/dr

an information exchange for private membership organizations

CONPOR

THE CONFERENCE OF PRIVATE ORGANIZATIONS

WHAT IS CONPOR?

The Conference of Private Organizations is a nonprofit organization founded in 1978 by national groups representing individual membership organizations to exchange information and to meet the growing challenges to their existence as private organizations.

Founded in response to threats against the exercise of the First Amendment right of freedom of association, it collects and shares information relevant to issues common to membership organizations; CONPOR is not a vehicle for action and does not lobby, although member groups may decide to act jointly or separately, at the national or state level on particular issues.

WHY SHOULD YOUR ORGANIZATION JOIN CONPOR?

Because you believe it's important to protect the fundamental American right of free association and the social and economic future of all private, kindred, voluntary associations of individuals . . . and, you believe a united effort of this kind is the fastest, most efficient, and most productive way to protect those rights.

CONPOR will:

- Monitor, analyze and report to members on all legislative, regulatory and legal matters bearing on the rights of membership groups, both pro and con.
- Report and exchange information with all participating member associations and provide an opportunity, through semi-annual meetings, to discuss and analyze pertinent issues; reports will be published as well.
- Provide an opportunity for member groups to gather separately to decide which action certain groups might wish to undertake, alone or in concert with others.
- Represent the role of private, voluntary associations when circumstances require.

WHAT DOES CONPOR DO?

Even though CONPOR is a relatively new organization, its veteran members, group representatives and Washington staff can keep members informed on issues relating to voluntary membership organizations such as:

PRIMARY ACTIVITIES

- (1) All Federal legislation/regulation pertaining to the purposes of the Conference, including membership policy challenges, wage-hour regulations, copyrights, civil service regulations, tax, licensing and gambling restrictions and other proposed strictures on food and beverage, etc.
- (2) Supreme Court and Federal court decisions.
- (3) Federal Commissions affecting involved groups.
- (4) State legislative, regulatory and court activities, to the extent local assistance permits.

SECONDARY ACTIVITIES

- (1) Promoting the concept of voluntary associations, where appropriate.
- (2) Monitoring groups opposing member groups' basic philosophies.
- (3) Monitoring national news media,

WHICH GROUPS SHOULD JOIN CONPOR?

- (1) Veteran's groups
- (2) Service groups
- (3) Women's associations
- (4) Religious and ethnic groups
- (5) Fraternal organizations
- (6) Organizations representing private social/recreational clubs

CONPOR is a federation of autonomous national organizations; it does not accept membership by individual lodges, clubs, chapters, or (whatever the local term may be to identify) local entities of such national organizations.

STATE LEVEL ACTIVITY

Constitutent organizations appoint a representative in each state to meet with their counterparts from other CONPOR groups to exchange information and formulate action plans on matters of mutual concern and to facilitate the exchange of information with their national headquarters and CONPOR.

ORGANIZATION

At the national level, each CONPOR member organization will have one vote and its representative on the Board of Directors will be eligible to hold office or be assigned committee responsibilities. CONPOR will meet semiannually (preferably in October and April) and at such other times as called by the Chairman.

CONPOR will elect each year at its Fall Meeting, a Chairman, Vice Chairman, and Secretary/Treasurer. The Chairman will appoint representatives to committees which may include the following: (1) State and Federal problems, legislation and regulations, (2) Judicial review, (3) Interest groups, (4) Public relations, and (5) Membership. Other committees may be appointed from time to time as the Chairman feels necessary or CONPOR may establish by majority vote.

HOW DO YOU JOIN CONPOR?

Just complete the attached application form and return with your organization's dues check to:

CONPOR 1625 Eye Street, N.W. Washington, D.C. 20006

Annual membership dues are \$500 for each 100,000 members (or major fraction thereof) in good standing in their respective organizations. The funds will provide a budget for the implementation of the functions of CONPOR.

CONPOR

1625 Eye Street, NW Washington, DC 20006 (202) 466-8424



1625 Eye Street, NW Washington, D.C. 20006 [202] 466-8424

Gerard F. Hurley, CAE Executive Director

April 22, 1981

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Vice President Harotd B. Berman The Columbian CC of Dallas Dallas, TX

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Milton E. Meyer, Jr. Pinehurst Country Club Denver, CO

Houston White Corvallis Country Club Corvallis, OR Dr. James Miller
Executive Director
President's Task Force on
Regulatory Relief
Room 246
Old Executive Office Building
17th Street and Pennsylvania Ave., N.W.
Washington, D.C. 20503

Dear Dr. Miller:

We cordially invite you to address the officers and general managers of the nation's leading private social clubs who will be attending the Annual Legislative Conference of the National Club Association on Tuesday, May 19, 1981, at the Capitol Hill Club here in Washington.

We would be honored if you could lead off our conference with a presentation at our breakfast meeting on the nineteenth. Breakfast will be served at 8:00 a.m. and your address would be scheduled to begin at 8:30 a.m. We were privileged to hear your April 1 comments on the Administration's economic initiatives at the Association Insiders Breakfast of the U.S. Chamber of Commerce, and we feel a similar address would be quite appropriate for our audience. This is particularly so since the principal focus of our entire conference will be on government regulations affecting private membership organizations. After your presentation and, we hope, a few minutes for questions from the audience, we would plan to present to you an official resolution from our Board of Directors expressing support for President Reagan's Economic Plan.

The National Club Association is the national trade association representing the legal, legislative, financial, and other business interests of private social, recreational, athletic, and yacht clubs. We have over 900 member clubs throughout the country and expect about one hundred of their leading officials to attend the May 19 Conference. Also scheduled to attend this meeting are Speaker of the House Thomas O'Neill and House Ways and Means Chairman Dan Rostenkowski, both of whom will receive awards at our breakfast meeting; Representative Trent Lott, who will address our luncheon meeting; and Representative John Ashbrook who will participate in an afternoon seminar, along with top officials from the Treasury and the Labor Departments.

By the way, you might recall that I had an opportunity to talk briefly with you at the recent White House economic briefing for trade association executives.

We look forward to having you with us for what should be an exciting and productive meeting.

Sincerely

serard (F. Hurley, CAE

Executive Director

GFH/dr

cc: Morton Blackwell



File

1625 Eye Street, NW Washington, D.C. 20006 [202] 466-8424

Gerard F. Hurley, CAE Executive Director

April 27, 1981

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Edwin A. Kennedy Cleveland Yachting Club Rocky River, OH

John J. McEnerney Union League Club of Chicago Chicago, IL

Milton E. Meyer, Jr. Pinehurst Country Club Denver, CO

Houston White Corvalis Country Club Corvalis, OR Mr. James W. Cisco Acting Director, Division of Program Policy Office of Federal Contract Compliance Programs Washington, D.C. 20210

Dear Mr. Cisco:

The National Club Association (NCA) expresses its strongest possible support for the proposal to withdraw the Office of Federal Contract Compliance Programs rule on "Payment of Membership Fees and Other Expenses to Private Organizations", as published March 27, 1981, 46 Federal Register 19004.

As you may recall from earlier submissions from us, NCA is the national trade association representing the legal, legislative, financial, and other business interests of America's private social, recreational, and athletic clubs. Over 900 clubs are now members of NCA, representing a total of over 850,000 individual members.

Our membership was gratified to learn last month that Secretary of Labor Donovan had proposed withdrawal of this rule. As published on January 1981, at 46 Federal Register 3892, this rule would have grievously violated constitutionally protected rights of individual members of private clubs, unjustly impugned the reputation of completely legitimate and honorable institutions, and severely damaged the fiscal integrity of the private club industry. We, therefore, are in full agreement with the judgment expressed by Secretary Donovan in his public announcement of this proposed rule withdrawal on March 25, 1981, that this rule "seemed to me to be a clear case of overburdensome federal regulation".

NCA further concurs with the reasons for the proposed withdrawal as stated in the March 27 official notice. There the Department renounces the rule because such payment of dues by a federal contractor is not itself a violation of Executive Order 11246, because the regulation of such payments may raise serious legal problems, and because existing regulations are already adequate to prevent employers from using such memberships to create employment discrimination. Indeed, NCA has argued in favor of precisely these same points in earlier comments to OFCCP.

When OFCCP proposed this rule on January 22, 1980, at 45 Federal Register 4954, NCA responded with a detailed analysis dissecting the constitutional and administrative shortcomings in the proposed rule (a copy of those

comments of March 24, 1980, is enclosed). NCA then made the following arguments, which remain wholly applicable to the rule as eventually published and which demonstrate absolutely why the rule should now be finally and completely withdrawn:

- The rule violates constitutionally protected individual 1) rights of association and privacy. Congress and the Courts have clearly upheld the principle that individuals can decide those with whom they may or may not wish to associate in private settings. This rule, however, would stigmatize and penalize private organizations whose members are exercising their sanctioned rights. We would concur with the California State Club Association which, in its comments to your office, has pointed out that the Supreme Court has made clear that the exercise of such constitutional rights cannot be infringed by the threat to withhold governmental benefits or privileges. The California State Club Association has also well demonstrated that attempts to regulate the selective membership policies of private organizations on the grounds of discrimination reveal a failure to understand the crucial distinction between civil rights and social rights.
- 2) The premise alleged for this rule has never been documented. No empirical data have ever established the presumed requisite link between contractor dues payment policies, the membership policies of private clubs, and unfair employment advantages.
- 3) No consideration has apparently ever been given to the enormous economic loss that this rule would inflict upon the private club industry. A 1980 NCA survey projected that private clubs would lose a staggering \$800 million in annual revenue because of this rule. The failure to consider an economic loss of this magnitude seems not only a violation of Executive Order 12044 which was in effect when the rule was first proposed, but now also a violation of President Reagan's Executive Order 12291.
- 4) To enforce this rule OFCCP would eventually be confronted with the impossible administrative task of fairly assessing the membership policies of private clubs.
- 5) The rule would violate the basic due process standard of innocent until proven guilty by presuming contractors making such payments to be guilty of employment discrimination unless they could prove their innocence.

It is reassuring to our trust in our open political process and in the reasonableness of administrative decision making in our government to know that our arguments have finally been heard.

We commend Secretary Donovan, Solicitor Ryan, and all who have been involved in the decision to withdraw this rule. We wholeheartedly support the withdrawal.

Sinceraly

Gerard F. Hurley, C.

Executive Director

GFH/dr

Enclosure

Volume 16 Number 4 May 1981

Private Clubs Keep Pressure On To Insure OFCCP Regulation's Demise

Private club officials from across the U.S. have responded dramatically to the National Club Association's urgent call for help in overturning the Labor Department's club dues payment ban.

At presstime, the Labor Department's Office of Federal Contract Compliance Programs (OFCCP), which originally proposed the club dues payment ban regulation, reported it had received 500 comments with over 98% supporting the proposed withdrawal of the OFCCP regulation.

NCA reminds its members that although the deadline is officially past for comments on the proposed withdrawal, it is vitally important that private clubs keep up the press on the Labor Department by continuing to write letters in support of the proposed withdrawal. Your letter—and the letters of all private clubs—will convince the Labor Department to withdraw this punitive, anti-club regulation once and for all.

The final victory in this fierce, five-year battle is almost within our grasp now, but we can't afford to relax until the Labor Department officially wipes the regulation off the books.

If you haven't written to the Labor Department yet, please send your letter or mailgram to:

James W. Cisco
Acting Director, Division of
Program Policy
Office of Federal Contract
Compliance Programs
U.S. Department of Labor
Washington, D.C. 20210

Labor Secretary Raymond J. Donovan announced the with-drawal of the regulation on March 25 and, two days later, the proposal to withdraw the regulation completely was published in the Federal Register.

Before taking final action on the proposal, however, the Labor Department allowed 30 days for interested parties to comment on the proposed withdrawal.

In a letter and comments submitted to the Labor Department, NCA Executive Director Gerard F. Hurley, CAE, noted that: "This rule would have grievously violated the constitutionally protected rights of individual members of private clubs, unjustly impugned the reputation of completely legitimate and honorable institutions, and severely damaged the fiscal integrity of the private club industry.

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May 19 Conference To Be Stimulating And Lively Session

Representative Trent Lott (R-MS), House Republican Whip, will be the featured Luncheon Speaker for the National Club Association's May 19 Legislative Conference and Annual Meeting in Washington, D.C.

House Whip is the number two leadership post among House Republicans and Congressman Lott, a leading young conservative spokesman, is the first Southerner to be elected to the position since 1897.

As an active Mason and a member of the Pascagoula Yacht Club in his native Mississippi, Mr. Lott can be expected to be very much in tune with the rights and needs of the private organization community.

Congressman Lott is joining a growing roster of influential members of Congress, White

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INSIDE:



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Houston White Corvallis Country Club, Corvallis, OR

STAFF

Gerard F. Hurley, CAE Executive Director

Mary Beth Connolly Director of Marketing

Aubrey C. King Director of Public Affairs

Nancy Coe Bailey Marketing Manager

NCA Submits Comments to Labor Department Opposing Hike in Salaries For Overtime Exemption

The National Club Association has submitted comments to the Department of Labor in opposition to the now-suspended regulations that would increase the salary levels used to determine eligibility for exemption from the minimum wage and overtime compensation provisions of the Fair Labor Standards Act.

The regulations, which were pushed through at the last minute by the departing Carter forces, were suspended by the Reagan Administration after intensive lobbying by NCA and other national business, trade, and hospitality industry associations.

The regulations had been scheduled to go into effect February 13, 1981. In addition to suspending the contested regulations, the DOL reopened the period for comments until April 6, which prompted the NCA submission.

NCA is demanding final withdrawal of the regulations because, as was stated in the NCA comments, "... (1) they would have a severely adverse and disproportional financial impact on our industry as well as our many other "service" enterprises; (2) there is insufficient rationale for utilizing salary levels as significant tests for such exempt employees; (3) the increases would have an inflationary effect on the national economy, and (4) the increases fail to comply with President Reagan's newly prescribed standards for regulatory review."

The new rule would have raised the minimum wage for executive, administrative and professional employees by 45 percent and has generated considerable opposition from the business community.

Philadelphia To Survey Only Clubs Accused Of Discriminatory Policies

The National Club Association has learned that the City of Philadelphia, in enforcing two recently-enacted, anti-private organization ordinances, will wait for complaints against individual private clubs and organizations rather than requiring all of them to submit information on their membership policies.

As this Newsletter has previously reported, the City of Philadelphia recently enacted ordinances forbidding city contractors from paying their employees' dues or expenses in selective membership organizations and preventing the city from paying any of its own municipal employees' expenses (see February and April Newsletters).

The City charged the Commission on Human Relations with enforcing the new ordinances. There had been reports that the Commission was preparing to survey all private organizations in Philadel-

phia and surrounding suburbs in Pennsylvania and New Jersey about their membership policies. The prospect of a general survey prompted several private fraternal organizations to instruct their Philadelphia area chapters not to comply with the City's questionnaire.

As a result of NCA's continual monitoring of the ordinances, we were able to learn from Theodore Eisenberg, the Commission's Deputy Director, that his agency has drafted a questionnaire on private organization membership policies, but is not planning any general survey.

Instead, the Commission will wait for an allegation that an organization has a selective membership policy and then send the questionnaire to the private organization in question.

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CLUB VIEWPOINT-

Question of income tax exemption a "red herring"

EDITOR'S NOTE: This article by NCA Past President and Board Member Milton E. Meyer, Jr. is reprinted from the April/May issue of Club Ties and is reprinted with the permission of The Lovelace Corporation.

By Milton E. Meyer, Jr.

Last summer I was invited to debate a New York City Councilwoman, Ruth Messinger, on a popular day-time radio program aired by that city's station WOR. The subject was a pending bill (cosponsored by Mrs. Messinger) that would in effect convert most New York City private clubs into public accommodations with no control over their membership policies. This bill (or an identical state-wide bill) will most likely pass. However, it is not what I want to address in this article.

I mention it because in the course of the ensuing rather animated discussion, the show's hostess, Sheri Henry, made the observation that it seemed unfair to her that private clubs could both "discriminate" in their membership policies and enjoy income tax exemption under the law—in effect, a subsidy by all the taxpayers, including those "discriminated" against. This form of charge surfaces frequently.

Is the private club's tax exemption a government give-away? A subsidy by other taxpayers?

Rather clearly not, in my opinion.

First, let us clearly understand that private clubs *are* taxpayers. They pay sales taxes, employer taxes, sometimes whopping property taxes and income taxes on revenue derived from sources

other than the club members themselves.

What some detractors quickly jump on is that the federal government and most state governments have exempted bona fide private clubs, along with many thousands of other private organizations, from paying income taxes on revenues they receive from their members in excess of expenses incurred in providing facilities and services to members. Few clubs (as club officers and directors well know) have the luxury of deriving signifi-

vestment income) have, since 1969, been fully taxable and, at all times since 1913, the receipt of more than an incidental or insubstantial amount of such income has resulted in placing a club's tax exemption in jeopardy.

Fortunately, the fundamental concept that private clubs do not derive income in the traditional sense has generally been well understood by Congress, the courts and (except for a few misguided IRS agents) by the U.S. Treasury Department. Private clubs

"To say that a private club cannot enjoy both the constitutionally protected right of free association and the right to be tax exempt is to fail to understand the facts and the reason for the applicable law."



Milton E. Meyer, Jr.
NCA Director and Past President

cant amounts of net profit from their operations with members. As non-profit corporations under state laws, most clubs do not set out to derive profits from their members - to do so would represent deliberate or inadvertent overcharges in dues, meal and beverage prices, and other facilities fees levied against their members. Most clubs I am familiar with make ends meet and retire capital debt out of new membership fees and member assessments, both sources of funds being capital in nature and therefore probably non-taxable as income even if the particular clubs were not tax exempt.

Incidental net revenues derived by private clubs in dealings other than with members (including inhave been expressly exempt from income taxes since 1916. The government later conceded that clubs had been exempt since 1913 (the year the 16th Amendment legalizing income taxes was adopted) even without an express exemption. The rationale of the exemption (originally founded on "administrative convenience," according to the Committee Report of the House Ways and Means Committee pertaining to the 1916 Act), has been effectively restated in modern times by a federal court in McGlotten v. Connelly (District Court of the District of Columbia. 1972) in these words:

Congress has determined that in a situation where individuals continued on page 7



NCA Director and Yacht Council Chairman Edwin A. Kennedy (far left) and NCA Executive Director Gerard F. Hurley, CAE (second from right) are shown with officers of the Northern Ohio Golf Association before Mr. Hurley's address to the group, April 2, at the Elyria Country Club in Cleveland. Robert G. Cook (second from left) was installed as President of the association at that meeting when Gerry G. Aldrich, Jr. (far right) became Past President.

CONPOR Criticizes B'nai B'rith Poll On Private Organizations

The Conference of Private Organizations (CONPOR) has strongly criticized efforts by the Michigan Chapter of the Anti-Defamation League of B'nai B'rith to poll private organizations about their membership policies.

This effort by B'nai B'rith repeats the challenges issued by other state chapters over the last year and a half.

In a letter to Charles H. Tobias, Chairperson of the Michigan Regional Advisory Board of the Anti-Defamation League of B'nai B'rith, CONPOR Executive Director Gerard F. Hurley, CAE, said, "We are extremely disappointed that your organization in particular, which was founded to advance goodwill among all Americans, would take it upon itself to guestion, assume, tabulate, and call public attention to the membership policies of other wholly private groups. We do not understand why your organization, whenever it is queried about the membership policies of other groups, cannot simply direct those inquiries to the groups in question. Certainly, that is what we would do if asked about B'nai B'rith."

Mr. Hurley went on to say, "The ultimate issue is one of individual liberties—an issue which has been

of great concern to your organization in the past. The fact is that members of private organizations have a constitutionally protected right to structure their organizational membership policies so as to include or exclude whomever they wish by whatever criteria they wish."

The letter from the Michigan Chapter of the Anti-Defamation League of B'nai B'rith had asked private organizations to submit information on their membership policies.

The letter read in part: "If any discriminatory practices are still in effect, we would appreciate your advising us as to whether or not consideration is being given to changing them. We will report the results of our survey to the public. We would, of course, prefer to verify that a club does not discriminate or that it is taking corrective actions, rather than that a club failed to respond to our inquiry."

Even though CONPOR has responded to this challenge by the Michigan B'nai B'rith and previous challenges by other B'nai B'rith chapters in detail, no chapter has ever sent a reply. NCA and CONPOR urge all clubs to disregard such inquiries and forward copies of materials to NCA for response.

Anti-Club Bill Shelved In Maryland County

A bill that would have penalized private clubs and other organizations with selective membership policies in Montgomery County, Maryland, is dead for this session of the Maryland General Assembly.

The Assembly adjourned on April 13 without taking action on NC 257-81.

A joint study committee of the County Senate and House delegations has been established to study the bill over the summer. There is considerable concern among private groups in Maryland that the bill is just on the back burner now and will be reintroduced, perhaps in broader state-wide form, when the General Assembly reconvenes in January, 1982.

The National Club Association has been working through its CONPOR (Conference of Private Organizations) allies to monitor and block the bill.

Legislative Conference

continued from page 1

House representatives, and officials of government agencies participating in the NCA Conference.

Speaker of the House Thomas P. "Tip" O'Neill, Jr. (D-MA) and House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) will receive Certificates of Appreciation from the NCA for their support of the game of golf and related concerns.

Congressman John M. Ashbrook (R-OH), ranking minority member of the House Committee on Education and Labor, will take an active part in the Conference, as will Morton C. Blackwell, Special Assistant to President Reagan. Dr. James C. Miller, III, Executive Director of the President's Task Force on Regulatory Relief, has been invited to take part in the NCA Conference, as well.

Among other top government officials participating will be

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IRS Ruling On Unrelated Business Income May Affect Certain Clubs

On March 2, 1981, the Internal Revenue Service issued a Revenue Ruling that may affect some clubs with unrelated business income.

Revenue Ruling 81-69 holds that a social club which consistently offers a service to nonmembers that loses money and in which there is no apparent attempt to make money cannot use that loss to offset other unrelated business taxable income.

The specific case involved a club which had for some time operated a food and beverage concession catering to nonmembers. The club consistently sold its products at prices insufficient to recover the costs of the sales and wanted to use those losses to offset profits from other unrelated business income.

According to the IRS, although the Internal Revenue Code permits the deduction of all ordinary and necessary expenses incurred in carrying on any trade or business, "... an activity lacking a profit motivation, whether conducted by an exempt nonprofit organization

or a profit-making concern, does not constitute a trade or business for purposes of the deduction of expenses under Section 162 of the Code."

This Revenue Ruling appears to conform to the IRS position on so-called "hobby losses." That is, if an activity is pursued without a clear intention to make a profit, then, for tax purposes, it is regarded as equivalent to a "hobby" — even in the case of a club selling low-priced drinks to nonmembers—and, according to the IRS, such hobby losses cannot be deducted . . . or, in the case of a club, applied against its unrelated business income.

There have been two similar private rulings on the same subject. One was Document 7950015. The other ruling was issued to a member of NCA and remains confidential.

At least two ambiguous concepts from this ruling need to be clarified. One concerns the period of time for which a profit must be demonstrated. In order to apply such losses against other unrelated business income, a club must show a profit for the function involved for at least two out of five years. If a club loses money on a nonmember operation for five years, the presumption is that it was not trying very hard to make a profit. On the other hand, a profit for only one year out of five might still qualify a club, depending on the circumstances involved.

Then there is the question of what constitutes "prices insufficient to recover costs of the sales." Do these costs include overhead? No, only direct costs need be considered.

Opinion is divided among tax advisors as to the import of this ruling for private clubs. Some believe many clubs will be severely affected while others believe any effect will be nominal.

Because of its complexity, and these divided opinions among tax authorities, NCA advises members who might encounter this problem to check with their own club tax consultants.

California Clubs Asked To Start Letter Campaign Against Anti-Club Bills

Turner McBaine, President of the California State Club Association, reports that two anti-private club bills have been assigned to the California Assembly Committee on Governmental Organization for hearing.

Mr. McBaine has asked members of the California State Club Association to contact members of the Assembly Committee on Governmental Organization urging them to vote against both bills. NCA urges all member clubs in California to respond to this important request.

A.B. 1159 would deny a liquor license to any club "which in any manner restrict(s) membership or the use of its facilities on the basis of a person's color, race, religion,

ancestry, national origin, or sex."
The bill, filed by Assemblywoman
Gwen Moore, is a repetition of a
bill she filed last year.

A.B. 1160, also filed by
Assemblywoman Moore, would
deny a state income tax deduction
for ordinary and necessary business expenses incurred at or paid
to any "private club which discriminates on the basis of sex, race,
religion, or national origin in its
membership or . . . in the provision
of services of the club."

"These bills seem to the Association to be unwarranted and illegal attempts to penalize members of private clubs for exercising their constitutional right to associate socially with whom they

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Smaller Boats Exempted In Reform Bill

NCA has learned that a Senate bill aimed at overhauling the ailing Longshoremen's and Harbor Workers' Compensation Act will include a section exempting persons providing service for or on any vessel less than 65 feet long, provided those persons are covered by state workers' compensation programs.

Expected to be introduced by the end of April by Sen. Donald L. Nickles (R-OK), the Senate reform bill will be similar but not identical to H.R. 25 introduced into the 97th Congress by Rep. John N. Erlenborn (R-IL). The House reform measure already contains the exemption for vessels under 65 feet in length. (See NCA Newsletter for March, 1981.)

Join NCA and the Washington Political Scene On May 19

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Edward Coleman, Chief of the
Technical Branch of the IRS Section on Tax Exempt Organizations,
and Conrad Rosenberg, Chief of

Technical Research and Coordina-

tion of the same branch.

NCA urges all our club leaders to attend the 1981 Legislative Conference to hear and meet these influential political figures, plus other leading Senators and Representatives from both sides of the aisle, key White House officials, and other government agency officials.

These people make decisions every day that affect *your* club, sometimes dramatically, and you owe it to yourself and your club to make your ideas and feelings known to them.

You will also meet leading representatives of other national private membership organizations and, of course, NCA's own top people in the fields of selective membership policies, labor regulation, finances, and taxation.

In short, this is your chance to gather with the best minds in the country on matters affecting private clubs.

If you haven't sent in your registration form as yet, please do so today—otherwise you may miss out on this unique opportunity to get the most complete and current information available on private club issues.

The Conference will be held from 8:00 a.m. to 4:30 p.m. on Tuesday, May 19, at the prestigious Capitol Hill Club, 300 First St., S.E., Washington, DC.

The Conference will begin with an 8:00 a.m. breakfast, featuring Speaker O'Neill and Congressman Rostenkowski. The lawmakers will accept Certificates of Appreciation from NCA as a gesture of thanks for their support of the game of golf and related interests. A representative from the White House has also been invited to address this breakfast meeting.

The rest of the day will be div-

ided into three general sessions. The first of the Conference's sessions will immediately follow the breakfast and official welcome. The morning session will consist of a two-hour legal and legislative update of the many recent challenges to the selective membership policies of private clubs and will feature presentations by NCA Legal Counsel Thomas P. Ondeck; California State Club Association President Turner McBaine; Harold B. Berman, NCA Vice President and Vice Chairman of the Conference of Private Organizations; and Senior Vice President Henry D. Kerfoot, Jr., of Fred. S. James

the California State Club Association; and George Squibb, President of the Dunes Club of Narragansett, Rhode Island.

Following lunch, there will be two general sessions. The first, to be addressed by Congressman Ashbrook, will be devoted to the full range of regulatory issues under the jurisdiction of the Department of Labor.

G. John Tysse, Director of Labor Law for the U.S. Chamber of Commerce, will participate in this session, as will NCA Legal Counsel Thomas P. Ondeck and Joseph N. Noll, NCA Secretary and Secretary of the State of

Reps. Trent Lott, Dan Rostenkowski, John M. Ashbrook And Speaker of the House Thomas P. O'Neill, Jr. Are Participating In The Conference . . . Are You?



Rep. Trent Lott (R-MS)

& Company of Virginia. This session will be chaired by NCA Special Counsel and Past President Milton E. Meyer, Jr.

The morning session will be followed by a reception in the Eisenhower Lounge of the Capitol Hill Club. Members of Congress and their staffs have been invited to this reception and Conference registrants are encouraged to invite their own Representatives or Senators to join them as NCA's guests for the gathering and for the lunch that follows. If any registrants do decide to personally invite their Congressmen, NCA would like to be informed.

Congressman Lott will speak during the lunch, which will also include a short annual meeting for the election of NCA Directors. The Nominating Committee, chaired by NCA Special Counsel Milton E. Meyer, Jr., will present the following nominees for the Board of Directors: James Maser, President of the Club Corporation of America; Turner McBaine, President of

Wisconsin Department of Industry, Labor and Human Relations. Mr. Noll will chair the session.

The second afternoon session will focus on tax issues. The principal speaker will be Edward Coleman, Chief of the Technical Branch of the IRS Section on Tax Exempt Organizations and a leading authority on tax matters affecting private clubs.

Also addressing this session will be NCA Legal Counsel William F. Lehrfeld and NCA Financial Consultant Joseph M. Hilger, CPA. The tax session will be chaired by NCA Director John J. McEnerney.

NCA staff and other officers and Board Members will also be participating in all of the day's sessions.

May 19 is just around the corner—so register today and plan to join us in Washington for a most rewarding Conference. You will leave far more knowledgeable about club problems and how to cope with and overcome them.

Make May 19 your day to join the Washington political scene.

NCA Newsletter/May 1981

NCA Reconstituting Advisory Council Association To Be Resource

The NCA Board of Directors is reconstituting the Advisory Council, a group of select club officials and allied industry experts, to serve as a resource in guiding the association.

The Board will be going to the Advisory Council for help and assistance in tackling various NCA issues. The Council will primarily respond to requests from the Board of Directors.

NCA President Herbert L. Emanuelson, Jr. said the decision to reconstitute the Advisory Council was made because NCA needs to expand its official family in order to improve further the quality of NCA decisions and representation in the field.

Among those who have accepted appointments to the Advisory Council are:

Carl H. Bauer, CCM, Manager Drug & Chemical Club, New York, NY

Edward R. Felshow, General Manager Everglades Club, Palm Beach, FL

Peter Fischer, General Manager The Kansas City Country Club Mission Hills, KS

James E. Petzing, General Manager Atlanta Athletic Club, Atlanta, GA Fred L. Somers, Jr., Esq. Past President, Dunwoody Country Club Dunwoody, GA

Mark C. Stanley, Jr. CCM, General Manager The Pacific Union Club, San Francisco, CA

Frank T. Stover, Manager Bay Club, Boston, MA

The Board of Directors has also decided to expand the size and increase the activity of NCA's Golf, City Club, and Yacht Councils.

Appointments for these bodies are being made now. Watch for reports in future issues of the Newsletter. \$\frac{1}{2}\$

NCA Viewpoint continued from page 3

have banded together to provide recreational facilities on a mutual basis, it would be conceptually erroneous to impose a tax on the organization as a separate entity. The funds exempted are received only from members and any 'profit' which results from overcharging for the use of facilities still belongs to the same members. No income of the sort usually taxed has been generated; the money has simply been shifted from one pocket to another, both within the same pair of pants.

So, Club Members, the next time someone accosts you in print or in person about your club's tax exemption, do not be defensive or uncomfortable! The government has not given very much away in granting such exemption.

To say that a private club cannot enjoy both the constitutionally protected right of free association and the right to be tax exempt is to fail to understand the facts and the reason for the applicable law. The U.S. Treasury understood this considerably better than Congressman Rangle (from Harlem)

did in 1976 when its attorneys earnestly but unsuccessfully opposed the "Rangle Amendment" (which prohibits tax exempt clubs from having written charter or policy statements regarding membership restriction based on race, color or religion) to the bill Congress then passed (after years of advocacy by the National Club Association) which increased from 5 percent to 15 percent the amount of "outside business" a private club can enjoy without having its tax exemption challenged by the IRS. In written testimony at that time the Treasury stated:

Since about one-quarter of the 40,000 social clubs which are exempt under §501(c)(7) are organized on the basis of a common bond of religion or ethnic origin, the Treasury opposes [the Rangle Amendment]. There is no apparent reason for discouraging social clubs organized on the basis of such a common bond. The practical consequences of denying tax exempt status to §501(c)(7) social clubs would be that they would have to file corporate tax returns. Since

such clubs would seldom, if ever, have any taxable net income, paper work burdens would be imposed on both the clubs and the Internal Revenue Service.

The question of tax exemption is simply a "red herring" when raised by persons or groups who attack the rights of privacy or private club members.

Club Ties is a bi-monthly magazine published exclusively for members of private clubs in the greater Denver area by The Lovelace Corporation, Denver, CO. The regular columns and diverse features are designed to keep club members up on national and local club news, and to bring them the best in entertainment, travel, investment advice, dining, shopping, real estate, fashion and more. The magazine, begun in December 1980, has been well-received by the Denver business community. Because of the success of the publication in Denver, new marketing areas are currently under study for the possible expansion of the magazine, according to publisher Jacqueline A. Lovelace. &

NCA Urges Clubs To Keep Writing Until Regulation Withdrawn

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"NCA further concurs with the reasons for the proposed withdrawal as stated in the March 27 official notice. There the Department renounces the rule because such payment of dues by a federal contractor is not itself a violation of Executive Order 11246, because the regulation of such payments may raise serious legal problems, and because existing regulations are already adequate to prevent employers from using such memberships to create employment discrimination. Indeed, NCA has argued in favor of precisely these same points in earlier comments to OFCCP."

The NCA letter to the Labor Department goes on to list our major arguments against the club dues payment ban regulation, namely that:

(1) The rule violates constitutionally protected individual rights of association and privacy.

(2) The premise alleged for this rule has never been documented.

(3) No consideration has apparently ever been given to the enormous economic loss that this rule would inflict upon the private club industry.

(4) To enforce this rule OFCCP would eventually be confronted with the impossible administrative task of fairly assessing the membership policies of private clubs.

(5) The rule would violate the due process standard of innocent until proven guilty by presuming contractors making such payments to be guilty of employment discrimination unless they could prove their innocence.

NCA also concurred with several statements made by the California State Club Association.

CONPOR (Conference of Private Organizations), in a letter to the Labor Department from Chairman Clarence Ruddy, said, "We commend the Department of Labor under the leadership of Secretary Raymond J. Donovan for recognizing that this rule is so fatally flawed that it poses a grave threat to the individual freedom of millions of Americans who belong to private membership organizations.

In response to NCA's request that private clubs flood the Labor Department with letters denouncing the club dues payment ban regulation and supporting its proposed withdrawal, many clubs throughout the U.S. have written to the Labor Department. Many of them have reiterated NCA's major arguments.

One particularly influential letter came from the legendary golfing champion, Arnold Palmer. In his letter, Mr. Palmer wrote that: "I am opposed on general principles to such governmental invasion into the affairs of private business in an area in which the discrimination issue is dragged in from so far out in left field. I doubt that such a regulation could even stand a Constitutional challenge. Furthermore, as one who has had a lifetime interest and involvement in the private club industry and who is president and owner of private clubs in Pennsylvania and Florida, I can foresee great economic harm that such a regulation could wreak in the private club industry, which is no small contributor to the employment rolls and economic wellbeing of the country."

Here is a sampling of other comments received by the Labor Department:

"This regulation represents an effort to inject the government into an area of activity where no evidence of a problem exists."

James E. Maser, President Club Corporation of America

"As both an employer and member in many organizations which have selective membership policies, I urge the withdrawal of these regulations. They create an unneeded and unfounded regulation of business which burdens us without 'rhyme or reason'."
Harold B. Berman
NCA Vice President

"OFCCP has never proven the need for this regulation, and it would serve no purpose except to jeopardize private clubs and confuse their members. We can see little connection between private club membership policies and federal contractor employment discrimination."

Raymond M. Adams, General Manager Chicago Yacht Club

"If dues and other charges made by the employee of a Company that does not have a government contract can be paid by his company, then the same rights should be available to companies that do have government contracts or do business with the government. OFCCP regulation 46 FR 3892 is just another example of persons attempting to put themselves above the generally accepted intent of the founding documents of our country."

Donald W. Wilkinson, CCM, Manager City Tavern Club Washington, DC

Other NCA members have even gone beyond letters in supporting the withdrawal proposal.

Turner McBaine, President of the California State Club Association, submitted a lengthy and powerful analysis to the Labor Department, and concluded: "Since the overwhelming effect of the proposed regulation is simply to penalize private exclusionary clubs and their members, while favoring nonexclusionary clubs and their members, the regulation is clearly an impermissible attempt to extend the concept of 'civil rights' into the purely 'social rights' of private clubs and organizations, and is unconstitutional."

Harry P. Gamble, III, President of the New Orleans Athletic Club not only wrote to the Labor Department but Louisiana's Congressional delegation.

The Oahu Country Club in Honolulu, Hawaii, wrote to all

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Index to NCA Publications

The following is a subject index of major articles published in 1980. NCA Newsletters and Reference Series.

Boating Safety

New Coast Guard regulations for recreational boat visual distress signals, April 1980/p.10

Senate passes Biaggi bill funding boating safety programs and state marinas, October 1980/p.8

Carter signs bill funding boating safety programs and state marinas, November 1980/p.8

Computers

NCA Financial Consultant Joseph M. Hilger, CPA, on pros and cons of club computer systems, April 1980/p.9

Review of new computer system of large U.S. club corporation, September 1980/p.11

Copyrights and Trademarks

NCA submits testimony to Senate requesting amendment exempting clubs from royalty payments, October 1980/p.3

Energy Conservation

Analysis of effect on clubs by DOE proposed measures, March 1980/p.4

Building temperature restrictions extended, May 1980/p.6

NCA sends recommendations to DOE on changing conservation plan, May 1980/p.1

DOE revises building temperature limits, June 1980/p.1

NCA submits comments to DOE urging senior citizen temperature exemption for clubs, July-August 1980/p.5

Legal Defense Fund

NCA launches Legal Defense Fund, November 1980/p.1

Longshoremen's Act

NCA proposes club exemption from Longshoremen's Act to Senate Labor Committee, October 1980/p.7

Political Scene

NCA and Justice Department meet to discuss government interference with private clubs, October 1980/p.1

Clubs threatened by epidemic of local legislation, November 1980/p.1

Looking Ahead—the post-Inaugural political scene for clubs, December-January 1981/p.5

Selective Membership Challenges— OFCCP

Labor Department publishes proposed regulations prohibiting federal contractors from paying employee dues and expenses in selective membership organizations, February 1980/p.1

NCA demands retraction of proposed OFCCP regulation, April 1980/p.1

CMAA Convention survey results on OFCCP regulation, April 1980/p.2

NCA reviews comments submitted to Labor Department on OFCCP regulation, June 1980/p.6

District Court expands definition of federal contractor to include subcontractors, July-August 1980/p.4

NCA has White House meeting on OFCCP, September 1980/p.3

Labor Department rushes to issue OFCCP regulation, December-January 1981/p.1

Selective Membership Challenges—New York City

New York City Council bill would deny privacy status to most local clubs, March 1980/p.1

NCA sends written protest on New York City Council bill, July-August 1980/p.7

NCA testifies at New York City Council hearing, September 1980/p.1

NCA analyses testimony submitted to New York City Council on anti-club bill, October 1980/p. 4

New York City Council unveils proposed regulations to enforce anti-club bill at public hearing, December-January 1981/p.3

Selective Membership Challenges— Philadelphia

Proposed Philadelphia legislation aims to counter all club membership restrictions, September 1980/ p.12

Anti-club bills' passage possible in Philadelphia, December-January 1981/p.1

Selective Membership Challenges— Salisbury Club

NCA files *amicus brief* in Salisbury Club admissions challenge appeal, March 1980/p.1

Justice Department and ACLU present oral arguments before Fourth Circuit, July-August 1980/p.3

Salisbury Club found not truly private, loses in appeal, October 1980/p.1

NCA Legal Counsel Thomas Ondeck analyses Salisbury ruling, November 1980/p.4

Selective Membership Challenges— General

B'nai B'rith surveys clubs/CONPOR responds, May 1980/p.8

California State Club Association blocks two challenges, May 1980/p.2

Challenges to all-male clubs increasing, June 1980/p.1 Club privacy challenge vetoed by Pittsburgh's mayor, July-August 1980/p.1

NCA protests decision barring judges from club memberships, July-August 1980/p.1

Special Counsel and Past NCA President Milton E. Meyer, Jr., defends selective membership policies on NBC *Today Show*, September 1980/p.2

Comptroller of the Currency warns banks on club dues reimbursements, December-January 1981/p.3

Taxation—FICA/FUTA

Supreme Court denies Internal Revenue Service appeal in *Hotel Conquistador* case, February 1980/p.1

Protective filing instructions for 1976 FICA refunds per Hotel Conquistador decision, March 1980/p.5

Fifth Circuit meal tax decision counters *Hotel Conquistador* ruling, October 1980/p.3

Taxation—Independent Contractors

Carter seeks withholding on all independent contractor payments, March 1980/p.9

Senate passes bill extending tax status of independent contractors 18 months, November 1980/p.5

Taxation—Nonmember Business

Pittsburgh Press Club decision removes club's tax exemption, March 1980/p.5

NCA Tax Counsel William J. Lehrfeld reviews Pittsburgh Press Club case, April 1980/p.2

Taxation—Property

NCA Tax Counsel William J. Lehrfeld studies land sales and real estate development and tax-exempt clubs, March 1980/p.6

Bill retaining tax abatement for club land in Montgomery County, MD, wins support, December-January 1981/p.6

Taxation—General

Club dues are deductible as a business expense on 1979 tax returns, February 1980/p.12

NCA Tax Counsel William J. Lehrfeld clarifies IRS ruling on reciprocal arrangement loss deductions, March 1980/p.10

Technical Corrections Act signed into law, May 1980/p.3

Wage/Hour

How to survive a wage/hour audit, February 1980/p.6 NCA Financial Consultant Joseph M. Hilger, CPA, discusses wage and hour requirements for golf departments, October 1980/p.6

Implications of gifts to employees, November 1980/p.6

Miscellaneous

University of Chicago law professor Antonin Scalia comments on the direction of affirmative action as interpreted by the Supreme Court and federal agencies, February 1980/p.3

Past NCA President Milton E. Meyer, Jr., makes presentation at CMAA Convention, April 1980/p.2

How to hire a tennis pro, May 1980/p.4

NCA Golf Council letter to EPA and FAA counters pesticide use petition, May 1980/p.1

Psychology Today reprint stresses need for places like clubs, June 1980/p.3

NCA announces new no deductible Directors and Officers insurance policy, November 1980/p.3

Publication Request Form

NCA will fill requests for single copies of the following publications:

Reference Series		Newsletters
☐ The Tax Considerations of Tips and Service Charges. ☐ Understanding the F	Understanding the Federal Wage & Hour Laws.	Please indicate month & year
 ☐ Should Your Club Be Tax-Exempt? ☐ Are Club Assessments, Initiation Fees and Transfer Fees Taxable as Income for a Tax-Paying Club? ☐ Nonmember Business — What It Is & What It Isn't. 	 How to Implement an Effective Employee-Relations Program. How to Develop Financial Controls. 	
NAME/TITLE	CLUB	
ADDRESS	CITY STATE	ZIP CODE

Future Uncertain For Taxation On Memberships, Benefits

With the Congressional moratorium on proposals to tax corporate fringe benefits, including club memberships, due to expire May 31, there is much speculation about the next steps to be taken by Congress and the Treasury Department.

At presstime, it is still uncertain whether Congress will try to extend the moratorium or try to resolve the five-year debate by either coming up with its own proposal or asking the Treasury Department to submit a proposal.

NCA and other trade associations are closely monitoring the fringe benefits issue as the moratorium end nears.

In addition to club memberships, other fringe benefits under discus-

sion include personal use of a company car or plane, investment counseling and low-interest loans to buy tax-exempt securities, air travel discounts for airline employees, and free tuition for college and university faculty children.

It is believed that Congress, now preoccupied with President Reagan's economic package, will not be able to come up with a fringe benefits proposal before May 31. If Congress decides to let the moratorium lapse, it is also believed that it could take a year or more for the Treasury Department to propose new rules, hold public hearings and adopt final regulations.

There is also speculation that the Reagan Administration will be

more favorable to business in developing fringe benefits taxation regulations than the Carter Administration, which originally proposed taxing fringe benefits. It is felt that the new administration will propose taxing only a limited number of fringe benefits. Whether that will include club memberships remains to be seen.

The most recent proposal from the Treasury Department was contained in a "discussion draft" and submitted to House Ways and Means Committee Chairman Dan Rostenkowski (D-IL) at his request before the Carter Administration left office. That proposal specifically included under gross income the value of employer-paid club membership fees. **

Clubs Continue To Support Legal Defense Fund

"I think that you will receive great support from the private clubs across the nation to aid you and your office staff in your continuing legal battle that lies ahead."

So wrote Paul T. Cronin, General Manager of the Santa Ana Country Club of California, in a letter accompanying his club's generous contribution to the NCA Legal Defense Fund.

He was absolutely right: NCA has received contributions now from 20% of our member clubs contacted and donations continue to arrive.

The most recent contributors include:

Bel Air Bay Club Pacific Palisades, CA

Union League Club New York, NY

Cherry Hills Country Club Englewood, CO

The Salisbury Country Club Midlothian, VA

The Francisca Club San Francisco, CA

Washington Athletic Club Seattle, WA Dunwoody Country Club Dunwoody, GA

Mory's Association, Inc. New Haven, CT

Royal Palm Yacht Club Fort Myers, FL

Santa Ana Country Club Santa Ana, CA

The University Club Washington, DC

And a special thanks to Howard J. Kahn, Manager of the Salisbury Club, for his individual contribution to the fund.

Philadelphia continued from page 2

Mr. Eisenberg told NCA that if a club responds to the questionnaire, saying it does have such a selective membership policy, it will then be put on a list of clubs with which city contractors cannot do business. That list will be distributed to all city contractors.

If the club does not reply to the questionnaire, Eisenberg said the Commission will assume the allegation to be correct and that club will be blacklisted as well.

Still to be determined, however, are the Commission's procedures for handling a club which replies that it does not have a discriminatory membership policy. If the denial is further challenged, it is not known if the city would investigate and what procedures it

OFCCP continued from page 8

of its members, urging them to send individual letters to the Labor Department.

NCA is grateful for the energetic response of its member clubs and is optimistic that the OFCCP regulation will soon be withdrawn. would use to conduct such an investigation.

The city had also been planning to survey city contractors on their membership payment policies. Mr. Eisenberg said that survey will be piggy-backed onto other surveys sent by the city to the contractors.

The National Club Association is standing by to help its member clubs in Philadelphia work out a common club strategy for dealing with the new ordinances.

NCA reminds its members that, if the federal OFCCP regulation is indeed withdrawn as proposed, the Philadelphia ordinances would stand alone in prohibiting government contractors from doing business with selective membership organizations.

At presstime, however, it is not known how and when the Labor Department will take final action to withdraw the regulation. Until that time, NCA will continue to fight with every weapon available to overturn the regulation.

California continued from page 5

please, and under such terms and conditions as they please," Mr. McBaine wrote to members of the California State Club Association.

As in the past, when the California State Club Association successfully blocked similar bills, NCA will follow developments and provide as much assistance as possible.

Welcome New Members

John D. Renzel, National Account Zone Manager ANHEUSER-BUSCH, INC. Columbia, MD

Dr. Eugene Shapiro, Pres. L. Van Carey, Gen. Mgr. THE HAMLET COUNTRY CLUB Delray Beach, FL

Benjamin P. Terry, Pres. Robert K. Rohe, Gen. Mgr. THE HARTFORD CLUB Hartford, CT

Walter T. Philbrick, Mgr. & Dir.
MARYLAND FARMS RACQUET &
COUNTRY CLUB
Brentwood, TN



Legislative Conference & Annual Meeting

Official

May 19, 1981 Capitol Hill Club Washington, D.C.

Time	Room	Event	
7:45 a.m.	Main Dining Room Second Floor	Coffee	
8:00 a.m.	Main Dining Room	Breakfast	
		Official Welcome—Herbert L. Emanuelson, Jr. Certificates of Appreciation—Speaker of the House Thomas P. O'Neill, Jr. (D-MA) and Rep. Dan Rostenkowski (D-IL) Address by White House Speaker to be announced Question and Answer Period	
9:15 a.m.	Private Rooms	First General Session: Legal/Political Status of Selective	
	3&4 Third Floor	Membership Policies	
	Inira Floor	Chairman: Milton E. Meyer. Jr. Legal/Legislative Review—Thomas P. Ondeck	
		California Private Club Experiences—Turner H. McBaine	
		CONPOR Experiences—Harold B. Berman	
		Club Liability Problems—Henry D. Kerfoot, Jr.,	
		Question and Answer Period	
11:30 a.m.	Eisenhower Lounge	Reception	
	Street Floor		
12:30 p.m.	Private Rooms	Luncheon and Annual Meeting	
	1&2 Third Floor	Invocation Business Meeting	
	Inna i iooi	Greetings from Allied Associations of Golf	
		Treasurer's Report—E. Guenter Skole, CCM	
		Introduction of Members of NCA Councils	
		Award Presentations to Retiring NCA Board Members	
		President's Report—Herbert L. Emanuelson, Jr. Nominations Committee Report—Milton E. Meyer, Jr., Chairman	
		Board of Directors Election	
		Address—Rep. Trent Lott (R-MS)	
		Question and Answer Period	
2:15 p.m.	Private Rooms	Second General Session: Private Clubs and Labor	
	3&4	Regulations in the Reagan Era	
Third Floor	Third Floor	Chairman: Joseph N. Noll	
		Congressional Perspective—Rep. John M. Ashbrook (R-OH) Business Perspective—G. John Tysse	
		Ouestion and Answer Period	
		Coffee Break	
3:15 p.m		Third General Session: IRS Regulations—Present and Future	
3:30 p.m.		Chairman: John J. McEnerney	
		Introduction—William J. Lehrfeld	
		IRS Perspective—Edward D. Coleman	
		Cost Allocations—Joseph M. Hilger	
		Question and Answer Period	
4:30 p.m.		Adjournment	

SPOCHOIS

Rep. Trent Lott (R-MS)

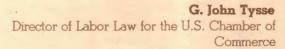
U.S. House of Representatives Republican Whip Ranking Republican Member of the Rules Subcommittee on Legislative Process of the House Rules Committee





Rep. John M. Ashbrook (R-OH)

Ranking Minority Member of the House Committee on Education and Labor.







Edward D. Coleman

Chief, Technical Branch, IRS Section on Tax Exempt Organizations

Henry D. Kerfoot, Jr. Senior Vice President, The Fred. S. James Insurance Company of Virginia



ALSO PARTICIPATING

Herbert L. Emanuelson, Jr. NCA President

Thomas H. Quinn NCA Legal Counsel

Milton E. Meyer, Jr. NCA Past President

Thomas P. Ondeck NCA Legal Counsel

Turner H. McBaine President, California State Club Association Harold B. Berman NCA Vice President and Representative to CONPOR

Joseph N. Noll NCA Secretary

Sam M. Berry NCA Vice President

Charles E. Chamberlain NCA Legal Counsel Edwin A. Kennedy NCA Board Member

John J. McEnerney NCA Board Member

William J. Lehrfeld NCA Legal Counsel

Joseph M. Hilger, CPA NCA Financial Consultant

Morton C. Blackwell Special Assistant to the President Awdidents Recipients

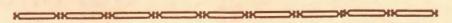
Rep. Thomas P. "Tip" O'Neill, Jr.(D-MA)

Speaker of the United States House of
Representatives





Rep. Dan Rostenkowski (D-IL) Chairman of the House Ways and Means Committee



CERTIFICATES OF APPRECIATION

Edwin A. Kennedy, Retiring NCA Board Member Cleveland Yachting Club, Rocky River, Ohio Chairman, NCA Yacht Club Council

Elliott W. Gumaer, Jr., Retiring NCA Board Member Country Club of Rochester, Rochester, New York

Houston White, Retiring NCA Board Member Corvallis Country Club, Corvallis, Oregon Officers ors

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Herbert L. Emanuelson, Jr.
Mory's Association
New Haven, CT



Vice President Sam M. Berry Quait Hollow Country Club Charlotte, NC

Vice President
Harold B. Bertnan
The Columbian CC of Dallas
Dallas, TX

Secretary
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Maple Bluff Country Club
Madison, WI

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Robert E. Hanna Spyglass Hill Golf Club Pebble Beach, CA

Charles F. Hathaway, CCM Los Angeles Athletic Club Los Angeles, CA

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Edwin A. Kennedy Cleveland Yachting Club Rocky River, OH

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Turner H. McBaine President, California State Club Association Member, Burlingame Country Club Hillsborough, California



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Gerard F. Hurley, CAE Executive Director

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Houston White Corvallis Country Club Corvallis, OR HAND DELIVERED

April 28, 1981

Mr. Morton C. Blackwell Special Assistant to the President Room 136 Old Executive Office Building 17th Street and Pennsylvania Ave., N.W. Washington, D.C. 20500

Dear Mr. Blackwell:

MS

We are delighted to know that you will be able to participate in our Legislative Conference on May 19 at the Capitol Hill Club.

As we have discussed, we would like you to anticipate speaking in either one of two different settings. If Dr. Miller is unable to address our 8:00 a.m. breakfast meeting, we would like you to speak at 8:30 a.m. for approximately twenty minutes, primarily on President Reagan's Economic Program, with a few comments on your functions at the White House as liaison with private membership organizations. If Dr. Miller addresses our breakfast meeting, we would then like you to speak for 5-10 minutes at our first general session immediately following the breakfast. This session will begin at 9:15 a.m. and you would make your comments about 9:25. This first session will be devoted to recent legal and legislative challenges to the selective membership policies of private organizations. In either case, we would like you to respond to perhaps 5-10 minutes of audience questions.

With regard to Dr. Miller's appearance, we are enclosing for your use another copy of our April 22 invitation to him. As you suggested, we called Mr. Tozzi's office to see about the status of the invitation and they referred us to Mr. Jeff Eisenach. Mr. Eisenach has not yet returned our call to his office. We would appreciate any help you can provide in securing Dr. Miller for our breakfast meeting.

It is obviously reassuring to realize that you will be able to replace Dr. Miller if necessary. If possible, however, we would still prefer to have two White House representatives speak to our Conference. Because your position makes you so ideally suited to talk to our morning general session, we might ask that if Dr. Miller cannot attend, would someone

else from the White House be available to appear at the breakfast gathering, thus permitting you to focus on the general session?

We shall call in a few days to check on all this. Thanks again for your help.

Sincerely,

Aubrey C. King Director of Public Affairs

ACK/dr

Enclosure





1625 Eye Street, NW Washington, D.C. 20006 12021 466-8424

Gerard F. Hurley, CAE Executive Director

April 22, 1981

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Edwin A. Kennedy Cleveland Yachting Club Rocky River, OH

John J. McEnerney Union League Club of Chicago Chicago, IL

Milton E. Meyer, Jr. Pinehurst Country Club Denver, CO

Houston White Corvalis Country Club Corvalis, OR Dr. James Miller
Executive Director
President's Task Force on
Regulatory Relief
Room 246
Old Executive Office Building
17th Street and Pennsylvania Ave., N.W.
Washington, D.C. 20503

Dear Dr. Miller:

We cordially invite you to address the officers and general managers of the nation's leading private social clubs who will be attending the Annual Legislative Conference of the National Club Association on Tuesday, May 19, 1981, at the Capitol Hill Club here in Washington.

We would be honored if you could lead off our conference with a presentation at our breakfast meeting on the nineteenth. Breakfast will be served at 8:00 a.m. and your address would be scheduled to begin at 8:30 a.m. We were privileged to hear your April 1 comments on the Administration's economic initiatives at the Association Insiders Breakfast of the U.S. Chamber of Commerce, and we feel a similar address would be quite appropriate for our audience. This is particularly so since the principal focus of our entire conference will be on government regulations affecting private membership organizations. After your presentation and, we hope, a few minutes for questions from the audience, we would plan to present to you an official resolution from our Board of Directors expressing support for President Reagan's Economic Plan.

The National Club Association is the national trade association representing the legal, legislative, financial, and other business interests of private social, recreational, athletic, and yacht clubs. We have over 900 member clubs throughout the country and expect about one hundred of their leading officials to attend the May 19 Conference. Also scheduled to attend this meeting are Speaker of the House Thomas O'Neill and House Ways and Means Chairman Dan Rostenkowski, both of whom will receive awards at our breakfast meeting; Representative Trent Lott, who will address our luncheon meeting; and Representative John Ashbrook who will participate in an afternoon seminar, along with top officials from the Treasury and the Labor Departments.

By the way, you might recall that I had an opportunity to talk briefly with you at the recent White House economic briefing for trade association executives.

We look forward to having you with us for what should be an exciting and productive meeting.

Sincerely,

Gerard (F. Hurley, CAE

Executive Director

GFH/dr

cc: Morton Blackwell



file

1625 Eye Street, NW Washington, D.C. 20006 [202] 466-8424

Gerard F. Hurley, CAE Executive Director

May 27, 1981

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John J. McEnerney Union League Club of Chicago Chicago, IL

Milton E. Meyer, Jr. Pinehurst Country Club Denver, CO

Houston White Corvallis Country Club Corvallis, OR Mr. Morton C. Blackwell Special Assistant to the President Room 134 Old Executive Office Building 17th Street and Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear Morton:

Thank you for taking time from your busy schedule to participate in our NCA Legislative Conference last week.

Everyone was quite interested in your description of your new position and responsibilities on the President's staff. After the official harassment of the past several years it is most gratifying to clubs and other private membership organizations to realize that now we have a friend and a direct contact at the White House.

If you could have been at our breakfast meeting, you would have seen tangible evidence of the esteem our association has for the President and what he is trying so brilliantly to accomplish. After the outstanding address by Dr. Miller, who both informed and amused us all, we presented him with a copy of our official Board Resolution in full support of the President's Economic Program.

I was especially pleased by your expression of interest in a more permanent remedy to the challenges confronting private organizations who seek to protect their right to control their membership policies. NCA has been studying several such remedies and we would definitely like to pursue this matter further with you sometime in the next month or so.

It was a genuine pleasure having you at our Conference. We look forward to working with you again in the near future.

Sincerely,

Aubrey C. King

Director of Public Affairs

CUNPUK

CONFERENCE OF PRIVATE ORGANIZATIONS
1625 Eye Street, N.W.
Washington, D.C. 20006
(202) 466-8424



June 26, 1981

Sincerely

Gerard F. Hurley, CAE

Executive Director

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Loyal Order of Moose

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Harold B. Berman
National Club Association

Secretary-Treasurer M. Daniel Splain, III Fraternal Order of Eagles

Robert E. Davis Improved Order of Red Men

Edward McCormick, Jr. US Power Squadrons

Sam Willits United States Jaycees

Robert A. Yothers, P.G.E.R. B.P.O. Elks

Executive Director Gerard F. Hurley, CAE

Honorable Morton C. Blackwell Special Assistant to the President Room 128 The White House Washington, D.C.

Dear Mr. Blackwell:

Thought you'd be interested to see our recent Newsletter (to fraternal, club and service group leaders in every state) which again mentions your participation in the National Club Association's Legislative Conference last month.

GFH/dr

Enclosure

COMPOR NEWSLINE

VOL. 1 No. 2 June 26, 1981

Thank you. The response to the first edition of our CONPOR NEWSLINE (originally Newsletter) was most gratifying. We appreciate all the CONPOR state representatives who took time to write and let us know what is happening in their areas. We can only ask you to keep it up. Our exchange of information will be vital to all private membership organizations. Thanks again. Aubrey C. King, Assistant Executive Director.

A. <u>National Issues</u>

(1) OFCCP

Bravo to CONPOR! You will recall that in April we appealed for letters to the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) to support Labor Secretary Donovan's proposed withdrawal of the most punitive anti-private club regulation ever issued by the federal government. We know that many, many of you complied with that request. As a result primarily of the efforts of private membership organizations, by the comments deadline on April 27th, OFCCP had received 550 comments urging final withdrawal of the regulation and only 15 comments opposing the withdrawal. The final outcome is not yet certain, but we are now very encouraged about the probability of a complete and final official withdrawal. We suggest, however, that letters would still be helpful in this cause. At this point, you are probably best advised to write to your Congressmen and urge that they request OFCCP to issue the final withdrawal notice.

(2) White House Contact

President Reagan has affirmed his support for private membership organizations by appointing The Honorable Morton C. Blackwell as Special Assistant to the President for liaison with private civic, fraternal, and veterns' groups, and private clubs. CONPOR Executive Director Gerard F. Hurley and Assistant Executive Director Aubrey C. King have met personally with Mr. Blackwell and offered CONPOR's assistance wherever possible. In May, Mr. Blackwell addressed the Washington Legislative Conference of the National Club Association where he stated, "There is strong support (by President Reagan) for the private sector, and private organizations, and private initiatives."

(3) B'Nai B'Rith

It has come to CONPOR's attention that local chapters of the Anti-Defamination League of B'Nai B'Rith have been contacting other private

CONFERENCE OF PRIVATE ORGANIZATIONS • 1625 Eye Street, NW • Washington, DC 20006 • (202) 466-8424

organizations in their areas and inquiring about their membership policies and practices. The pretext for the inquires is the claim that B'Nai B'Rith is frequently asked whether other groups are discriminatory. CONPOR has directly replied in three different cases and rejected the notion that the policies of other groups are any of B'Nai B'Rith's business. CONPOR has never received a reply. We suggest that if any such inquiries come to your attention, please let us know and we will again reply for CONPOR. We do not believe that local groups should reply at all.

B. State/Local Issues

1. New York

The lower house of the state legislature on 6/3/81 by a vote of 78-63 passed the bill reported here earlier that would virtually abolish most private organizations in that state. The bill would redefine private organizations as public accommodations unless they could prove that over 80% of their income comes directly from their member's pockets—without any claim of business deductions or employer reimbursements. The New York State CONPOR is waging a superb battle against this bill now in the upper house of the legislature and they are optimistic the legislature will adjourn without further action. But it can be expected that the bill will return next session. An identical bill remains before the New York City Council.

2. Minnesota

On 5/8/81 the Minnesota State Supreme Court ruled that the all-male U.S. Jaycees constitute a place of "public accommodation" and are thus subject to state anti-discrimination laws. In U.S. Jaycees v. McClure, that state court accepted the state's arguments that the Jaycees have become a public business because (1) they virtually "sell" memberships as means of individual advancement so the members become customers; and (2) they are not selective enough in the choice of members, allowing nearly any males under 35 to join in the opinion of the court. This is not the place to provide a critique of the court's opinion--and is clearly flawed--but we can at least point out that on the basis of the court's logic, it is difficult to see how any private organization in Minnesota can be confident that it will be able to remain private.

3. <u>California</u>

We understand that the two anti-private organization bills before the state legislature--California have now been effectively sidetracked for this session. One bill would have denied liquor licenses and the other would have denied state income tax deductions for expenses incurred by members of selective membership organizations.

Please send us your news.

CONPOR

Fratemal

CONFERENCE OF PRIVATE ORGANIZATIONS 1625 Eye Street, N.W. Washington, D.C. 20006 (202) 466-8424

October 6, 1981

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Sam Willits United States Jaycees

Robert A. Yothers, P.G.E.R. B.P.O. Elks

Executive Director

Gerard F. Hurley, CAE

Honorable Morton C. Blackwell Special Assistant to the President Room 191 Old Executive Office Building The White House Washington, D. C. 20500

Dear Morton:

Thank you for that graceful letter to Mr. Separovich. It was precisely what we wanted. Please thank Maiselle for me too. She is unfailingly charming and helpful whenever we call.

Unfortunately, I gave my only copy of your Separovich letter to another Elk official in Chicago, so I would like to request a replacement copy from you if possible.

Thank you again for your cooperation.

Sincerely,

Aubrey C. King

Assistant Executive Director

ACK/dr

Sent 10/9

THE WHITE HOUSE WASHINGTON September 30, 1981 Mr. Yubi G. Separovich Chairman, Government Relations Committee Grand Lodge B.P.O. Elks 5309 Wedge Circle Fair Oaks, California 95628 Dear Mr. Separovich: Let me begin by thanking you for extending the invitations

Let me begin by thanking you for extending the invitations to me through Aubrey King to address your regional meetings of the Elks State Government Relations Committee Chairman.

Unfortunately, due to travel budget cuts and a very heavy work schedule I have not been able to be a part of your meetings. I deeply regret these circumstances, and I want you to know that any time any members of your organization are available I would be happy to schedule a meeting with them in my office.

Please be assured of my continued interest in your efforts and if I can be of any assistance do not hesitate to call on me.

Sincerely,

Morton C. Blackwell Special Assistant to

Morton C. Markinell

the President

cc: Aubrey King



CONFERENCE OF PRIVATE ORGANIZATIONS 1625 Eve Street, N.W., Suite 609 Washington, D.C. 20006 (202) 466-8424

June 21, 1982

Mr. Red Cavaney Deputy Assistant to the President for Public Liaison The White House Washington, D.C.

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Sam Willits United States Jaycees

Executive Director

Gerard F. Hurley, CAE

Dear Red:

Thanks for your note.

I didn't have a real opportunity to talk to you when our ARC Forum registrants gathered at the White House.

You, Morton Blackwell and Diane Lozano kindly spent and hour with me and reps from the U.S. Jaycees, and the National Federation of Women's Clubs last Fall to discuss how we, as private organizations, could better approach the Administration. I'm sorry to report that many of the service and civic groups (Rotary, Kiwanis, Lion, Zonta and Soroptomists) simply refuse to admit that their continued status as "private" is under multiple and continuous attack; the enclosed brochure quickly illustrates the jeopardy we all face from activists who have beguiled an increasingly liberal American Bar Association into doing Improved Order of Red Men their work for them. We hope the ABA House of Delegates will reverse the policy in August.

> We will continue to encourgae them to work together with us, the Conference of Private Organizations (CONPOR), and Morton Blackwell in bringing a conse sus position on private group issues to you.

You may be interested in the support of the NCA Board of Directors to the Administration's efforts on behalf of private sector initiatives, as reprinted in the NCA's recent Newsletter.

Thanks for all your help.

↑ley, CAE ive Director

GFH/kld

enclosure

Straight Talk
on ABA
Resolution
109A
from the
Conference
of Private
Organizations

A recent proposal of the American Bar Association gravely threatens the rights of individual members of private organizations, and even the existence of those organizations. Here's some straight talk on what's really at stake.

Resolution 109A was adopted by the American Bar Association House of Delegates, its policy making body, on January 25, 1982.

The Resolution calls for a redefinition of "private clubs and other establishments" as "public accommodations" if they receive a "substantial portion of their income from business sources." The "substantial portion" recommended is 20% from members' employer reimbursements or business tax deductions. This would bring these organizations under the jurisdiction of the Civil Rights Act of 1964, from which they are presently exempt.

If enacted, this measure would require governmental intrusion into personal and corporate financial records to verify the sources of an organization's income.

Proponents argue:

Private clubs and other organizations are really "marketplaces" where vital business is conducted.

CONPOR disagrees:

Private organizations exist to serve the social and recreational needs of their members. If business is discussed, it is spoken of in the course of private, discreet conversations—others in the same room are not privy to the conversation unless invited.

Another difference: financial capacity and ability to do business are essential for admission to a marketplace. Membership criteria in private organizations are based on a wide range of personal, social and professional qualities.

Proponents argue:

Those denied access to private organizations suffer insurmountable career disadvantages.

CONPOR disagrees:

Virtually anyone can have access to any private organization as a bona fide guest.

In terms of membership, there has never been any documented evidence, agency or court decisions that back this allegation. And, although membership may be appealing, many highly successful people have no private group affiliations and don't seek any.

Proponents argue:

Members should not be protected by the constitutional rights of privacy and association if they use their organizations more for business than social purposes.

CONPOR disagrees:

The Supreme Court has made it clear that the rights of privacy and association encompass economic, political and social matters. The rights belong to the individual members; they are not diminished because they are exercised in a private organization.

Proponents argue:

Organizations should be redefined if a "substantial portion" (20%) of their income comes from "business sources."

CONPOR disagrees:

Courts have developed extensive criteria for defining private organizations—they have never included an income test.

The private status of a organization is dependent on what the organization does and how it is organized—not on the conversations of its members while present.

Proponents argue:

Enactment of this proposal would have minimal affect on most private organizations, except for a few city luncheon clubs.

CONPOR disagrees:

Any private organization whose members engage in client entertainment in the facility, on their boat or on the golf course, for example, will be affected.

All private organizations which someone might regard as critical to career or business success will be threatened including civic and service groups, sororal, fraternal and ethnic organizations.

Members' freedom of speech will be diminished because they would refrain from business discussions on the premises lest they threaten the organization's private status and tax status, as well.

Proponents argue:

By allowing many private organizations to be tax exempt, and members to take tax deductions for business related organization expenses, in actuality, the federal government is sanctioning organization membership policies and practices:

CONPOR disagrees:

This distorts and confuses tax policy and social policy.

Granting federal tax exemptions to private organizations by the IRS is a technical tax policy judgement. And, the deductibility of organization member expenses has nothing to do with the policies of the organization at which the expense is incurred.

A few other questions worthy of reflection:

- 1. Why should a private organization be jeopardized because its members choose to entertain business clients or engage in business discussions while there?
- 2. If a certain amount of employer reimbursements or tax deductions convert a private location into a public accommodation, could a private home be so converted if it is similarly used for business purposes?
- 3. Would this not open up a legal Pandora's box, including probable loss of tax exempt status and exposure to other laws, even requiring service to transients, just like any restaurant?

This ABA proposal is an unacceptable infringement of individual rights and liberties. Reasonable people may disagree on the most desirable membership policy for a private group to adopt. But, without a question, free people must retain the right to set those policies without government dictating.

CONPOR

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Volume 1 Number 6 June 1982

IL BAR Will Move for Rescission

The Board of Directors of the Illinois State Bar Association has voted to sponsor a resolution asking for rescission of ABA Resolution 109A at the August, 1982, meeting of the American Bar Association House of Delegates. This ensures that the issue will be on the printed ballot.

This decision of the Illinois State Bar Association is a significant breakthrough in NCA's rescission campaign. However, it should be noted that the Illinois State Bar Association does not control ABA House of Delegates votes; not even the votes of the Illinois delegation. But, it does show that when one group of attorneys carefully examined the pros and cons of ABA Resolution 109A, it gave greater credence to the arguments of the private club industry.

(continued on page 4)

ABA Resolution 109A— What Will It Mean to Your Club?

ABA Resolution 109A calls for a redefinition of "private clubs and other establishments" as "public accommodations" under the 1964 Civil Rights Act if they receive a "substantial portion of their income from business sources." The "substantial portion" recommended is 20% from members' employer reimbursements or business tax deductions.

What could clubs expect if Resolution 109A was instituted as law?

- Loss of their members' freedoms of association and privacy;
- Government intrusion into personal and corporate financial records to verify the sources of a club's income;
- Governmental, rather than private criteria used for membership selection in clubs that lose their "private status";
- Loss of club revenues because of member apprehension at deducting club expenses as "business related," for fear of jeopardizing the "private status" of the club;
- Possible loss of, and challenges to, federal tax exempt status if a club is ruled a "public accommodation";
- Demands that clubs, reclassified as "public accommodations" must serve the transient public.

NY "Public" Bill Passes Assembly

On May 26, 1982, the New York State Assembly approved Bill 439-D and sent it on to the State Senate for consideration. This bill would convert private clubs in New York State into public accommodations if the club in question has more than 100 members, provides regular meal service and regularly receives any payment "directly or indirectly from or on behalf of a nonmember for the furtherance of a trade or business."

Once a New York club was declared a "public accommodation" it would be prohibited from denying anyone membership on the basis of race, creed, color, national origin, sex, disability or marital status. Club members

would lose total control over the membership criteria used to select new members of their clubs. They would be subject to the state's discrimination and affirmative action laws.

New York clubs would be put in the position of sacrificing any revenue even peripherally connected to business reimbursements or business tax deductions if they wished to maintain their private status and the rights of privacy and association of their members.

This bill is the latest in a series (continued on page 6)

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USER FEES: DOT proposes user fees in new legislation	
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Fred L. Somers, Jr.
Dunwoody Country Club, Dunwoody, GA

George S. Squibb Dunes Club, Narragansett, RI

STAFF

Gerard F. Hurley, CAE Executive Director

Deborah Auerbach-Deutsch Director of Communications

Aubrey C. King Director of Public Affairs

Profile

NCA has four Councils manned by select club officials: the Advisory Council, the Golf & Country Club Division Council, Yacht Club Division Council and City Club Division Council. NCA's Directors seek the advice of these Councils to guide the association. This is a continuing series of capsule biographies of those serving on the NCA Councils.



James R. Lafferty, Jr., is the General Manager for the Union League Club of Philadelphia. He is a member of NCA's City Club Division Council.

A native of Pittsburgh, Pennsylvania, Lafferty attended Youngstown State University, Youngstown, Ohio, where he majored in both business administration and education. Lafferty taught special education for the public school system of Girard, Ohio, before becoming the manager

at the Youngstown Country Club.

From there, he moved on to become the General Manager of the University Club in Pittsburgh, where he remained for seven years. Lafferty has held his present position at the Union League Club of Philadelphia for the past two years.

Lafferty is a member of the Board of Directors of the Philadelphia Chapter of the Club Managers Association of America. Other memberships include the Greater Philadelphia Chamber of Commerce, American Red Cross, the Delaware Valley Restaurant Association and the Rotary.

In his own words, Lafferty is a "strong supporter of NCA" and believes firmly in its "good work." He points to NCA's support for (continued on page 12)



Frank B. Bearse, Past Chairman and current member of NCA's Yacht Club Council, is a Past Commodore of the Hyannis Yacht Club, Hyannis, Massachusetts.

He was raised in Hyannis, but left his hometown to attend Bentley College in Waltham, Massachusetts, where he studied business. He worked as a business training student at General Electric and after graduation became an internal auditor for the firm.

In 1949, Bearse returned to Hyannis and became a Certified Public Accountant. He formed his own firm, now called Bearse and Slack, P.C., where he has worked for the past 33 years.

Bearse is a member of the American Institute of CPA's, as well as the Massachusetts Society of CPA's. He is an active member of the Southern Massachusetts Yacht Racing Association and serves as Assistant Treasurer for the U.S. Yacht Racing Union. Bearse has served as Secretary, Treasurer, and President of the New England Beetle Cat Boat Association.

Bearse has been involved with NCA for 14 years. He is convinced (continued on page 12)

NCA Board Honors Old, Greets New

On May 9, 1982, the evening prior to the National Club Association Board of Directors meeting in Washington, D.C., the Directors paid tribute to two past presidents of NCA who were retiring from the Board. Cyril F. Brickfield, Bethesda Country Club, Washington, D.C., NCA President 1971-1973 and James J. Clynes, Jr., NCA President 1974-1976 were each honored for more than a decade's dedication to the private club industry in general and the National Club Association in particular. Both men steered NCA's course through difficult times and have seen their hard work and dedication pay off.

The next day at the Board of Directors meeting, the Board unanimously re-elected its present officers to another one year term. Sam M. Berry, Quail Hollow Country Club, Charlotte, NC, will continue on as NCA President, as will Vice President Harold B. Berman, Columbian Country Club of Dallas, TX, Secretary Joseph N. Noll, Maple Bluff Country Club, Madison, WI, and Treasurer E. Guenter Skole, CCM, Metropolitan Club, Washington, D.C.



Outgoing NCA Director Cy Brickfield, left, shares a moment with new NCA Director Fred Somers of Atlanta.

Two new members joined the NCA Board of Directors. Fred L. Somers, Jr., Dunwoody Country Club, Dunwoody, GA, is an Atlanta attorney. Somers is a member of a number of private clubs and has long been active in club affairs and NCA issues.

Ivey Jackson, Country Club of Birmingham, AL, has held a variety of positions at his own club. He has been a steadfast supporter of NCA for several years. He owns an insurance brokerage firm in Birmingham. During the course of the meeting, the key subject of discussion was American Bar Association Resolution 109A. The Board supported a united action by NCA members towards an August, 1982 goal of rescission of the Resolution at the next ABA meeting (see story on page 1).

Another topic of discussion was the recent White House Private Sector Initiatives Task Force meeting attended by NCA Executive Director Gerard F. Hurley. The Board enthusiastically endorsed NCA participation in the program (see story on page 5).

NCA Executive Director Gerard F. Hurley presented a favorable financial report for Fiscal Year 1981 and the first six months of the 1982 fiscal year. Copies of the audit for the 1981 Fiscal Year are available to interested NCA members. Write or call NCA Headquarters to receive this information.

The next meeting of the NCA Board of Directors will take place on November 6-8, 1982. The site will be the Los Angeles Athletic Club and the Riviera Country Club in the Los Angeles area.

Club Employees Exempt from Longshore Bill

For the first time, the Senate's marked up version of the Long-shoremen's and Harbor Workers Compensation Act includes a specific exemption for employees of clubs. This is the recommendation NCA made, proposing an exemption for clubs and their employees, to Senator Don Nickles (R-OK), Chairman of the Labor Subcommittee, Committee on Labor and Human Resources in July, 1981.

The provisions within the present bill spell out a total exemption for yacht club employees. Specifically, all club personnel are excluded from the Act. And, any person employed to build or repair any recreational vessel under 65 feet in length is also ex-

cluded, as long as the person is entitled to state workmen's compensation benefits.

No problems are anticipated concerning passage of the bill in the Senate this summer. And, a

similar bill will be introduced into the House in the near future. Positive action for the private club industry, concerning long-shoremen's compensation is expected in the near future.

81-69 Assessment Data Needed!

The National Club Association is collecting information and documentation from clubs which have been hit by tax assessments due to Revenue Ruling 81-69, and particularly, clubs which are appealing assessments based on this ruling. NCA is preparing a detailed analysis of why 81-69 should be revoked or significantly modified, for presentation to the IRS. Data on the ruling's impact would be invaluable.

Any club with information, documentation or knowledge of club assessments resulting from Revenue Ruling 81-69, please contact Aubrey C. King, Director of Public Affairs, NCA, 1625 I Street, N.W., Suite 609, Washington, D.C. 20006, (202) 466-8424.

Illinois BAR

(continued from page 1)

The National Club Association is relying on just that rationale. A campaign is now in full swing to show prominent attorneys and ABA Delegates the private club industry's side of the story.

NCA is seeking to create a nationwide network of attorneys to reach local ABA Delegates to discuss and debate ABA Resolution 109A. Through this process, we hope to change the minds of a majority of ABA Delegates.

Within the last several weeks, NCA has contacted more than 100 attorneys around the country who were recommended by leaders of NCA member clubs. NCA also is working with the national golf community, through the Allied Associations of Golf, and with other national private membership organizations.

Other mailings are being made to the presidents and executive directors of state bar associations. Actions similar to the one taken by the Illinois State Bar Association will be invaluable to our cause:

- More prominent attorneys will be made aware of the impact of Resolution 109A on private clubs and their members.
- ABA Delegates, through their state bar association and their colleagues will learn the real consequences of the proposal.

As in the case of the Illinois State Bar Association, NCA is confident that when ABA members are presented with the whole picture, most will decide that Resolution 109A should be rescinded.

The August 5-12, 1982, meeting of the American Bar Association is drawing nearer and we need your help. The complete list of ABA delegates is included on page 8-12 of the Newsletter. There are a variety of ways you can get the word out in your community:

 Each club can call a meeting of the attorney members of his club. Explain and discuss the problem. Have your club's lawyer-members write their state bar associations urging them to support rescission of Resolution 109A.

- 2. Each club can contact club lawyer-members. Ask them to contact prominent colleagues in the area to discuss the Resolution. Particularly encourage them to contact ABA Delegates they know personally and professionally.
- 3. Each club can make available NCA materials on ABA Resolution 109A to lawyer-members and other

attorneys. Write or call NCA for copies of Setting the Record Straight on ABA Resolution 109A, Straight Talk on ABA Resolution 109A from the National Club Association and Questions and Answers: American Bar Association Resolution 109A. Just write or call NCA if you need any additional information or materials.

We must get the word out. We must educate and involve attorneys and club members in this campaign to rescind ABA Resolution 109A. It is imperative that we unite to fight this grave threat to the private club community.

The Creeping Threat . . .

NCA has learned that Cruz Reynoso, Chairman of the American Bar Association's Section of Individual Rights and Responsibilities, the initiator of Resolution 109A, is attempting to use this Resolution to influence the outcome of the OFCCP anti-club dues controversy.

Reynoso has written the Department of Labor with a dual purpose in mind:

- To make officials aware of the ABA position on private clubs, and
- 2. To ask officials at the Department of Labor to issue, rather than withdraw the anti-club dues regulation.

The threat of ABA Resolution 109A already is being used against the private club industry!

Texas "Drys" Lose on Club Liquor

A District Court Judge in Texas has ruled that the Texas Alchoholic Beverage Commission (Texas ABC) has constitutional authority to continue allowing private clubs in "dry" counties to serve liquor.

In October, 1981, a suit was brought by private parties in the state of Texas, asking that the Texas ABC no longer be allowed to give liquor licenses to private clubs in otherwise "dry" counties. The plaintiffs were seeking a judgment which would void a special provision of the Texas

Alchoholic Beverage Code which issues liquor permits to private clubs regardless of the "wet" or "dry" status of the area in which the club is located.

In his ruling on Thurman Allison, et. al. v. Texas Alchoholic Beverage Commission, Charles D. Matthews, the presiding judge, stated that "the plaintiffs cause of action, as plead, is without merit." He denied all relief sought by the plaintiffs, adding "Neither the Plaintiffs nor Plaintiff Intervenors have any standing to institute this suit."

USCG Takes Questions Toll Free

The Coast Guard has introduced a toll free telephone number to give boaters quick answers to technical questions concerning boating regulations. Staff from the Boating Technical Division of the Office of Boating, Public and Consumer Affairs will be available with answers at this new toll free number: (800) 368-5647.

Clubs Can Help Their Communities



President Reagan asks guests at a White House meeting for private involvement to solve the public sector's problems.

At its recent meeting, the NCA Board of Directors strongly supported NCA's involvement in the President's Task Force on Private Sector Initiatives.

NCA Executive Director Gerard F. Hurley was a guest at a March 24 White House meeting on the subject. The Task Force was created to publicize the vital contributions private citizens and organizations are making to the nation and their communities, using the private sector's resources to solve the critical problems of the public sector. (See

May NCA Newsletter.)

NCA member clubs can play a role in this program in a variety of ways. Specific areas where private organizations, such as clubs, can help include:

- Job Training and Placement— as summer arrives, private clubs can look to job training programs and summer jobs for youth programs to fill their special summer employment needs, while teaching participants valuable, marketable skills.
- Senior Citizen and Youth Activities – summer is a time when productive youth activities are especially important. Programs to keep senior citizens active and involved are always important.
- Education Programs physical fitness is one key area in which many clubs already have the expertise on staff and facilities in house to offer programs. Fitness education programs also can be tied in with national and local fitness events.
- Charitable Events— this is an area where many clubs already are active. Charitable

golf tournaments, tennis matches, fashion shows and social events demonstrate the club's interest and involvement in community affairs.

Community service and volunteerism are two main goals of the Private Sector Initiatives program. At NCA, we know many clubs as well as their members are already active in both areas. We are planning to compile this information—the ways in which clubs and their leaders are involved in community service—so that we can guide other clubs towards this goal by sharing success stories.

The private sector in this country has a wealth of talent and resources which can be most effective in responding to community needs. Private clubs have an opportunity to help this program achieve its goals. Please let us know the unique ways in which your club shares its resources with others in your community. Contact Deborah Auerbach-Deutsch, Director of Communications, NCA, 1625 I Street, N.W., Suite 609, Washington, D.C. 20006, (202)466-8424.

DOT Asks Congress for User Fees

On May 14, 1982, Secretary of Transportation Drew Lewis submitted proposed legislation to Congress which institutes Coast Guard user fees for recreational boaters.

Earlier recommendations by the Department of Transportation had included a sliding scale users fee for boat owners, based on the size of the boat. But, this final proposal from DOT includes some major changes from the initial version, including lower user fees.

The initial user fees proposed ranged from \$25 to \$250. The fees included in the new proposal are \$25 for boats from 20 to 26 feet

long, \$50 for boats from 26 to 40 feet long, \$100 for boats 40 to 65 feet long and \$200 for boats larger than 65 feet. Recreational boats smaller than 20 feet in length are not required to pay a user fee.

Secretary of Transportation Lewis stated, "this proposal is significantly changed from the initial version of last year. There are many revisions which reflect the results of an extensive public review and comments process which the Department conducted over the last several months." These changes include:

 Search and rescue operations dealing with life threatening situations have been eliminated from the cost recovery plan.

 Fees will not apply to recreational boats used in waters solely under state jurisdiction, such as lakes and rivers within the boundaries of a state.

The recreational boating community is expected to continue to be resolutely opposed to any imposition of a user fee on recreational boating. NCA's Yacht Club Council, working with the National Boating Federation, will determine appropriate action to take during Congressional consideration of the bill.

WORKSHOP CORNER

- Q. Members of our club engage in card games while on the club's premises. Although there is no cash on the card table, money sometimes is involved. Does this pose a threat to our club?
- A. Yes. In states where gambling is illegal, any actions that may be construed as gambling can have adverse legal consequences for your club.

Recently, one club ran into problems when a disgruntled employee called local authorities with news of gambling on the club's premises. Undercover agents posed as prospective members and found signs of gambling. The club was found guilty of gambling on premises and, at a hearing of the state alchoholic beverage commission, was fined \$1000. The fine was suspended and the club is back

in full operation, but since that time, state and county inspectors from every agency have made more frequent and stringent checks of the club's premises.

Clubs should be advised that to avoid any trouble in this area, all card playing should be restricted to areas specified for those activities, such as card rooms. And, the club should attempt to keep all gambling off premises in states where gambling is illegal.

- Q. We discourage members from tipping our club's employees. Instead, we add a service charge to the bill. Employees receive payment from the service charges collected. Must we add the amount of the service charge to the employee's hourly wage when computing overtime pay?
- Yes. According to the federal wage and hour law, service charges are considered wages because they are completely under control of the management. Consider the following example. If an employee is paid an hourly wage of \$4.00 and receives \$2.00 per hour in service charges, the regular hourly rate computes to \$6.00 per hour. Overtime pay, at time and a half, would be \$9.00 per hour.

On the other hand, tips are paid to the employee independent of the management. You are not required to add the employee's tips to the regular hourly rate when determining overtime pay.

Please refer to "Understanding the Federal Wage and Hour Laws", published as part of NCA's Reference Series, to clarify the difference between tips and service charges.

New York "Public" Bill

(continued from page 1)

of attempts in the New York State Legislature in recent years to threaten the existence of private clubs in the state. Last year, a similar bill was introduced by the same sponsor, State Senator May Newburger (D-Great Neck); the bill passed the New York State Assembly, but was defeated in the State Senate. The New York State Club Association (NYSCA) and the New York State Conference of Private Organizations (CONPOR) lobbied intensively against the bill.

This year, the bill was introduced with a significantly different twist. Private fraternal, civic and service organizations are now exempt. Private clubs have been effectively isolated from other private organizations so that they alone will bear the burden of this bill.

The National Club Association and the National Conference of Private Organizations have contacted the majority and minority leaders in the New York State Assembly. NCA letters to Daniel B. Walsh, Majority Leader, and Gordon W. Burrows, Minority Leader, point out that NCA has 93 member clubs in the state of New York. Not only would individual members "lose meaningful control over their membership policies and practices," members "would suffer significant loss of their constitutionally protected rights of association and privacy."

The NCA letter also pointed to the economic impact this bill may have upon the state. "If the private clubs of New York are subjected to 439-D their attractiveness to their members will be diminished; membership will decline; many clubs will have to cease operations. The state will suffer the economic loss of millions of dollars in taxes and many thousands of club related jobs."

The New York State Club Association is taking direct action on this bill. It is encouraging club members throughout the state to let their legislators know they object to the bill. The NYSCA also is collecting data on the economic impact of this bill. The association is urging that all clubs and club members in New York get involved. The consensus is that the bill will have a more difficult time in the Senate. But, facts, figures and voices are needed. For more information on the efforts of the NYSCA and how your club can help defeat 439-D. New York clubs should contact Allan Brewer, President, New York State Club Association, 183 St. Paul Street, Rochester, New York 14604, (716) 546-7399.

Club Forces Thwart California Bill

An anti-club bill has been thwarted in the California Legislature this session. Credit for the defeat goes to the California State Club Association, the Northern and Southern California State Golf Associations and the California Conference of Private Organizations.

NCA Director Turner H.
McBaine, President of the California State Club Association reported that Assemblywoman Gwen Moore (D-LA) introduced a bill, A.B. 2655 which would have disallowed any state income tax deduction, by a club member or a member's employer, for business expenses incurred at a club holding a liquor license, which had a selective membership policy. This bill was Moore's second attempt; a similar bill before the

California Legislature in 1981 was defeated.

The bill was heard by the Assembly Revenue and Taxation Committee on April 14, 1982. A variety of groups, including California Governor Edmund G. Brown's staff testified in favor of the bill. California state club, golf and private groups testified against the bill.

After debate, the Committee voted 5 to 4 for the bill, with 7 members abstaining. According to Committee rules, a bill needs approval of 9 committee members to pass, therefore the bill did not pass. Assemblywoman Moore was granted reconsideration for the bill and another vote was scheduled for May 5, 1982.

Once again, friends of the private club industry in California

lobbied extensively against the bill. McBaine and other members of California state club and golf associations discussed the problems and potential negative impact of the bill with committee members. On May 5, when the bill was scheduled for reconsideration, the bill was not called up for a vote. Presumably, the sponsors did not have the support necessary to pass the bill. However, the issue was granted an indefinite continuance.

McBaine has indicated that the bill probably will not reappear this session. But, the various California state golf, club and private organizations alliances are keeping close watch on the situation.

Racquet Sports Safety Stressed

The National Society to Prevent Blindness recently has launched a campaign to reduce the number of eye injuries during racquet sports. Your club can play a vital role in this attempt.

Many private clubs are equipped with tennis, squash and the increasingly popular racquet ball courts. In an attempt to gain the attention of those clubs, Dennis Hirschfelder, the Director of Eye Safety Programs at the National Society to Prevent Blindness, asked NCA to help alert member clubs to the increased incidence of eye injuries.

According to Hirschfelder, "an increasing number of private clubs now require eye protection for racquet sports." But this is not enough. "The number of all sports-related eye injuries increased by 50%—to 35,000—from 1973-1979. The number of eye injuries in racquet sports doubled during the same time period!"

A black eye is the least threatening injury a player could receive. Permanent loss of vision is the worst that could happen. The tragedy is that almost all eye accidents could be avoided if the player wears protective eyewear. There are two options available—industrial-quality safety glasses and "Sports Eye Protectors," both outfitted with clear or corrective plastic lenses. They may be obtained through eye doctors, opticians, or sporting goods stores. Eyeguards do not prevent all injuries, but they do reduce the risk

The National Society to Prevent Blindness urges club managers

and teaching staff to stress the importance of protective eye-wear. The Society believes that "racquet club managers and teaching staff occupy a vital position for influencing the playing habits and the use of eye protection by players using their facilities." It has been suggested that clubs should even go so far as to rent and sell eyeguards.

For more information contact National Society to Prevent Blindness, 79 Madison Ave., New York, NY 10016; 212-684-3505.

Employers Beware...

A new bill has been introduced in Congress that would dramatically increase the amount clubs would have to pay employees for minimum wage and overtime violations.

H.R. 6103, sponsored by Representative George Miller (D-CA), would require employers to pay triple the amount of unpaid minimum wages or unpaid overtime compensation for all viola-

tions subsequent to the first.

NCA is working in opposition to the bill with the Minimum Wage Interest Group, an interindustry coalition coordinated by the U.S. Chamber of Commerce. In the next month, NCA will submit comments to Congress which will explain the severe and unjustified economic penalties this legislation would place on clubs.

ABA House of Delegates

The names listed below are the members of the American Bar Association House of Delegates. They will decide in August whether to rescind Resolution 109A.

Call on those you know directly; pass this list on to prominent attorneys in your club and community who believe in private clubs. Get the word out on ABA Resolution 109A.

Leonard S. Janofsky

Richard J. Kamins

Ralph B. Perry III

Tyre & Kamins

John J. Quinn

Carol L. Rose

Newport Beach

San Francisco

Oakland

San lose

Denver

Durango

Hartford

Middletown

COLORADO

Sharp Whitmore

Robert S. Barnes

Malcom & Daly

John T. Williams

Joanne M. Garvey

Burton J. Goldstein

Allan I. Joseph

Kurt W. Melchior

Robert D. Raven

Alden E. Danner

Morrison & Foerster

Hoge, Fenton, Jones . .

William H. Erickson

Katherine Tamblyn

Lawrence M. Wood

Anthony W. Williams

Sara M. Duncan

Grand Junction

CONNECTICUT

Maxwell Heiman

Robert M. McAnerney

Moller, Horton & Fineberg

Evans, Feldman & Boyer

Greenfield, Krick, & Jacobs, P.C.

James R. Greenfield

McAnerney & Miller

William R. Moller

Henry J. Naruk New Haven

Jack H. Evans

Maurice Reuler

Supreme Court Justice

Mason, Reuler and Peek

Feder, Morris & Tamblyn, P.C.

Williams, Turner & Holmes, P.C.

Furey, Donovan & Heiman, P.C.

Jordan, Keeler & Seligman

Goldstein, Barceloux & Goldstein

Rogers, Joseph, O'Donnell . . .

Severson, Werson, Berke . .

Paul, Hastings, Janofsky . . .

Grossman Graven Perry . .

Sheppard, Mullin, Richter .

George R. Richter, Jr.

Kadison, Pfaelzer, Woodard . .

ALABAMA

Andalusia

James Marvin Albritton Albrittons & Givhan

Birmingham

N. Lee Cooper

Cabaniss, Johnston, Gardner . . .

J. Mark White

Smith, White & Hynds

Montgomery

M. Roland Nachman, Jr.

Steiner, Crum & Baker

Sylacauga

T. Reuben Bell

. Bell & Bell

ALASKA

Anchorage

Keith E. Brown

Richard O. Gantz

Hughes, Thorsness, Gantz . .

Donna C. Willard

Willoughby & Willard

ARIZONA

Phoenix

James Duke Cameron

Arizona Supreme Court

Walter E. Craig

U.S. Sr. District Judge

Mark I. Harrison

Harrison, Singer & Lerch, P.C.

Stanford E. Lerch

Harrison, Singer & Lerch, P.C.

Calvin H. Udall

Fennemore, Craig, von Ammon . . .

Ted. F. Warner

Warner, Angle, Roper . . .

Tucson

Gordon T. Alley

Alley, Sullivan & Gray

ARKANSAS

Ionesboro

John C. Deacon

Barrett, Wheatley, Smith . . .

Little Rock

H. William Allen

Allen, Cabe & Lester

Philip S. Anderson

Wright, Lindsey & Jennings

Herschel H. Friday

Friday, Eldredge & Clark

CALIFORNIA

La Jolla

John L. Newburn

Ferguson, Ferguson & Newburn Inc.

Los Angeles

Jane H. Barrett

Lawler, Felix & Hall

DELAWARE

Wilmington

Edmund N. Carpenter II

Richards, Layton & Finger, P.A.

Howard M. Handelman

Bayard, Brill & Handelman, P.A.

DISTRICT OF COLUMBIA

Mac Asbill, Jr.

Sutherland, Asbill & Brennan

Gene A. Bechtel

Farmer, Wells, McGuinn . . .

James J. Bierbower

Lewis and Roca

Mortimer M. Caplin

Caplin & Drysdale, Chartered

William T. Coleman, Jr.

O'Melveny & Myers

William E. Foley

Administrative Office of the U.S. Courts

Carroll L. Gilliam

Grove, Jaskiewicz, Gilliam . . .

Erwin N. Griswold

Jones, Day, Reavis

Marion Edwyn Harrison

Barnett & Alagia Charles A. Horsky

Covington & Burling

Thomas P. Jackson

Jackson, Campbell & Parkinson, P.C.

Brooksley Elizabeth Landau

Arnold & Porter

Arthur W. Liebold

Dechert, Price & Rhoads

Frank J. Martell

Galiher, Clarke, Martell .

Elizabeth Medaglia

Charles S. Rhyne

Rhyne & Rhyne

Charles R. Richev

U.S. Courthouse

Edwin S. Rockefeller

Bierbower & Rockefeller

Sidney S. Sachs

Sachs, Greenebaum & Tayler

William E. Schuyler, Jr Schuyler, Banner, Birch . . .

William French Smith

Department of Justice

Leonard J. Theberge

President, Media Institute

R. Clark Wadlow

Schnader, Harrison, Segal . .

Robert L. Weinberg

Williams & Connolly

Richard E. Wiley

Kirkland & Ellis

FLORIDA

Coral Gables

Chesterfield Smith

lacksonville

C. Harris Dittmar

Bedell, Bedell, Dittmar . . .

Walter H. Beckham, Jr. Podhurst, Orseck, Parks . . . Talbot D'Alemberte Steel Hector & Davis Robert L. Floyd

Floyd Pearson Stewart . . . Jose R. Garcia-Pedrosa

Smathers & Thompson Richard E. Gerstein Sams, Gerstein & Ward

Robert E. Livingston Mahoney Hadlow & Valdes-Fauli

Samuel S. Smith Smith & Mandler, P.A.

Orlando

Fletcher G. Rush Rush, Marshall, Bergstrom . . .

Pensacola

Gerald L. Brown Wells, Brown & Brady, P.A.

Tallahassee Robert M. Ervin Ervin, Varn, Jacobs . . .

Tampa

Arthenia L. Joyner L. David Shear Shear, Newman & Hahn . . . William Reece Smith, Jr. Carlton, Fields, Ward . . .

GEORGIA

H. Holcombe Perry, Jr. Perry, Walters, Lippitt . . .

Atlanta

A. Gus Cleveland, Jr. Kilpatrick & Cody Fred W. Elarbee, Jr. Elarbee, Clark & Paul E. Smythe Gambrell Gambrell, Rusell & Mobley R. William Ide III Kutak Rock & Huie Frank C. Jones King & Spalding

John T. Marshall Powell, Goldstein, Frazer . . . **Gail Lione Massee**

First National Bank of Atlanta

Kirk McAlpin King & Spalding Allan J. Tanenbaum Frankel, Ervin, Hardwick . . . Randolph W. Thrower Sutherland, Asbill & Brennan

Cornelia F. Jack Adams

Adams, Ellard & Frankum, P.C.

HAWAII

Honolulu

Clinton R. Ashford Ashford & Wriston James E. Koshiba Koshiba & Young Harold W. Nickelsen Hamilton, Gibson, Nickelson . . .

IDAHO

Eugene C. Thomas Moffat, Thomas, Barrett . . . **Pocatello** Gerald W. Olson

Johnson and Olson, Chartered

Twin Falls

Edward L. Benoit

Benoit, Alexander & Sinclair

ILLINOIS

Chicago

Carole Kamin Bellows Reuben & Proctor Michel A. Coccia Baker & McKenzie James P. Connelly Connelly & Ahern Louis G. Davidson

Louis G. Davidson & Associates, Ltd.

Roger G. Fein

Arvey, Hodes, Costello . . .

Robert F. Hanley Jenner & Block

Kenyetta V. Haywood

Albert F. Hofeld Albert F. Hofeld, Ltd. Albert E. Jenner, Jr.

Jenner & Block

Arnold B. Kanter

Sonnenschein Carlin Nath . .

Barnabas F. Sears Boodell, Sears, Sugrue Justin A. Stanley Mayer, Brown & Platt

Northbrook

Kenneth J. Burns, Jr. International Minerals & Chemicals Corp.

Springfield

Jon W. DeMoss

Illinois Institute for Continuing Legal Education

David E. Murray

Ward, Ward, Murray . . .

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Jeffrey R. Frank Mitchell Staser and Frank

Ft. Wayne

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Indianapolis

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Townsend, Hovde, Townsend . . .

Ben J. Weaver Johnson & Weaver

Noblesville

Frank W. Campbell Campbell, Kyle & Proffitt

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Thornburg, McGill, Deahl . . .

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Des Moines

John H. Neiman Neiman, Neiman, Stone . . .

Marshalltown

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Mason City

Robert H. Shepard

Shepard & Locher

KANSAS

Kansas City

John E. Shamberg Schnider, Shamberg & May, Chartered

Arthur C. Hodgson Hodgson & Kahler Frederick Woleslagel Topeka

Philip H. Lewis Eidson, Lewis, Porter . . .

Wichita

William C. Farmer Smith, Shay, Farmer . . .

KENTUCKY

Lexington

Rufus Lisle

Harbison, Kessinger, Lisle . . .

Herbert D. Sledd

Brown, Sledd & McCann, P.S.C.

Louisville

L. Stanley Chauvin, Jr. Carroll, Chauvin, Miller . . . Joseph E. Stopher

Boehl Stopher Graves . . Pikeville

Henry D. Stratton

Stratton, May & Hays, P.S.C.

LOUISIANA

New Orleans

Curtis R. Boisfontaine Sessions, Fishman, Rosenson . . . Robert Leake, Jr. Hammett, Leake & Hammett Stewart E. Niles, Jr. Jones, Walker, Waechter .

M. Truman Woodward, Jr. Milling, Benson, Woodward . . .

Shreveport

Robert G. Pugh Pugh and Pugh Clarence L. Yancey Cook, Yancey, King . . .

MAINE

Merrill R. Bradford Eaton, Peabody, Bradford . . . George F. Peabody Eaton, Peabody, Bradford . . .

Freeport

Carl O. Bradford Powers & Bradford

MARYLAND

Baltimore

M. King Hill, Jr. Smith, Somerville & Case Bruce A. Kaufman Miller, Rosenthal & Kaufman, P.A. Frank A. Kaufman Chief Justice, U.S. District Judge J. Michael McWilliams Tydings & Rosenberg Theodore S. Miller Miller, Rosenthal & Kaufman, P.A. M. Peter Moser Frank, Bernstein, Conaway . . . Norman P. Ramsey

U.S. District Judge Jeffrey B. Smith

Smith, Somerville & Case

Greenbelt James C. Chapin Duckett, Orem, Christie . . . Silver Spring Jair S. Kaplan

MASSACHUSETTS

Boston

John J. Curtin, Jr. Bingham, Dana & Gould Frederick G. Fisher, Jr. Hale and Dorr Ralph L. Gustin, Jr. John Hancock Mutual Life Insurance Co. Roy A. Hammer Hemenway & Barnes Arthur S. Katz Harvard University Robert W. Meserve Palmer & Dodge Alice E. Richmond Hemenway & Barnes

Brookline

Charles J. Kickham, Jr. Kickham & Kickham

Lowell

Richard K. Donahue Donahue & Donahue, P.C.

Lynn Philip L. Sisk Milford Francis J. Larkin

Kathleen R. Dacey Worcester

Berge C. Tashjian Tashjian, Simsarian & Wickstrom

MICHIGAN

Bloomfield Hills Frederick G. Buesser, Jr. Buesser, Buesser, Snyder . . .

Birmingham Joseph L. Hardig, Jr. Hardig, Goetz, Heath . . .

Detroit

Dennis W. Archer Charfoos, Christensen, Gilbert . . . George E. Bushnell, Jr. Bushnell, Gage, Doctoroff . . .

William T. Gossett John A. Krsul, Jr. Dickinson, Wright, Moon . . . Wallace D. Riley Riley & Roumell, P.C.

Kalamazoo Dean S. Lewis Bennett, Lewis, LaParl

Lansing

Leo A. Farhat Farhat, Burns, Story . . . Mt. Clemens

Larry E. Powe Freeman, McKenzie, Matthews . . .

MINNESOTA

Mankato **Kelton Gage** Blethen, Gage, Krause . . . Minneapolis David R. Brink Dorsey, Windhorst, Hannaford . . .

Roger P. Brosnahan Kutak Rock & Huie Charles T. Hvass Hvass, Weisman & King, Chartered Sheldon D. Karlins Grossman, Karlins, Siegel Helen I. Kelly Dayton Hudson Corp. St. Paul

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MISSISSIPPI lackson Sherwood W. Wise Wise Carter Child . . . Laurel Leonard B. Melvin, Jr. Melvin & Melvin

E. C. Ward Adams, Forman, Truly

New Albany Hugh N. Clayton

MISSOURI

Natchez

Clayton Bertram W. Tremayne, Jr. Tremayne, Lay, Carr . . .

Independence George E. Kapke Cochran, Kramer, Kapke . . .

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Philadelphia area clubs during struggles with the city council over recent anti-club legislation and states, "Private clubs are looking for guidance from NCA, and since NCA has always helped in the past, we know we can count on it in the future."

Bearse

that "yacht clubs have something to gain from NCA" and believes that NCA is "pointing towards definite needs of clubs" through its new Officers & Directors Liability Insurance program and its many other services.

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