

New bill would boost non-member income exemption for clubs

A new bill before the **House Ways and Means Committee** (amendment, HB11200) would raise the outside business which private and country clubs could do without losing their tax exempt status from 5 per cent to 15 per cent. Action had not been taken by the House at press time.

Representatives of the **National Club Assn.** have worked with the Internal Revenue Service to help them understand the club industry, and this proposed legislation is a result. Other provisions of the proposed bill include freeing up investment income, but making it taxable, denying the club to receive dividends from deductions and taxing reciprocal business.

The **Club Managers Assn. of America** endorses the bill, but according to an industry spokesman, another segment of the manager field, the **American Hotel and Motel Assn.** denounced the legislation as another "windfall" for the private and country clubs to syphon off bar and restaurant monies. Proponents hope that if the bill is acted on after the first of the year, it will become law early in 1972.

Club dues increases unfrozen

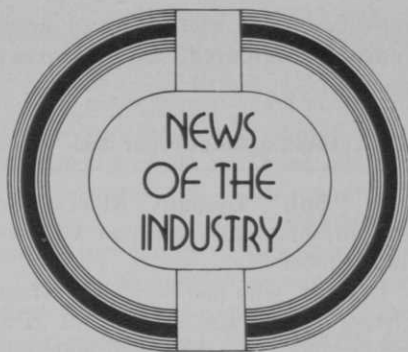
According to the **National Club Assn.**, the **Cost of Living Council** has now released dues paid to non-profit clubs from the price freeze. The decision, effective last November, was made by the CLC because dues and assessments on members of non-profit organizations are self-regulated and mutual, and they would not be subject to price controls.

Golf City drops class action suit; MacGregor, PGA-Victor settle

Golf City, Inc., has dropped the class action lawsuit filed in the U.S. District Court, New Orleans (see **GOLFDOM**, August, 1971, p. 52), against 14 golf equipment manufacturers. Civil litigation is still being pursued.

The class action lawsuit had been filed by Golf City "on behalf of all others similarly situated"—retailers trying to compete in the trade of commerce, but denied access to the manufacturers' pro-only equipment.

On the civil litigation side,



MacGregor/Brunswick and PGA-Victor have become the fourth and fifth golf equipment manufacturers to settle out of court and have been dismissed from the original lawsuit. A spokesman for Golf City conceded that the class action lawsuit was dropped in order to pave the way for negotiating a settlement with MacGregor and PGA-Victor. The District Court dismissed the suit on grounds of duplicity. It is felt that the pending proceedings of the civil action could be amended into a class action at any time in the proceedings. This does not mean that class action is dead said the spokesman, but would probably be filed again sometime in the future.

Golf City had also sought to have the now 11 golf equipment manufacturers and the Professional Golfers' Assn., defendants in the civil action, answer specific questions on advertising procedures, costs, sales and profits. Some of these questions were denied by the court and it was appealed by Golf City. The outcome of this appeal in District Court had not been decided at press time.

USGA rules changed and clarified

The **United States Golf Assn.** and the **Royal and Ancient Golf Club** of St. Andrews, Scotland, have made several rules changes and clarifications for 1972.

Effective January 1st, a player will no longer be penalized if his caddie rakes a bunker before he plays a shot from the hazard and *such action does not assist him*.

Another rule change concerns the form and face markings of clubs, in particular the high-lofted woods that are becoming popular. It has been ruled that any wooden-headed club with a 24-degree loft or more (usually the five through nine wood) must have the same face markings (area of face scored and width and spacing of

grooves) as the iron clubs.

Under Rule 32, drop zone clarified, casual water, ground under repair and a hole made by a burrowing animal, has been redrafted to give the player more leeway. Instead of getting a free drop "as near as possible" to the original position of the ball, the golfer will be permitted to drop within two club lengths of the nearest point on the margin of such areas.

In another rule clarification, in handicap competition, if a golfer plays from a higher handicap than his correct one, and is found out, he faces disqualification. If he plays to a lower one, the score or result of the match stands.

In a broadened status of a golf car shared by a competitor, if a player's ball is stopped by the car he is sharing with an opponent, he incurs a two-stroke penalty. If the car is being driven by his rival, however, the opponent incurs the penalty.

Toney Penna sold to ATO

Toney Penna Golf Company, Jupiter, Fla., has been sold by **Professional Golf Company** to **ATO, Inc.**, Cleveland, Ohio.

The cash sale to ATO, which had sales last year of \$360 million, will leave PGC with two pro shop lines, Arnold Palmer Golf Company and First Flight Golf Company. ATO is the parent company of Rawlings Sporting Goods Company, manufacturer of athletic sporting goods equipment and Adirondack Company, makers of baseball bats, hockey sticks and toboggans. In addition, ATO has its own golf ball manufacturing facility which produces the Blue Tee pro shop golf ball, plus golf balls under other labels. ATO also is involved in automatic sprinkler systems, heavy equipment and fire equipment.

An ATO spokesman said Toney Penna will continue as president of his company.

Wittek acquires International Recreation Products

Wittek Golf Range Supply Company has acquired **International Recreation Products, Inc.** Wittek, a primary source for range, golf course and miniature golf

(Continued on page 84)

course equipment, will take over the manufacturing, distribution and worldwide sales of International's complete line of golf range mats and brushes, club and locker room runners as well as home practice Chip-n-Drive golf mat.

Victor earnings down

Victor Comptometer Corp. reported sales for the first nine months of 1971 about the same as 1970, but net earnings were down almost \$2 million.

For the first nine months of 1971, net sales were \$121,931,959 as opposed to \$121,879,196 for the same period in 1970. Net earnings in the first nine months of 1971 were \$1,644,669 compared to \$3,371,145 for the same period in 1970.

Recreational products, including Victor Golf Company, registered both sales and earnings in excess of a year ago for the third quarter.

Unfavorable economic conditions that have adversely affected many companies in the computer industry have caused larger losses in Vic-

tor's computer division than originally anticipated, the company reported.

J.R. Lysaght of MacGregor dies

J.R. "Bob" Lysaght, MacGregor vice president-golf, died in Cincinnati October 5.

Lysaght, who had been with MacGregor since 1926, started out as a caddie, then as a shop man and club maker. He was best known throughout the golf industry as a club maker, designer and innovator.

Lysaght's new club innovations for MacGregor included the original MT Tourneys, Flame Ceramic, Colokrom irons and Eye-O-Matic woods.

Pedersen moves to Mossberg plant

Pedersen Golf Equipment Company, a subsidiary of O.F. Mossberg and Sons, Inc., has moved out of its manufacturing facilities in Wilton, Conn., to Mossberg's 31-acre industrial complex in North Haven.

The move, announced by Ron Miller, vice president of golf operations,

said Pedersen, which was acquired by the sporting firearms manufacturer last March, has moved into a new 25,000-square foot plant.

The facility, which will be used for the fabrication of pro-only golf equipment, office space and warehouse storage, is now in full production. "In moving Pedersen up from Wilton," says Miller, "we will keep in closer touch with the two divisions and provide a more functional assembly line with the latest equipment and engineering."

Several new innovations in club design on the 17-4 golf clubs will highlight the move and the new year for Pedersen.

Nicklaus adopts total apparel management program

A new concept in the marketing and management of the **Jack Nicklaus** sports and casual wear apparel line has been announced by the professional golfer and **Hart Schaffner & Marx**.

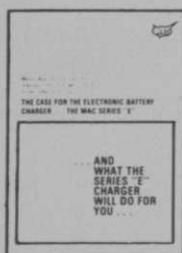
The agreement puts the Chicago-based company and Nicklaus into a partnership program that includes (Continued on page 86)

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the design, manufacture and promotion of a wide variety of apparel items.

The clothing firm is responsible for the total management of the program. It will coordinate Nicklaus' programs already underway with other manufacturers: Hathaway shirts, Bostonian sports and golf shoes, Robert Lewis golf jackets and Hat Corp. of America headwear. Hart Schaffner & Marx will also introduce a new line of doubleknit slacks, blazers and suits.

PGA Merchandise Show reopens doors to public

The public's exclusion from the **Professional Golfers' Assn. Merchandise Show**, January 22 to 25 in Palm Beach, has been short lived.

Under pressure from John D. MacArthur, from whom the PGA leases its headquarters site, the first day of the show has been reopened to the general public.

The PGA and the **Golf Manufacturers' & Distributors' Assn.** had elected to exclude the public

from the show in order to give the professionals more time to view the new golf lines for 1972. MacArthur, according to industry sources, had a change of mind and refused to allow the PGA to close its doors to the public.

Superintendent Leo Johnson dies

Leo Johnson, golf course superintendent at the Walnut Hills CC in East Lansing, Mich., died September 4. The 53-year old Johnson was superintendent at Washtenaw CC, Ypsilanti, Mich., for 24 years. He had been at Walnut Hills for the past eight years.

LPGA's richest tournament

The richest tournament in the history of the **Ladies Professional Golf Assn.**, the \$110,000 **Dinah Shore-Colgate Winners Circle** championship, will be played April 14th to 16th at the Mission Hills CC in Palm Springs, Calif.

The tournament will include more than 40 of the world's leading women professional golfers and will offer a first prize of \$20,000, double the

top prize previously available for an LPGA event.

Television star Dinah Shore will be the official hostess for the event which will include a two-day celebrity pro-am preceeding the 54-hole championship.

The tournament is limited to LPGA members who have finished in the top three of a regularly-scheduled event during the 1970 and 1971 seasons as well as all LPGA tournament winners of the past 10 years. In addition, any LPGA player who finishes in one of the top three spots in any 1972 event prior to the Winners Circle will be eligible to enter.

N-E Union enters irrigation field

New England Union Company, Inc., a longtime manufacturer of bronze unions and fittings, has begun manufacturing a line of underground sprinkler systems for residential and commercial installations.

New England President Francis Petit said that the Leisure Time line of sprinkler systems were developed because the company had the manufacturing capabilities.

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