The North Carolina Golf Council, born with high expectations, has hit upon tough times and public golf — are fast approaching.

Conference call
Two GCN-sponsored conferences — on marketing and public golf — are fast approaching.

Legislative progress steadily on the RISE

Drought continues to plague Northwest

Industry analysts mull Landmark decision
Toro bullish on golf, bearish on economic outlook for '93

By Hal Phillips

MINNEAPOLIS — President George Bush has placed his re-election hopes on a steady economic recovery that will pick up speed come 1993. The Toro Company, for one, isn't convinced.

After announcing a $9.9 million loss for the quarter ending July 31, Toro has indicated it plans to close three facilities and merge two others, citing continued softness in sales of its consumer products, increased promotional expenses to improve sluggish retail activity, and added operating costs associated with its irrigation and consumer businesses.

"These actions are necessary to achieve our performance goals for fiscal 1993 and beyond under the assumption that the economy will continue to be sluggish," explained Toro Chairman and CEO Kendrick B. Melrose.

However, according to Assistant Treasurer Stephen Keating, "This really doesn't change at all our commitment to the golf industry. This is basically a reorganization and downsizing to make our consumer business more profitable."

Further, Keating agrees with Melrose's less-than-rosy outlook for 1993. And while golf industry indicators remain at optimistic levels, the sputtering economy has affected the overall posture of conglomerates like Toro.

"We just don't see a significant turn-around on the economy," Keating explained. "We're looking at a flat year and we're adjusting our sales and expenses accordingly."

"That's what we see on the consumer side. On the golf side, there has been some slackening off with regard to new golf course construction but we're expecting some growth in 1993. And we will certainly not spend any less on research and development."

The company said it expects a net loss in the quarter of 56 cents per share from the facility closings, plus a net loss from operations in the 65-cent per share range.

Toro officials indicated the company has tentative plans to close its Toro-branded riding products manufacturing plant in South Bend, Ind., and move the operations to existing facilities in Windom, Minn., and Tomah, Wis. A distribution center in Mountain Top, Pa., will also be closed. In addition, the company said it will integrate a Riverside, Calif., irrigation controller assembly operation into a neighboring irrigation facility.

So, as the election season kicks into high gear — and candidates on both sides step up the rhetoric regarding economic cures — Toro is preparing for a listless economy in 1993.

"This may actually work to our advantage," said Keating, tongue planted firmly in cheek. "The more people get sick and tired of politics, the more they may play golf."

RISE legislation

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Cide: Fungicide and Rodenticide Act (FIFRA) also moved ahead in 1992. The Rose Bill — named for committee chairman Rep. Charlie Rose (D-N.C.) — has garnered 100 co-sponsors in the House and Senate, each of which will vote on a separate, but similar packages.

"FIFRA is being considered for amendment this year," James explained. "Our specific language on pre-emption is now part of the FIFRA amendment language. The House measure has already been amended and sent to committee."

However, James will have some bad news to report.

"Neither bill is probably going to advance this year," he said. "We'll most likely have to wait until 1993. There is simply too much legislation that is considered more important at this time."

One important thing to remember: This is an election year.

"The only legislation that moves along in an election year is stuff that makes on party look good or something that makes the other party look bad," James opined.

Waiting for 1993 simply doesn't help the RISE effort on Capital Hill, James explained. Election year politics have muffled any legislative momentum the Rose Bill may have generated and, more importantly, the delay gives opponents time to rally.

"We have to assume that the opposition at the at the state and federal level will get stronger," said James. "We anticipate a harder struggle next year, but we fully intend to see it through."