

# National PGA Picking Up Coast Warfare on Discount Chiselers

**S**UCCESS WHICH has attended the experiment of the Pacific Coast PGA sections and the leading manufacturers' representatives in putting a stop to the "buy it wholesale" unfair competition indicates the action will be taken up on a national basis.

Business Administrator Albert R. Gates of the Professional Golfers' association has been keeping a watchful eye on the Pacific Coast deal. In the light of the outcome of this sectional experiment's success and recent legislation removing doubt of the legality of agreements such as that made between the pros and manufacturers on the Coast, Gates is planning to carry the arrangement throughout the country. Preliminary confabs between PGA officials and leading manufacturers have been held.

The Pacific Coast arrangement which was started by President Harold Sampson and his associates in the PGA sector around San Francisco, in brief, confines the sale of goods at retail prices to recognized retailers. Further details have been given in previous mentions of this matter in GOLFDOM.

This basis of the agreement seems simple enough and necessary enough, not only for the golf goods retailers but for all retailers; but chiseling has become so strong a part of the national distribution scheme that getting the agreement working has been difficult.

If the PGA can put the deal over nationally on a strong basis, the pros and their association will be hailed as pioneers of a long-needed new era in American retailing. The favorable publicity that the PGA and its members will get from the general adoption of this legitimate retailing restriction unquestionably will be one of the greatest "build ups" of high esteem as business men that the pros could desire.

Beyond all doubt, too, the new deal will work out as a great thing for the manufacturers of golf goods. The pros have no idea how much pressure is put on man-

ufacturers to supply, at wholesale prices, individuals or corporations having absolutely no license to get such discounts. The result has been a serious impairment of the entire retail price structure. Golf merchandise isn't alone in suffering from this "buy it wholesale" chiseling. Almost every manufacturer and dealer has heavy profits sacrificed to this evil. If the pros can put over the retailing restriction nationally through their association it will be a most effective demonstration of the pros' power as makers of the golf market.

## Chiselers Fight the Deal

The new arrangement is not one that can be easily entered into by the golf goods manufacturers. Plenty of people who have been getting a chicken-feed edge on prices, which in the aggregate amounts to a pro's living, will howl to high heaven and deep hell when they are no longer able to chisel or graff.

It is sad to relate that some of the fierce protests have come from athletic coaches, who even in these times continue to be the best paid class in professional athletics. It is with poor grace that squawks come from this quarter where sportsmanship and the rules of the game should be glorified. However, the pros pay the full prices to get into the football games and track meets and are reminded that they are being granted a favor when they get reasonably decent seats, so the coaches have no beef coming.

Other long, loud and lurid protests come from big organizations who have been buying at a discount for their executives and employes. Probably some of these companies do grant discounts to some favored friends and figure they have a right to reciprocal discount on golf goods. However, if they give friendly discounts they are given at the expense of the bulk of the organizations' straightforward cash customers and such organizations should rejoice the PGA and the golf goods manufacturers have courage, strength and judg-

ment enough to call for an honest, open deal and stand pat on it.

## Big Interests Stand Pat

What has made the Pacific Coast deal a success is that the leading makers of golf goods all stood pat. They can tell anyone who puts the heat on them for discounts that there is too much at stake in business integrity and the bulk of the pro business to warrant any exceptions being made.

The way that works out is that when merchandise is offered on any trick basis it obviously isn't the merchandise of any of the reputable makers of quality goods and the one who grants the trick discount is penalized by additional loss of reputation as well as by loss of a legitimate profit.

Now for the effect the new deal has demonstrated at the pro shops: One manufacturer tells that after the adoption of the new agreement there were 27 calls at his branch in one day, requesting wholesale prices on merchandise that couldn't be bought from other good manufacturers. An estimate of the quantities of merchandise desired indicated that this one day's business from the 27 callers would have paid the PGA annual dues of every acceptable pro along the Pacific Coast if that business had cleared through the pro shops at the pros' legitimate margin of profit.

Pros report that since the chiseling discounts and free ball gifts to petty larceny amateurs have been eliminated there has been a noticeable, healthy increase in their ball business, despite their earlier belief that the chiselers would buy cheap balls from the hurdy-gurdy outlets,

Gates, in looking over this angle, be-

lieves that if the agreement can be made national, the increase in pro-shop ball profits alone will far more than pay for the annual dues of the professional organization's members.

It is no secret certainly that the abolition of the PGA trade-mark on balls, with all of the nuisance and dissatisfaction that trade-marks involves, has beat the pros out of considerable ball business simply because players could so readily buy standard balls at discount. The manufacturers have winced plenty at this development because it meant farewell to an established retail price, but the plague of the chiselers was so strong that individually it was hard for any manufacturer to fight them off.

The additional misery that the abolition of the PGA trade-mark involved was in a sharp reduction of the operating income of the Professional Golfers' association. Leading PGA members have expressed themselves as being opposed to any deal whereby a pro organization has to be supported by the manufacturers rather than by the pros themselves. They point out that such an organization, having two masters in actuality, could serve neither.

But, in trying to get some sort of a deal where the pros' income would be definitely increased as the result of PGA operation to the point where dues for the maintenance of a strong organization were but a minute part of the income it brought to pros, the PGA officials have been stymied until the Pacific Coast deal worked out.

The pro, so PGA officials point out, is not going to pay \$40 national association annual dues unless he can see very plainly that this \$40 is doing him good in actual cash well in excess of the \$40. In that the

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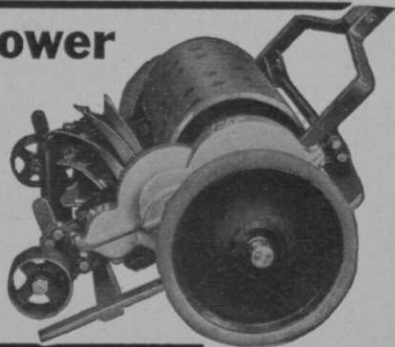
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pro is not much different from the rest of mankind. Figuring on the profit of increased ball sales alone if balls were sold strictly at retail, the PGA officials claim a pro could very quickly pay his association dues.

The new deal is not without its pro give as a give-and-take arrangement. The pros on the Pacific Coast agreed as one of their parts of the arrangement to be restricted to free balls from only one manufacturer.

Pros in other parts of the country point out that an extension of the Pacific Coast arrangement will prevent further spread of a misery that has been forced on quite a number of pros who are afflicted with chiseling "buy-it-wholesale" members. These pros, despairing of getting the straight retail price out of the chiselers, have been compelled to cut the retail price in their own shops, and at the end of the year are pretty nearly in the red, gross, on their ball sales. Consequently these fellows have no chance to maintain any sort of a credit standing.

It will be especially interesting to see how this deal works out because it involves the basic principles on which some of the new Rooseveltian trade legislation has been founded.

If the pros and the leading golf goods manufacturers can make the golf field one in which the chiseling discounts are definitely exterminated they will have performed a miracle that will arouse the admiration and bring about the relief of many a sorely-harassed American retailer and manufacturer.

**GOLF HOLES** measuring between 300 and 350 yards are rarely either difficult or interesting, since they call for little more than a drive and a short pitch. Such holes should be stiffened up by pulling in the fairway until it is relatively narrow, thus rewarding accuracy off the tee.

**LOOKS LIKE THERE** is a good potential crop of pros coming on. We have been getting quite a few letters from young fellows who want to become assistants to master pros with the idea of patiently learning the business from the ground up.

The way these kids write, with ambition and sincerity, indicates that they are going to be a credit to pro golf after some of the old masters have put them through the training school.



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