

vania or in Kansas or in California. It is very nearly universal. Details are not a part of this editorial. They will be documented in a later article for **GOLFDOM**. In the meantime, it is my hope that club officials will have read this piece and will make a meaningful start toward establishing an adequate pension-retirement program for the golf course superintendent. It is later than you think!

WHAT? NO PENSION?

A good friend of long standing, a retired golf course superintendent now living in Florida, wrote to me recently. After 26 years of devoted service to his club (and he had many good years of service left) he was "retired," actually dismissed, without a pension of any kind. I know the man and I know the club. He introduced innovations in equipment, fertilizers, ground covers and many other things. What I don't understand is how the businessmen for whom he worked could so callously turn him out to pasture without the thank you and the courtesy of some sort of pension or endowment. It is a bit like unharnessing the horse, opening the pasture gate and giving him a slap on the rump.

This friend is understandably bitter, soft-spoken as he is. It is too late to turn back the clock for him, but his experience, which is shared by many, should guide present and future negotiations between club and superintendent. Surely there must be some guidelines that can help the new or old superintendent achieve a just and honorable contract, which will help to sustain him when he retires. Club officials should bow their heads in shame if they do not insist upon some such stipulation in the contract. One may safely assume that nine out of 10 businessmen in the club have made sure that they will have a retirement income. Shouldn't they also do the same for one of their most devoted employees?

I have just talked with another good friend who has been at his club since it was built about 1952. He has tried to negotiate a retirement benefit for several years, but each time he is told that he is being selfish in wanting something just for himself. These short-sighted officials one day will wonder, "Why can't we attract good men?" The horse is not likely to be drawn to an empty feedbag. □

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low. If a sale is imminent, the value would be high. Most decisions would be made upon facts falling somewhere in between these two extremes, and so the judgement of necessity would be imprecise.

Going beyond the two enumerated statutory differences, let us examine the differences in treatment on ordinary club operations. To begin, one must acknowledge that the necessary generalization of this discussion makes it inapplicable to any specific case. The practical performance of the comparison should be accomplished on a case basis. The method would be to construct tax returns on both Form 990T (applicable to the tax exempt situation) and Form 1120 (applicable to the taxable situation). The difference in the bottom line figure showing tax due the Government would be indicative of the value of exemption.

A generalized treatment of the problem is not instructive. Industry statistics generally show that the operating departments of clubs produce a loss and that when overhead (but not depreciation) is included that loss increases substantially. The Harris, Kerr, Forster 1971 aggregate for 75 country clubs shows about \$40 million of operating income and a resulting loss of well over \$20 million. The difference is made up from members' dues, which also produces enough revenue to leave about \$1 million as excess of income over expense. Depreciation would take care of most or all of this so that no tax would be payable. Even the limitation on deductions applicable to member activities would not produce a change, because from a tax standpoint, even the non-member activities are operated at a loss. So the "aggregate" clubs would not be paying any tax even if they were taxable.

As is well known, however, the "aggregate" clubs are, in the main, tax exempt. Experience has shown, and the aggregate figures confirm, that these clubs are not paying any significant amounts of unrelated business tax.

But suppose that a particular club trying to make an informed judgment on the worth of its

exemption isn't anything like the aggregate. Suppose instead that by conscious decision and skillful management it is making a profit on operations and has a lot of income in excess of expense—so much that it wouldn't be eaten away by depreciation. The result would be different.

Insofar as this club would be paying a tax on non-member income (and it would) no difference would exist between taxable and tax exempt status. The big difference for such a club is that without exemption, it would be paying taxes on the profits from member income.

PROCEED WITH CAUTION

If the foregoing has any value, it is that it brings out the desirability of a comparative computation. Beware, though, that the computation is not made poorly. An unskilled computation would be worse than misleading, it could produce a misjudgment costing the club a lot of money.

This discussion, and the two earlier articles on the subject of giving up tax exemption have undoubtedly demonstrated the complexity of the issue. It seems clear that a decision cannot be based upon a snap judgment, neither can it be based solely upon debate in the board room. The decision must result from informed calculations and conscious judgment. □

CASPER DIRECTS ON THE COSTA BLANCA

NEW YORK—One of the world's top-ranking golfers, Billy Casper, has been named director of Golf at the new Almaina Park G & CC in Alicante, Spain.

The announcement was made by Casper and the developers of the plush resort on Spain's Costa Blanca, a Riviera-type strip on the country's south-central Mediterranean coast. Almaina Park will be designed for residential, vacation or retirement living, it was announced, and will include two 18-hole courses.

Casper, who will retain his affiliation with Boise Cascade/Ocean Pines, won more PGA tournaments in 1966-70 than the three other top players combined.