

# Clubbing Some New York City Clubs

New York's real estate tax structure is notoriously Byzantine, with loopholes the size of Hagia Sophia. The Tax Commission has been doing its best to close the larger escape tunnels and to return some of the city's unusually large number of tax-exempt properties to the tax rolls. The effort is commendable, both as a way of helping a city in distress and as a move toward equity.

But which organizations should continue to be exempt from taxes? Tax relief is, in effect, a public subsidy for a public purpose. Religious, educational and charitable institutions, hospitals, foundations and diplomatic headquarters are well within the letter of the law; other nonprofit institutions, such as clubs that play a role in the city's art and culture, are less well defined.

In the lamented days of wine and roses—to which the president of the Tax Commission, Marshall Kaplan, has referred in discussing eligibility—there was a certain latitude for these worthy groups. However, in these days of bread and water, the city is tightening the lid. The Tax Commission has announced that a group of seven clubs, long part of New York's art and institutional life, may no longer have tax-exempt status. Among these are clubs of some luster and tradition.

The Modern Arts Club, for example, nurtures talent through scholarships, provides residential quarters and meals for artists, musicians and writers, and maintains a historic building. The Rehearsal Club has housed and helped aspiring actresses for 64 years. The Grolier Club is a center of literary life and a bastion of the fine art of book production, with a library and public exhibitions. Most of these clubs would be forced to close their doors—some, literally, abandoning landmarks—if they are denied tax relief.

From the Tax Commission's point of view, exemption for some of these groups is just another form of rent

subsidy—one more irritant in the city's chaotic rent structure. Some clubs fail to meet a strict definition of public purpose under the law, or the curious legal test of promoting "moral or mental improvement." But many are tied to art, theater, publishing or other activities that not only contribute to the city's cultural life but are a valuable part of its economic life. Almost all help make New York a creative center.

To remove public support for these nonprofit clubs may be an honest attempt to remedy inconsistency arising from a questionable policy of happier days. But the effect is more punitive than corrective. Not much will be gained by this sudden fit of fairness. It will not plug the hole in the city's finances or fix the rental mess. Equity is not always fair.

## Correction: Alarms Have Been Sounded

An editing error caused us to speak an untruth yesterday about African alarms over Cuban activity on the continent. We were berating the White House for exaggerating the threat of Cuban aid missions, beyond the clearly troubling one of 19,000 troops in Angola. We said the African nations can surely sound their own alarms, and added that "thus far they have not." But we knew even before the presses rolled that Egypt, the Sudan and South Africa have complained about Cubans in Angola; Somalia about their presence in Ethiopia; and Rhodesia about their activities in Mozambique. The nature of the perceived danger is different in every case, and so is the motive for concern. We regret our slip in denying these expressed complaints but they do not alter ours—that the Administration's alarm is excessive.