that the 1965 decision may still present a problem.

Herb Rose, president of the Middle Atlantic PGA Section, said, "I don't think it's a healthy situation for the overall good of golf when it is permissible to give cash prizes to amateurs under any circumstances."

COMPANIES

New distributor for custom clubs

T-Golf, Inc. is now the national distributor for King's Custom Made Golf Clubs, Inc., and is seeking sales representatives and regional managers, according to T-Golf President Thomas A. Elliott.

Sold through pro shops, Irving King's custom clubs are available in a full range of specifications. The heart of the line consists of solid persimmon woods and stainless steel irons.

Golf professionals interested in offering the clubs through their shops can contact Tom Elliott at P.O. Box 1082, Arvada, CO 80001 or King's Custom Made Golf Clubs at 4310 Broadway, P.O. Box 9235, Shreveport, LA 71109.

Three firms unite to make golf clubs

Power Track, Oscar Jones Custom Crest, and Mac Hunter's Auld Classic golf club lines have united to form a single corporate entity: Golf Design and Manufacturing, Inc.

Each division will continue its own unique design concepts and will market through golf professionals only. A company spokesman stated, "With a growing emphasis on gimmicks and wonder clubs, Golf Design and Manufacturing has chosen the path of solid, proven design and contemporary manufacturing methods."

New corporate headquarters are at 10869 Portal Dr., Los Alamitos, CA 90720 (phone 714/995-3612 or 213/430-3586).

LEGAL ACTION

Exempt players suit set for mid-March

A court hearing in Houston will be set sometime around mid-March for 13 PGA Tour players who are asking a state district court to restore their lifetime playing exemptions on the national tournament tour.

The hearing on a request for a temporary injunction asks Judge John Smith to declare invalid a decision by the PGA Tour's tournament policy board to do away with exemptions for former U.S. Open and PGA national champions who won their titled before 1970. The players include Dave Marr, Bob Rosburg and Jack Burke.

The 13 players say they were given a lifetime right to compete in any tour event. Beginning in 1970, winners of the two major championships were given 10-year exemptions.

The PGA Tour policy board, however, recently decided that these players must win a specific amount of money each year based on the number of tournaments they enter to keep their exemptions. A former champion playing in 15 or more tournaments would have to win at least $10,000. Those playing in less than 15 tournaments would be judged on a prorated basis; for example, a player entering five tournaments would have to win at least $3,333. Any player could also enter a tournament if they are invited by the sponsor.

There would be an annual review of the former champions' performance each year, beginning at the end of 1978.

PGA Tour tournament policy board chairman Lewis A. Lapham, a retired New York City banker, issued a statement January 23 saying that to continue the lifetime exemptions "to individuals because of their performance more than 10 years ago would often deny the opportunity to play to more qualified players. Consequently, it is the opinion of the board that an exemption which applies to all tournaments is unlimited in duration and has no relationship to current ability and is not reasonable."

The board pointed out that six of the 13 players collectively participated in 111 tour events in 1977, winning only $4,531.

The decision to place performance standards on the former champions was a unanimous decision by the 10-man tournament policy board, said Joe Schwendeman, public relations director for the PGA Tour office. The board members include four tour players (Hubert Green, Hale Irwin, Ed Sneed, and Joe Porter) and the three officers of the Professional Golfers' Association (President Don Padgett, Secretary Frank Cardi, and Treasurer Joe Black). Schwendeman said the policy change idea "came up through the board," and was not proposed by Commissioner Deane Beman.

The 13 players will be represented by John L. McConn, Jr., a Houston attorney. The PGA Tour's lawyers will be Peter Wallison and John Barron, who work for the Washington, D.C., law firm of Rogers and Wells.

The Ohio Turfgrass Foundation presented two professional Excellence Awards at its annual conference. (L to R above) Former OTF president Charlie Tadge presented award to Bill Burdick, Canterbury CC superintendent. Jack Hart, super at NCR Country Club, received his from Jim FitzGibbon.

ASSOCIATIONS

Three seminars scheduled by NCA

A seminar on appraising property taxes for golf clubs, two one-day sessions on club law and administration, and two on financial controls have been scheduled by the National Club Association.

The property tax seminar will teach club officials to analyze methods for appraising their clubs, how to relate their arguments to the tax assessor, and the benefits and disadvantages of open space laws.

The law and administration seminars will include information about tax regulations for exempt clubs, admissions policies, and wage-hour law.

The appraisal seminar will be held April 3 in Washington, D.C. Those on club law will be April 10 in Charlotte, N.C., and May 22 in Chicago. The financial controls sessions will be May 8 in Atlanta and May 23 in Chicago.

Each seminar is from 9:30 a.m. to 4:30 p.m. The cost is $100 for NCA members and $150 for nonmembers. Registration forms can be obtained from club headquarters at 1129 20th St. NW., Suite 602, Washington, D.C. 20036.

GOVERNMENT

Proposed tax reform jeopardizes clubs

An intensive lobbying effort has been launched in Washington to defeat President Carter's tax reform proposals which would limit or eliminate the deduction of business meals, club dues, and certain entertainment expenses as business deductions for federal income tax purposes.

Representatives of various organizations in or allied to the so-called hospitality industry are meeting to coordinate their efforts, develop useful data, and generate effective opposition to the President's objectives, which have been labeled "devastating" and a death threat to many clubs, restaurants, and others affected.

The President proposed $33.9 billion in tax cuts, including $8.4 billion for business. At the same time, he asked for increased taxes of $9.4 billion in revenue-raising reforms, which would result in a net tax cut of $24.5 billion.

Part of the $9.4 billion increase would come from $1.2 billion which would be raised by restrictions imposed on what the Carter Administration calls "entertainment expenses." It would disallow any business expense deductions for club dues, yachts, hunting lodges, and tickets to theater and sports events, and would allow deduction of only half the cost of business meals.

Organizations which would be adversely affected by such action were quick to react, citing particularly the potential loss of jobs, loss of sales tax revenues by cities and states, and business or club failures.

They are banding together to fight together. Attending a breakfast strategy session arranged by the American Hotel & Motel

Association in Washington were representatives of the National Club Association, Club Managers Association of America, National League of Cities, International Association of Convention Bureaus, American Express Co., American Society of Travel Agents, Discover America Travel Organization, National Restaurant Association, National Small Business Association, United Airlines, Hilton Hotels Corp., Distilled Spirits Council, Nevada Resort Association, Air Transport Association, National Football League, and the Commissioner of Organized Baseball.

Thomas J. Lennon, president of The Homestead, Hot Springs, Va., and chairman of the AHMA Governmental Affairs Committee, admonished the group that the only way they could win the battle was to get their members—the businessmen—to contact their representatives in Congress and impress them with the seriousness of the tax proposals as they affect their business.

"We have no strings to pull," he said.

It was generally agreed that the crackdown on business meals and entertainment was an emotional issue on which the affected industries could not expect much public support.

Speaking out on the tax reform proposals was Homestead President Thomas Lennon — AHMA "resort executive of 1977" and Penn State's "outstanding hotel man of the year."

The effort will concentrate, therefore, on developing facts and figures which will impress members of Congress in industry's favor.

Alerts and questionnaires have been sent to members of the hotel/motel, clubs, restaurant, and other associations seeking relevant information on jobs and business impact of the President's proposals, and urging them to talk to their Congressman and Senators.

Meetings have been held with the chairmen and members of the Congressional committees which will consider the tax proposals—House Ways & Means and Senate Finance.

AHMA has asked to testify before the House committee in March. Its witness is expected to be Howard James, president of Sheraton Corp. Other organizations will also testify or present written statements.

AHMA has commissioned the accounting firm of Laventhol & Horwath to make a three-part study of the impact of the President's proposals on tax-deductible business spending in hotels.

There is a general feeling among the associations affected that the President's proposals will be diluted, and that he may lose on the business-meal issue. At the same time, leaders in Congress have indicated that they are inclined to do "something," which has led to fears among the others as to which might be the target.

A sampling of some of the information association leaders are suggesting their members pass on to their Congressman and Senators:

- Business meals account for an estimated $7.6 billion, or almost 10 percent, of gross restaurant business. They generate $319.5 million in sales tax revenues, according to NRA.
- About 443,700 jobs—filled mostly by minorities, women, and teenagers—would be jeopardized, says NRA, adding that one-third of all teenage jobs are in restaurants.
- Club revenue losses would range from 15 to 30 percent, forcing hundreds of clubs which do not operate for profit to close. The operation of one-fourth of the clubs would be needlessly impaired and as many as 20,000 full-time workers could lose their jobs, according to NCA.

A point stressed by NCA is that existing Treasury Regulations prescribe stringent substantiation that a business expense is reasonable and necessary, to be deductible, and that better audit enforcement is a better solution than disallowance. — *Joseph Gambatese*