Chicago Fee-Course Owners Organize to Ban Price War

CHICAGO DAILY-FEE course owners having confirmed the statement "no one ever won a price war," recently took steps to stabilize prices and avoid the ruin threatening to encompass many of them in 1933.

A majority of the owners of Chicago district fee-courses met at the Bismarck hotel, December 7, in response to a call issued by GOLFDOM. At this and subsequent meetings they reorganized the Chicago Daily-Fee Golf association so that membership now includes almost all of the leading pay-play courses in the district. They agreed to adopt standard prices for A and B classes of courses—the A courses to have a 25 cent higher rate on week days and a 50 cent increase over the B courses on Saturdays, Sundays and holidays.

Rating of the courses is to be determined by voting, in which each club casts 60 votes for itself indicating the class it desires. Each club also classifies each other course in its territorial division; 75 votes being divided in this manner. Each member of the board of directors of the association will cast 5 votes on each club in the association. A majority of the 200 votes thus cast will determine the classification of the course, unless the course desires to be in Class A, in which case its choice shall control.

Arbitration Policy Adopted.

After June 1, any club may petition for a change in classification and if dissatisfied with the association directors' decision may appeal to a board of arbitration consisting of two members of the association selected by each of the two parties to the controversy with these four selecting a fifth, who need not be a member of the association.

Adherence to the agreement is assured by each member of the association posting forfeit money, the exact amount of which has not been determined, but which will not exceed $500.

No discount or cut-rate tickets will be issued by any member of the association. Mention of price in advertising will be limited to association advertising in which the classification prices are to be given. Meal business at the fee clubs is to be conducted on a business basis with no "free lunch" lure in an effort to undersell.

A full time secretary is to be employed to handle the operation of the association. An active business development campaign is contemplated. Monthly dues are: 18-hole clubs, $5; 27-hole clubs, $6.25; 36-hole clubs, $7.50.

Charles Nash, Vernon C. C., was elected president; Tom Walsh, Westgate Valley, vice-pres.; James Loye, Golfmoor, treas.; and W. B. Langford, Mid-City G. C., 2405 Grace st., Chicago, secy.

1932 Play Was Way Off.

During 1932, fee-course income in the Chicago district was off approximately 40%. This meant that not more than four fee-courses in the entire district did much better than break even financially. Two of that fortunate four were operating on low price leases. With this set-up against them, the fee-courses could not stand the 1933 threat of a continuance of cut-price warfare. It was found that reduced prices at the courses did not increase the volume of play. Private clubs in the district also found that cutting green-fees had no encouragement for volume and meant simply so much money thrown out the doors.

There was keen competition between fee and some private courses for daily play business during 1932, both individual play and trade tournaments. Trade tournaments practically vanished as a fee-course source of income. However, the underbidding private clubs found that the trade tournaments at the prices they paid, seldom meant enough net profit to warrant inconvenience to members, who were hard enough to hold under the best circumstances.

In practically all metropolitan districts the private course clubs going after daily-fee business has meant serious damage to hopes of continuing on a membership basis. As a matter of simple arithmetic the proposition proved its error. Even ten members for a private club at an initiation fee of $100, or annual dues of $100 meant the equivalent of a thousand rounds of week-day hit-and-run fee play with its course and clubhouse damage and inconvenience.

Hope is seen in the Chicago situation by the Century of Progress world's fair of 1933 which will bring thousands of golfers into the Windy City. This influx of golfing guests promises to help both fee-courses and private clubs get back on a steady keel so far as green-fees are concerned.

Much national interest among fee-course owners has been aroused by the Chicago owners' efforts to work themselves into a safe, sane and sound position. A number of owners have expressed the opinion that the time now is right for forming a national association of fee-course owners with the present Chicago Daily-Fee Golf association as a nucleus. Investment in daily-fee golf plants in the U. S., at a minimum estimate, is $75,000,000. That a business of such magnitude and such serious general problems is without national organization is in itself an indication of what is wrong with the fee-course business.

Fee-course owners who are interested in formation of a national organization are invited to write Herb Graffis, editor, GOLFDOM, their thought on the matter. We have plenty to do as it is, but will willingly devote ourselves to the additional labor of helping the fee-course owners get together, so a vital part of the golf industry can work out its salvation.

WORDS OF WISDOM

IN an inaugural speech as president of the Massachusetts Golf Ass'n recently, Charles H. Cross pointed out an evil of present-day club operation policies that should be eliminated for the good of the clubs and their members. Cross' wail was against the practice of reduced green-fees.

He pointed out that clubs which permit uninvited guests to have unrestricted use of course and clubhouse on payment of nominal green-fees, often $1.00 or less, were doing their members no favor. He predicted that the practice if persisted in would eventualy lead to golfers giving up their private club affiliations, since if able to play at any course they chose for a nominal charge, there would be no advantage to belonging to a club.

Another reason for leaving green-fees where they belong, as Cross pointed out, is that returns for last season show those clubs maintaining their fees at pre-1932 levels came out financially as well off as their neighbor clubs that cut fees.

False-Face Golf Balls Newest Gyp for Trade

REPAINTED ball business, which used to be one of the honest, simple pleasures of the fellow who carries his own bag, has been turned tricky by the forced liquidation of standard brand golf balls of the obsolete "larger and lighter" specifications and by the leading makers of golf balls putting into their lines new balls from the core out to sell three for a dollar or even as low as a quarter per.

The racket that begins to threaten is that of buying old golf balls, re-covering them and selling them as strictly new balls at a price that will mislead the bargain hunters.

Whether or not the laws of the land will cover the process of re-covering balls that have laid at the bottom of creeks or deteriorated in other spots, sufficiently to make it mandatory that each re-covered ball shall be marked "reprocessed" is something that hasn't been decided. If there is a legal technicality that avoids this plain branding, then you may look for a flood of cheap reprocessed balls in 1933. They will have names that will come as near to those of the standard brands that the law will permit. Many a sucker who thinks he is getting something first class for little money will lay his silver on the line for these dead balls. It is bound to cut into the business of the pros and the first class manufacturers unless the law steps in or the customers can be warned in time, or sufficiently.

Such reprocessed balls, by the very nature of their insides, are poor seconds to the lowest priced balls of the standard brands. However, the low price paid for used balls and the cheapness of the re-covering materials and process used in the enterprise allows the reprocessors a longer margin of profit that can be used in promoting a masquerade business.