

**EASTMORELAND MUNICIPAL GOLF COURSE**

**A STUDY**

**PREPARED AT REED COLLEGE**

**by**

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**March 1937**

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## EASTMORELAND MUNICIPAL GOLF COURSE

### INTRODUCTION

It can be truly said that in one way golf has a better claim than baseball upon the title of "the national sport" of this country. This is so because golf is a game in which large numbers of people can and do participate. Baseball and football have become public spectacles rather than outlets for the play energy of large numbers of people. Statistics collected by Herbert Graffis show that approximately two million people play golf regularly in this country. The magnitude which the game has reached is reflected in the costs. Graffis has gathered data for 1931 which show that the total labor bill for the annual maintenance of golf runs well over the sum of one hundred million dollars. There is no reason to believe that the situation was different from this last year. The popularity of the game can be accounted for in two ways: (1) it is a fascinating sport which continuously offers an opportunity for every player to do better and; (2) it is a form of exercise which promotes good health.

Oregon has been in the front rank of the nation in enthusiasm and support for the innovation from Scotland. A private club, Seaverly, was opened as early as 1896. Other clubs began to appear in the second decade of the Twentieth Century. Of course, the greatest demand for the game came from the metropolitan center, Portland. There, the game became an increasingly popular sport with the opening of a nine-hole public golf links in East-

moreland section in 1918. Though the establishment of Eastmoreland Golf Course was the result of the work and foresight of a small group of public spirited citizens, it gave great impetus to popular demand for golf on the part of all classes of people. An inventory shows these courses in the region in and about Portland:

<u>Course</u>	<u>Type</u>	<u>Year Opened</u>	<u>Holes</u>	<u>Acres</u>
Waverly	Private	1896	18	128
Tualatin	Private	1912	18	135
Portland	Private	1914	18	112
Eastmoreland	Municipal	1918	18	162
Rose City	Municipal	1923	18	150
West Hills	Municipal	1924	9	80
Glendoveer	Public	1925-28	36	230
Alderwood	Private	1925	18	168
Columbia	Private	1926	18	145
Lake Oswego	Private	1926	18	155
Wildwood	Public	1926	9	110
Riverside	Private	1927	18	157
Inverness	Public	1927-30	36	280
Peninsula	Public	1928	18	125
City View	Public	1929	18	130
Broadmoor	Public	1931	18	200
Colwood	Public	1931	18	140
Pacific	Private		18	
Oregon City	Private		9	
Mt. Pleasant	Public		9	
Evergreen	Public		18	

The part which Eastmoreland played in the development of golfing can be partly accounted for by the physical nature of its 162 acres of turf course. It is convenient to the center of town, four and one-half miles from there; yet it is situated in a beautiful natural setting. The 18 holes surround a ten-acre lake which serves as a bird refuge. The beauty of the setting is not a little enhanced by a background of stately Douglas fir.

The course has other merits beside its beauty. It is a real golf course with plenty of challenges to golfing skill. Visiting



golf experts have declared that it compares favorably with any in the country. Others in a position to make reliable comparisons have proclaimed Eastmoreland to be one of the finest courses in the entire west.

The crowning advantage of this course has been the excellent opportunity which it has afforded under municipal ownership for all to play who so desired. The advanced position which Portland has held in the golfing world, leading many larger cities, can be attributed principally to its fine municipal courses. These have fulfilled a democratic function in the splendid opportunities for training which they have offered. Eastmoreland's part in this has been large. Writers on golf acknowledge that "Municipal golf at 30¢ a nine is responsible for the position Oregon holds in the golf world."<sup>1</sup> In advertising the National Municipal Golf Tournament held at Eastmoreland Golf Course by the City of Portland in 1932, the Advertising and Promotion Committee of the Portland Chamber of Commerce stated in a pamphlet on golf in Portland that they should explain

...the influence municipal golf has had on the development of the game in Portland and on producing golfers that are not only well-known at home but internationally famous.

... It is therefore most fitting that this national tournament should be asked to be played over Eastmoreland Municipal Golf Course in Portland, which has produced more famous players than any other municipal golf links in the United States or anywhere else.

The committee also said in the body of their pamphlet,

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<sup>1</sup>Bob Laing, "Why Oregon Leads In Golf", Oregon Golf, April 1931, p. 4.

The Eastmoreland Municipal Course has played a wonderful part in the history of the game. It may readily be said that it was the golf nursery of Portland and it is probably true that no golf course in the United States has produced better and more widely known young golfers than this first municipal course.

Eastmoreland has kept up its good record. The almost unbelievable number of distinguished amateurs and professionals who received their early training at the municipal links can be verified by reading Harry Dean Cowie's article, "From Eastmoreland Come The Champs" which appeared in the magazine section of the Sunday Oregonian of February 14, 1937.

The success of municipal golf at Eastmoreland and the increased interest in the game led to the establishment of other courses. Rose City Municipal Golf Course was constructed to care for the overflowing number using Eastmoreland. This was followed by the construction of a municipal links on the west side of the Willamette, named West Hills Municipal Golf Course. The growing number of devotees of the game desired more room; so more courses have followed the three operated by the City.

# I

## THE EARLY HISTORY OF EASTMORELAND GOLF COURSE

The first efforts in behalf of municipal golf in Portland were made by a small group of men led by Victor Johnson in 1916. The idea of a municipal golf course for Portland originated with Superintendent of Parks Conwill and T. Morris Dunne. These men were joined by V. A. Johnson, representing Waverly Golf Course, J. B. Wise, representing Tualatin, and Dr. E. Holbrook, representing Portland Golf Course, as a committee. T. Morris Dunne served on the committee as representative of Multnomah Club. The effective leadership of this group was assumed by Victor Johnson. They first asked the Mayor and City Council to do something about providing facilities for playing golf for those who were unable to join a private club. The City authorities were favorably disposed toward the idea, but did not desire to take the initiative. They realized that golf was considered by many to be a rich man's game. Both Mayor Albee and George L. Baker, Commissioner of Public Affairs, lent passive support in the beginning which later became active.

Unable to make much headway in getting the city government to take the first steps, the committee attempted to raise funds to secure a golf course by private subscription. They obtained a little over \$5,000 and went to the Ladd Estate Company to see about land. The Ladd Estate Company extended to the committee a five year rent-free lease and option to buy on about one hundred

and fifty acres in Eastmoreland section.<sup>1</sup> The company agreed to pay all carrying charges and taxes for the next five years. Much of the land at this time was decidedly unfit for a golf links. The committee secured the services of the noted golfer, H. Chandler Egan, in laying out the course. The original \$3,000 and another \$1,000 were soon spent in plowing the land to make fairways and in buying seed. This money gave the committee a chance to make a start, but most operations were suspended during 1917 because of the war.

After the committee secured the option on the land, it continued its appeals for private subscriptions. The assistance of the sports editors of the city papers was solicited and obtained. More funds were raised through the assistance of the Park Bureau in furnishing teams.

The first nine holes were finally opened for play July 7, 1918. While ticket sales during the balance of the year were slight, they increased during 1919; and in the fall of 1920, the second nine was opened. It is interesting to compare the early volume of patronage of the course with that of its peak years.

#### TICKET SALES

1918	2,370	1920	20,190	1926	132,068
1919	12,674	1921	49,567	1930	139,590

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<sup>1</sup>Mr. Paul Murphy of the Ladd Estate Company has stated that the Company would have been money ahead if it had deeded the land outright to the city or its agents instead of carrying it six years and eventually realizing only about \$1,000 per acre.

The early supporters and contributors to the Eastmoreland Golf Course project included<sup>2</sup> Simon Benson, J. C. Ainsworth, W. B. Ayer, J. D. Farrell, Louis Rosenblatt, Mrs. Isaac White, L. A. Lewis, C. P. Keyser, the firms of Honeyman Hardware, A. G. Spalding and Heier & Frank Company. Valuable assistance was granted by Mr. Paul Murphy; and the Ladd Estate Company donated a tract office building for a caddy house which also served as a club house.

During the early years of the operation of the links, it was supervised by Victor Johnson, chairman, T. Morris Dunne, and C. P. Keyser, City Superintendent of Parks, who acted as trustees for the City. These trustees arranged the financing of a \$22,000<sup>3</sup> club house which was completed in September 1921. The site for this was donated by the Ladd Estate Company. To effect payment for the club house, the trustees gave the bank their personal notes as security. In this period, the City spent approximately \$36,000 in tax-raised funds to improve and develop the course.<sup>4</sup>

The approximately fifty-six acres for the first nine holes were purchased in 1922 by the Bureau of Parks from out of its four-tenths mill tax levy. The trustees for the course were

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<sup>2</sup>Bob Laing, "Why Oregon Leads in Golf", Oregon Golf, April 1931, p. 4.

<sup>3</sup>Ibid., p. 29. C. P. Keyser has stated that the site for this club house was donated by the Ladd Estate Co., that the estimated cost of construction was \$15,000, but that the increase in the cost of building material and labor due to the war plus equipment and furnishings, raised the total to \$22,000. The money for this was raised from the green fees of 25¢ a nine collected by the trustees before the Park Bureau formally assumed operations.

<sup>4</sup>According to statement made by C. P. Keyser.

unable to buy the land from revenue derived from the green fees; so they quite naturally turned to the City. The total cost was \$67,500 of which the Ladd Estate Company was paid \$54,000, and the City assumed the extant indebtedness of the property. The clearing of this indebtedness, \$13,500, was assessed against the revenue from the course.<sup>5</sup>

The second nine holes had been opened to play in 1920, but the land had not yet been bought by the City. The five year lease and option to buy which the Ladd Estate Company had extended to the original committee expired in 1921. Not wishing to foreclose, the Company offered to extend them for one more year. The first nine was purchased under this extension. But this concession, in so far as the purchase of the second nine was concerned, appeared to be of little help as a consequence of subsequent events.

The trustees for Eastmoreland Golf Course transferred their trust interests in the 161 acres to the City on December 4, 1922 with the provision "that we be assured that the Eastmoreland Golf Course be made a permanent addition to the park system of the City of Portland."<sup>6</sup> By direction of the Tax Supervising and Conservation Commission, \$10,000 which had been accumulated from

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<sup>5</sup>In constructing the budget estimates of the Park Bureau for 1923, the Council set Eastmoreland Golf Course on a financial basis independent of the General Fund of the City. Since then, the course has paid its own costs, the purchase of additional land, and City improvement assessments.

<sup>6</sup>Statement of transfer signed by Victor A. Johnson, T. Morris Dunne and C. P. Keyser in December 1922.

green fees was turned over to the City Treasurer at this time. The course has been municipally operated since then by the Park Bureau.

On December 26, 1922, the City Council had entered into contract of lease with the Ladd Estate Company for the purchase during 1923 of the north nine holes for \$95,000. The Council had agreed to these major conditions:<sup>7</sup>

1. The property was to be used for golf and other park activities.

2. All taxes payable during the year 1923 would be borne by the City of Portland.

3. All liens filed against the property subsequent to the date of the contract would be borne by the purchaser, the other liens being satisfied by the owner before transfer of title.

The Park Bureau included \$59,000 of the \$95,000 purchase price in its budget estimates for the fiscal year 1924. This left the City still owing the Ladd Estate Company \$36,000; thus placing the Council in the unlawful position (so the City Attorney said) of paying the balance from taxes derived from succeeding years. The Ladd Estate Company declined the proposal of the City that part of the land, so much as was worth \$59,000, be sold to the City that year. "It was therefore clear that the proposal of the City was an incomplete item and that approval of the request for \$59,000 could not possibly allow the deal to be closed."<sup>8</sup> As a consequence, the Tax Commission unanimously

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<sup>7</sup>"Budget Facts", Annual Report of the Tax Supervising and Conservation Commission for 1924, p. 88.

<sup>8</sup>Ibid., p. 89.



rejected this item in the Park Bureau estimate, "holding, too, that even if the purchase had been declared lawful under the City Attorney's verbal opinion, it would be a commitment of its exchequer in office to an approval of expenditures in subsequent years in the amount of \$26,000."<sup>9</sup>

No arrangement was completed during 1923 for the purchase of the land. The Ladd Estate Company, accordingly notified the City that, as the lease and option to buy the land occupied by the second mine expired December 31, 1923, they would take possession of the property then.<sup>10</sup> The Ladd Estate Company really wanted its money, but the legal means for the City to acquire the land were apparently blocked. Fortunately, some of the City authorities were roused to action. Among them, C. V. Keyser, Superintendent of Parks, made every effort to find some way whereby the City could possess the land. At first, the situation seemed to be hopeless; but he uncovered a provision, Section 135, in the Charter which empowered the City to acquire a utility.<sup>11</sup> He conferred with Commissioner of Finance, Sigelow, and obtained the

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<sup>9</sup>Ido. Cit.

<sup>10</sup>Letter of Frederick H. Strong to Mayor George L. Baker, December 1923.

<sup>11</sup>This section gave the Council the power to issue public utility certificates for the purpose of constructing or acquiring a public utility to be operated within the City. These public utility certificates were not to be a general liability of the City and must "be paid solely from the revenues derived from the plant or from the sale thereof." It is said that this section was inserted as a means of empowering the City to take over the Gas Company should its establish rates which the people deemed too high.



benefit of his advice and assistance. The solution was just this, if a golf course could be legally established as an utility, the City could go ahead and acquire the land by issuing public utility certificates covering the indebtedness accruing through purchase. The Ladd Estate Company was willing to accept \$95,000 in public utility certificates at 6% in exchange for the deed. The deal was completed under a City ordinance authorizing the issuance of the certificates. To test the legality of the assumption that a municipal golf course is an utility, a "friendly" suit was instituted in the courts. Upon appeal to the State Supreme Court, it was decided that a municipal golf course is an utility.<sup>12</sup> The \$95,000 of public utility certificates bearing 6% interest were accordingly issued in 1924. They were serial and to be retired annually, \$5,000 on July 1, 1926 and \$10,000 each year thereafter for nine years. This effectively solved that problem; but as will be seen later, it created a far more serious difficulty.

About eight-tenths of an acre was purchased in July 1924 from the Wilson Dairy to make the fourth green.<sup>13</sup> The price of \$650 was defrayed by receipts from green fees which were fixed at twenty-five cents for nine holes by City ordinance, June 1923.<sup>14</sup>

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<sup>12</sup>Copen vs City of Portland, 112 Ore. Reports 14, 25 A. L. R. 589, 228 Pac. 105. Decision by Chief Justice Thomas A. McBride affirming lower court, July 29, 1924.

<sup>13</sup>Bought from Nellie Wilson for Lewis Wilson, a minor.

<sup>14</sup>Ordinance No. 42332. Season tickets were also sold for \$15. The owners of these were restricted to eighteen holes per day.

The Eastmoreland Golf Club was formed on November 2, 1921 by a group of players who used the links. The late Judge Catens was their first President. The membership of this organization has carried the burden of making Eastmoreland Golf Course function like a golf course. Any user of the links can join the organization upon payment of a small membership fee. The leaders of the Club arrange for spring and fall tournaments and the annual City Golf Tournament which has always been held at Eastmoreland. The Club officers voluntarily give their services. In a variety of ways, this organization has promoted golf at Eastmoreland. There are regular committees to care for greens, publicity, handicaps, tournaments, arbitration, and social affairs. The present President, Mr. F. Rickenlaub, has been active in securing improvements in the fairways.

## II

### THE PERIOD OF INDEBTEDNESS

With the purchase of the land for the second nine, Eastmoreland Municipal Golf Course entered upon a period of indebtedness from which it has never fully recovered. Business conditions were good and on the upswing at the time that the debts were incurred. There was little reason to believe that it would be difficult to amortize them from out of incoming revenue. As a consequence, a further indebtedness was attached to Eastmoreland by the purchase of eleven acres at the South end from the Wilson Dairy in March 1928. Two thousand dollars cash was paid, and more public utility certificates to the extent of \$16,000 were issued. These also bore 6% as their rate of interest and were serial, \$1,000 to be retired on September 15, 1932, \$2,000 in 1933, \$3,000 in 1934, \$4,000 in 1935 and \$6,000 in 1936. The wisdom of this investment soon became apparent. The expanded area and a subsequent reconstruction of the first nine were amply justified. In its more immediate effects, the expansion led to a pick up in patronage. The receipts in 1930 were the greatest since 1926 when Eastmoreland had had a virtual monopoly.

Previous to 1928 and in the three subsequent years, the revenue coming in from green fees was sufficient to give grounds for an optimistic outlook. In 1928, the fiscal year income from green fees was reported by the Auditor to be \$45,879.07. The total costs that year were \$32,836.18, leaving an excess of income over expenses of more than \$12,500. The interest charges

of \$6,700 on the \$95,000 of public utility certificates were met along with a total of \$7,501.53 of other fixed charges.

The golf links income showed a continuous increase until it reached a fairly high level in 1926 which it sustained for the six year period before 1931. See Table I. The 30¢ a nine green fee<sup>1</sup> was providing ample revenue to pay for maintenance and sometimes enough for the amortization of indebtedness. Had more attention been paid to the rising costs which accompanied these years of affluence, a reserve might have been accumulated.

During these prosperous years, a relatively large number of golf courses were opened in the region about Portland. Three courses were opened in 1926 alone. The increase in the number of golf links gave the municipal courses much more competition.

The municipal courses did not begin to feel the effects of the 1929 depression until 1932. Eastmoreland suffered the most in its income, green fees, in 1933. See Table II. There is reason to believe that the public courses (those links which are privately owned but open to the public on a pay-as-you-play basis) were in financial straits before those owned by the City. Along toward the end of November 1931, the public course owners protested the municipal golf course rates to the City Council. It was brought out indirectly that the cause of their complaint was the competition which straitened financial conditions were aggravating. The core of their argument was that the municipal courses should charge a green fee large enough to support themselves

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<sup>1</sup>Ordinance No. 46357, passed July 23, 1924.

Table I

INCOME FROM GREEN FEES ETC., 1925-1930<sup>2</sup>

	<u>1925</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>	<u>1930</u>
Jan.	1671.43	3364.76	913.97	533.27	616.93	386.07
Feb.	2063.04	1435.60	1462.07	2576.42	577.47	1733.02
Mar.	3973.66	4502.00	2123.59	2115.02	2234.33	3974.59
Apr.	5033.36	5131.14	4239.54	3063.37	3379.39	4420.86
May	5623.05	4603.13	5353.51	5097.49	4715.25	4942.65
June	6103.23	6779.17	5725.33	5616.17	4534.57	6367.39
July	6322.39	7114.42	6321.94	7009.94	6561.23	6767.46
Aug.	5594.90	6353.16	6001.10	5929.37	5599.81	5658.33
Sept.	4646.72	5214.27	4633.52	4907.34	5642.94	5222.99
Oct.	3994.26	3972.71	5361.57	3331.65	3370.33	3436.14
Nov.	2472.24	2660.63	1604.63	1946.66	2795.87	2174.17
Dec.	<u>3174.81</u>	<u>1245.70</u>	<u>1474.42</u>	<u>1334.95</u>	<u>2515.12</u>	<u>3020.27</u>
	51423.59	52926.75	44226.21	43976.65	44133.97	49311.94

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<sup>2</sup>The fiscal year of the City is from December 1 to November 30; the annual totals given here are for the calendar year. There is included in these figures a slight income from interest on daily balances and miscellaneous items.

Table II

## INCOME FROM GREEN FEES ETC., 1931-1936

	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>
Jan.	1830.02	1166.79	394.55	793.36	476.54	346.49
Feb.	2762.03	1503.94	276.74	1360.72	1293.53	304.10
Mar.	2791.54	1483.86	691.92	1532.92	919.94	763.44
Apr.	3267.32	2024.86	1463.95	1905.43	1743.20	1419.94
May	3973.04	3396.98	1512.75	1692.32	1967.75	1293.36
June	4396.53	2997.34	1727.21	1906.49	1643.67	1646.20
July	5060.77	3132.04	1926.39	3351.39	1901.23	1749.19
Aug.	4532.94	2664.67	2012.23	1963.19	1749.65	1626.23
Sept.	3664.36	2267.96	1639.29	1266.26	1646.76	1663.97
Oct.	2255.95	1597.93	1129.15	1094.99	979.15	1127.32
Nov.	1567.36	625.66	652.58	660.45	610.99	1450.23
Dec.	<u>1564.61</u>	<u>1400.45</u>	<u>307.23</u>	<u>318.69</u>	<u>1221.70</u>	<u>713.97</u>
	37436.22	24464.48	13821.64	16731.96	16116.13	14103.49

were they owned and operated privately. Their attack centered on the 30¢ a nine green fee and the script and season ticket privileges.<sup>3</sup>

It is possible that one of the reasons why the municipal courses did not suffer a diminution in revenue until some time after the public courses was that the municipal courses drew patronage away from the others. This would very likely not have occurred had there not been general economic depression. The owners of the public courses, though they, too, had secured some of the patronage of former club players, took the easiest way of solving their problem by attempting to restrict competition.

Again, in April 1933, it was suggested that the number of golf courses, beginning with the municipal, should be reduced. This more direct assault on municipal course competition met with considerable resistance. The City Council entirely disregarded their complaint and reduced the fees, April 5, 1933, from 30¢ to 25¢ a nine and offered special rates to children.<sup>4</sup> The defenders of Eastmoreland pointed out to those who were suggesting a curtailment of municipal golf that the municipal courses had entered the golf field previous to the building of public courses.<sup>5</sup>

Through the years 1931, 1932, and 1933, Eastmoreland's income

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<sup>3</sup>At this time, a season ticket good on just one course was sold for \$20. A ticket good for all municipal courses could be obtained for \$30. Ordinance No. 34756, passed June 13, 1933.

<sup>4</sup>Ordinance No. 63962. On February 10, 1932, the \$20 season ticket was made good for all courses, Ordinance No. 62147.

<sup>5</sup>Morning Oregonian, Portland, Oregon, April 6, 1933, p. 13.



continued to diminish. The total amount received in green fees fell each year after 1930 until 1934. It was because of this decided falling off of patronage that green fees were lowered in April 1933, that salaries of employees were cut in the 1933 budget to less than one-half of the total amount spent for personal services in 1931 and that purchases of equipment almost ceased.

In spite of attempts to reduce expenses, a large part of the costs of operation and maintenance could not be reduced in proportion to the falling off of income. What was done can be seen by glancing at the annual cost record for the fiscal years 1933-1935. See Tables III, IV and V. Wage costs could be and were slashed considerably through curtailment of work and reductions in salary; but expenses of operation and maintenance, exclusive of salaries, and fixed charges could not be so readily reduced. See Table VI containing a recapitulation of annual costs.

Fixed charges were the least susceptible to reduction by any other means than by failing to meet payments for land purchases. The fixed charges were principally insurance, interest, and principal on land and bonded lien obligations.

As income kept failing to meet the total expenses, it became apparent that either municipal golf at Eastmoreland had to cease and the land sold to pay the debts or some of the obligations of the course had to be temporarily suspended.

Eastmoreland course ran into difficulties in meeting payments on its public utility certificate indebtedness soon after they began to become due. The \$5,000 and accrued interest pay-



Table III

## ANNUAL COST

	<u>1923</u>	<u>1924</u>	<u>1925</u>	<u>1926</u>
Personal Services	\$22,601.76	\$21,775.08	\$18,378.44	\$19,816.04
Supplies	2,385.08	2,183.81	2,060.33	2,314.65
Supply Credits <sup>6</sup>		980.00	2,445.63	2,453.45
Material	1,057.31	692.49	112.74	1,232.32
Equipment	2,375.09	1,639.87	403.72	2,154.45
Repairs	249.55	884.92	571.04	677.93
Transportation		19.25	9.95	
Communication	164.32	76.12	148.30	193.44
Light, Heat & Power				169.76
Contingencies	100.00		96.08	
Fixed Charges	3,224.00	12,703.49	13,801.52	15,721.66
	<u>\$32,136.99</u>	<u>\$39,994.85</u>	<u>\$32,536.18</u>	<u>\$39,536.90</u>

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<sup>6</sup>The City of Portland has a rotary account which purchases stationary, stores, and shop equipment for all of the departments and utilities of the City. The utilities reimburse the rotary account by transferring funds from their income to the General Fund of the City. The credits here are from a similar central purchasing agency named the Golf Links Rotary Fund.

Table IV

## ANNUAL COST

	<u>1927</u>	<u>1928</u>	<u>1929</u>	<u>1930</u>
Personal Services	\$24,517.63	\$24,671.05	\$24,779.61	\$24,379.92
Supplies	2,410.17	4,087.34	4,023.04	3,455.82
Supply Credits	1,553.56	1,355.97	1,755.44	3,005.72
Material	1,513.19	532.93	920.09	1,143.22
Equipment	1,228.71	888.27	1,046.73	935.17
Repairs	642.71	427.54	633.23	1,243.41
Transportation	89.26	37.50	153.26	1,369.51
Communication	130.31	76.76	51.72	51.03
Light, Heat & Power	100.82	62.24	63.70	157.16
Janitorial Service	7.62	11.71	13.02	16.02
General Plant Service			88.80	
Contingencies		49.75		
Fixed Charges	20,781.39	19,829.22	17,359.18	16,117.21
Land Purchase	13.00	2,050.00		
Construction			49.72	633.66
	<hr/>	<hr/>	<hr/>	<hr/>
	\$49,886.25	\$51,333.34	\$47,461.71	\$48,607.41

Table V

## ANNUAL COST

	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>
Personal Services	\$21802.79	\$13633.97	\$ 9632.89	\$ 8147.09	\$10148.52
Supplies	1652.87	1239.58	1374.72	1044.23	740.45
Supply Credits	179.81				109.58
Material	534.04	333.47	756.20	440.10	549.72
Equipment	1202.63	312.34	176.84	742.24	104.74
Equip. Credits	4.42				
Repairs	335.49	610.04	216.38	151.83	269.95
Transportation	639.78		23.50		
Communication	21.61	11.65	16.65	16.75	14.00
Light, Heat & Power	243.24	192.04	153.23	153.03	88.23
Janitorial Service	22.14	10.65	4.60	13.09	9.53
General Plant Service			95.35		236.76
Contingencies	8.91	14.30	8.45		10.00
Fixed Charges	15095.87 <sup>7</sup>	12252.92 <sup>8</sup>	3148.23	3115.54	3300.33
	<u>\$41599.36</u>	<u>\$31632.14</u>	<u>\$15834.09</u>	<u>\$15820.95</u>	<u>\$15359.70</u>

<sup>7</sup>\$10,000 in public utility certificates were redeemed on July 1, 1932.

<sup>8</sup>\$10,000 in public utility certificates were redeemed on July 1, 1932.

Table VI

## RECAPITULATION OF ANNUAL COST

	<u>Personal Services</u>	<u>Operation &amp; Maintenance</u>	<u>Fixed Charges</u>	<u>Total</u>
1923	\$22,601.76	\$6,331.23	\$ 3,224.00	\$32,156.99
1924	21,775.03	4,516.23	12,703.49	39,094.75
1925	19,376.44	956.22	13,201.52	32,534.18
1926	19,816.04	4,299.10	15,721.66	39,836.80
1927	24,517.63	4,369.23	20,761.39	49,648.25 <sup>9</sup>
1928	24,671.05	4,733.07	19,239.22	51,333.34 <sup>10</sup>
1929	24,779.61	5,322.92	17,552.18	47,654.71
1930	24,379.92	6,110.23	16,117.21	46,607.41
1931	21,202.79	4,600.70	15,095.87	41,599.36
1932	13,653.97	2,758.25	15,252.92	31,665.14
1933	9,632.89	2,632.97	3,142.23	15,408.09
1934	6,147.09	2,500.32	3,113.64	11,761.05
1935	10,145.52	1,613.25	3,300.33	15,059.10
	<hr/>	<hr/>	<hr/>	<hr/>
	\$244,421.79	\$51,551.40	\$100,642.56	\$455,839.75

<sup>9</sup> This includes \$18 listed as land purchase.

<sup>10</sup> This includes \$2050 spent for the acreage acquired from the Wilson Dairy people.

ment due July 1, 1926 was met and likewise the \$10,000 and accrued interest in 1927. When the next \$10,000 and interest on the \$30,000 balance was due on July 1, 1928, the Eastmoreland golf fund had to have a loan of \$8,000 from the General Fund of the City. From this time until March 1933, when \$800 was borrowed from the Rose City golf fund, the Eastmoreland golf fund borrowed to meet its obligations. See Table VII for the record of recent borrowings. The \$10,000 worth of public utility certificates due for retirement July 1, 1933 had to be passed; for at this time, the Eastmoreland golf fund owed the General Fund \$24,000 and the Rose City golf fund \$8,500. Consequently, only the interest payment was made in 1933, 1934 and 1935 on the \$30,000 indebtedness remaining from the first issue of \$85,000 public utility certificates and the \$15,000 indebtedness remaining from the second issue of \$15,000.<sup>11</sup>

The City Council in December 1934 authorized an agreement to refund the \$45,000 indebtedness of Eastmoreland Municipal Golf Course. It was reported in the Morning Oregonian of December 20th that this was done as a result of the Commissioner of Finance's effort to make the golf course income meet expenses.<sup>12</sup>

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<sup>11</sup>To provide funds for meeting interest payments on the indebtedness of the municipal golf courses, Commissioner Clyde secured the establishment of a Golf Links Interest Fund. This was to be built up by the sale of the \$20 season tickets to the extent of \$2,730, ordinance No. 64973. On October 24, 1934, this fund was established to the extent of \$2,640, Ordinance No. 66309. It was discontinued at the end of 1934.

<sup>12</sup>Morning Oregonian, Portland, Oregon, December 20, 1934, p. 6.

Table VII

## RECORD OF BORROWING

	<u>General Fund</u>		<u>Rose City Golf Fund</u>	
	<u>Borr'd.</u>	<u>Pa. Back</u>	<u>Borr'd.</u>	<u>Pa. Back</u>
July 1928	\$8,000			
July 1929	9,000			
June 1930			\$8,000	
July 1932	8,500			
1932		\$1,500		
Mar. 1933			500	
July 1934				\$1,000
Dec. 1934				1,000
Dec. 1935	3,000 <sup>13</sup>			
Jan. 1936				400
Dec. 1936				1,000
Total	<u>\$29,500</u>	<u>\$1,500</u>	<u>\$8,500</u>	<u>\$3,400</u>
Balance				
Jan. '37	\$27,000		\$2,100	

<sup>13</sup> This was borrowed against time payments on the life certificate receipts. It was all cleared off in 1936, but there was a reissue. It is scheduled to be paid in October 1937.

On January 2, 1935, two issues of refunding public utility certificates were put out, one for \$30,000 and the other for \$15,000. The former was to be retired at the rate of \$2,000 per annum for four years beginning January 2, 1936, \$3,000 each year for six years beginning January 2, 1940, and \$4,000 on January 2, 1946. The \$15,000 issue was to be retired at the rate of \$1,000 per annum for seven years beginning January 2, 1936 and \$2,000 per annum for four years beginning January 2, 1943. At a time when other bonded indebtedness of the City was being refunded at  $4\frac{1}{2}\%$ , the former rate of interest, 6%, was attached to both issues; however they were made callable at the end of three years.

The diminishing attendance at Eastmoreland following 1931 afforded less and less income. Recent fiscal year attendance totals show this.

<u>Year</u>	<u>No. of Players</u>	<u>Year</u>	<u>No. of Players</u>
1931	126,143	1934	77,417
1932	86,196	1935	71,647
1933	64,704	1936	66,924

There has been barely enough income to pay personal service costs, operation and maintenance, and rent. As can be seen in the record of recent borrowings of the course, Table VII, \$2,000 of the \$8,500 owed to the Rose City golf fund was repaid in 1934. This left the treasury bare when the time for the first payment, January 2, 1936, of \$3,000 on the two refunding issues of public utility certificates was approaching. To provide funds for amortization of the debt and accrued interest for both Rose City and Eastmoreland, the City Council made provision, December 19, 1935,

for the sale of one hundred life certificates at \$100 apiece. Purchase of such a certificate entitled the holder to play golf on the municipal courses for the remainder of the holder's life. When this was passed, as an emergency ordinance, the members of the Council announced that it was a trial policy to determine the popular demand for golf at the municipal courses. It was further stated that the influence which the sale of the life certificates had on the business of the courses was to be observed. The exceptionally low price soon produced a sell-out, fifty applications being received in less than twenty-four hours after authorization.<sup>14</sup> The receipts from the sale of these were deposited in a special fund and later applied to the payment of the indebtedness and accrued interest. Eastmoreland received \$4,350.00 and Rose City, \$5,717.25 of the total receipts and accumulated interest. This was hardly an equitable division of the money because, as was to be expected, a larger part of the play by life certificate holders during 1936 was at Eastmoreland.<sup>15</sup> If the receipts had been distributed on this basis (excluding West Hills), approximately \$5544 would have gone to defray Eastmoreland's indebtedness, or \$1,194 more than what was applied.

As has been implied in foregoing references, Rose City Municipal Golf Course has had a financial experience almost entirely analogous to that of Eastmoreland. Annual income reached its

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<sup>14</sup>Oregon Journal, Portland, Oregon, December 20, 1936.

<sup>15</sup>Play by life members in 1936 was as follows: 7,033 at Eastmoreland; 6,239 at Rose City; and 632 at West Hills.



peak in 1930 of about \$55,000 to decline to about \$14,000 in 1933. The land occupied by the first nine holes was bought by the Park Bureau out of its four-tenths mill tax levy as a park site. To supplement the area of this, more land at a cost of \$66,771.14 was added in 1926. Payment was financed by the sale in 1927 of \$70,000 worth of public utility certificates bearing 6% interest. Small land additions that have been made since then were paid for out of green fees as also were improvements, maintenance and operation of the links and street and sewer assessments. A new clubhouse was mostly financed by a second issue of \$18,000 worth of public utility certificates in 1932. The amounts remaining from both of these issues, \$43,000 and \$15,000 respectively, were refunded in 1935 along with Eastmoreland's. The following tabulation and graph<sup>16</sup> of current income and expenses bear out the economic similarity of the experience of the two links.

#### Rose City Municipal Golf Course

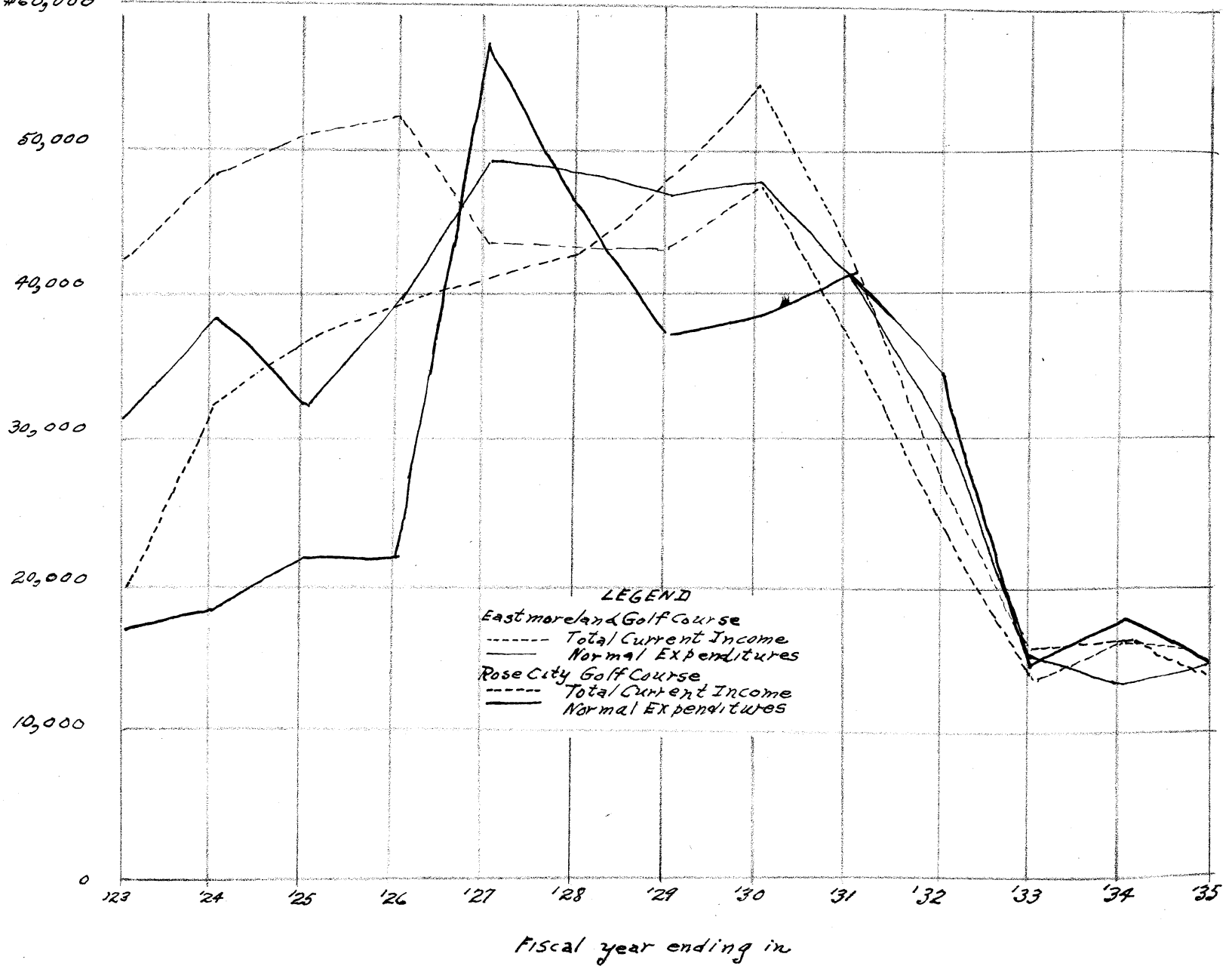
	<u>Total Income</u>	<u>Expenditure</u>	<u>Land Purchase</u>
1923	\$19,373.30	\$17,662.98	
1924	33,001.96	18,894.60	
1925	37,420.19	22,623.13	49.43
1926	59,334.24	22,236.79	66,771.14
1927	41,574.54	53,373.00	5,406.49
1928	43,246.15	46,490.52	512.00
1929	48,258.95	37,793.94	

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<sup>16</sup>All of the data in this graph, as is that in the foregoing tabulation, is drawn from the fiscal year reports of the Auditor of the City except for the Total Current Income of Eastmoreland for 1925 and subsequent years. It is based on calendar year totals as given in Tables I and II.

# CURRENT INCOME AND EXPENSES

Amount  
\$60,000



	<u>Total Income</u>	<u>Expenditure</u>	<u>Land Purchase</u>
1930	\$55,107.88	\$39,181.18	
1931	43,388.53	42,188.34	3,338.72
1932	27,249.17	35,153.44 <sup>17</sup>	100.20
1933	16,218.46	16,030.02	
1934	16,908.32	12,343.78	
1935	14,829.06	16,189.65	

The second debt payment of the two municipal golf courses, due January 2, 1937, was met by the sale of a second one hundred life certificates at the same price as before. The exact division of the revenue is not known, but it is supposedly on an equal basis between the two East-side courses. It was possible to pay \$1,000 more back to the Rose City golf fund in December 1936.

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<sup>17</sup>Exclusive of \$21,579.15 spent for construction of a clubhouse.

## THE PRESENT SITUATION

The Auditor of the City of Portland valued the land occupied by Eastmoreland Municipal Golf Course at \$162,500 in 1925. He listed the value of improvements at \$19,000. By 1935, the Auditor had increased his evaluation of the land to \$181,150 and the improvements by \$500. The emergency relief program acting under C. W. A., S. R. R. A. and W. P. A. has been responsible for about \$20,000 in improvements at Eastmoreland. It does not appear unreasonable to estimate the value of the golf course at approximately \$500,000.

There are four principal creditors for the debts of Eastmoreland. There remains outstanding \$39,000 worth of utility certificates. The General Fund of the City is owed \$27,000, and the Rose City golf fund, \$5,100. The final item is the accumulated unpaid water bills. The people of Portland decided that beginning in 1935 the instrumentalities of the City should pay for their water.<sup>1</sup> As the Water Bureau is an utility of the City, this action was quite right and proper according to the terms of charter defining the status of an utility. The Water Bureau installed the first water meter at Eastmoreland Golf Course in mid-January 1935. During that year, the course was assessed eleven cents per 100 cubic feet for the first 20,000 cubic feet of water

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<sup>1</sup>Referendum submitted to the people in November 1932.

used per month and eight cents per 100 cubic feet per month for all over 20,000 cubic feet. From about the beginning of 1934 to the present time, the same rates have prevailed with the exception that over 120,000 cubic feet of water is now charged for at the rate of five cents per cubic foot. Almost none of the different agencies of City which use water adopted the practice of paying for it until the fiscal year of 1937. The total amount charged against Eastmoreland golf course for water was \$8,625.82 as of November 13, 1936. The Water Bureau is also owed \$1,000 for pipe used for irrigating the fairways for the National Public Links Tournament.

#### RECAPITULATION OF INDEBTEDNESS

Public Utility Certificates	\$39,000
General Fund	27,000
Rose City Golf Fund	5,100
Water Bureau	8,625
Pipe	<u>1,000</u>
	\$80,725

From the following tabulation of costs for the first half of the fiscal year of 1936 (and the budget appropriations for 1937), several things are apparent. See Table VIII. One is that the total costs for 1936, including retirement of \$3,000 of utility certificates and payment of interest and excluding payment of water bill, will come to about \$18,500. This does not differ significantly from the preceding year (see Recapitulation of Annual Cost, Table VI). The personal service costs have been rising slowly since the low level reached in 1934,

# Table VIII

## ANNUAL COST

	<u>First half of 1936</u>	<u>Appropriation, 1937</u>
Personal Services	\$3,133.52	\$11,535.75
Supplies	196.93	1,380.00
Material	481.84	750.00
Equipment	14.80	1,125.00
Repairs	166.16	400.00
Transportation		25.00
Communication	14.45	25.00
Light, Heat & Power	82.83	120.00
Sanitorial Service	.27	10.00
Fixed Charges:		
Interest	1,350.00	2,520.00
Utility Certifs.	3,000.00	3,000.00
Rent	5.00	5.00
Insurance	51.17	450.00
Other F. C.		1,402.53
Water		10,270.32
	<hr/>	<hr/>
	\$8,346.68	\$33,163.62

although they probably were higher in 1936 than in 1935 despite the exceptionally low amount shown for the first half of 1936. See Table IX. This is because the City employees were granted a 50% restoration beginning July 1, 1936 of the pay reduction which they took in the fiscal year of 1935.

The operation and maintenance costs, exclusive of fixed charges, have been maintained at the rock bottom level of 1935. The purchases of supplies, material and equipment in the last three years have been slight.

The principal items in the fixed charges costs for 1935 were insurance (\$660) and interest on utility certificates (\$2,512.50). The insurance costs for 1936 were somewhat less, but the retiring of \$3,000 of utility certificates on January 2nd along with \$3,700 interest caused a total increase. Another payment of \$3,000 for reduction of indebtedness and \$2220 interest was made January 2, 1937. The total payments on the public utility certificate indebtedness and interest for the next three years should be, \$5,340 in 1938, \$5,160 in 1939 and \$5020 in 1940.

The patronage of the course has been gradually diminishing; yet to gain more revenue the City Council, November 18, 1936, made the green fees 30¢ for nine holes on week days and 35¢ for Saturday afternoons and Sundays. The season ticket was abolished to be restored again, January 14, 1937, at a price of \$30. It is questionable whether this action may not cause such a further falling off of patronage that total revenue will be still more reduced.

**Table IX**  
**PERSONAL SERVICE COSTS**  
(in dollars)

	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937 Estimate</u>	<u>Total</u>
	No. Pay	No. Pay	No. Pay	No. Pay	No. Pay Mo.	Mo.
Asst. Supt.	1 2400 <sup>3</sup>					
Arboriculturist	1 2800 <sup>3</sup>	1 2800 <sup>3</sup>	1 2800 <sup>3</sup>	1 3640.00	1 270.00	1 mo. 270.00
Caddy Master	1 1250	1 1250	1 1250	1 1665.12	1 138.76	Full 1665.12
do	1 1275	1 1275			138.76	6 mo. 833.80
do	1				116.64	7 mo. 808.48
Park Keeper	1 1650	1 1650	1 1650	1 1665.12	1 138.76	Full 1665.12
Auto Compensation	100	100	100	100		100.00
Park Helpers	2 (4.25) <sup>4</sup>	2 (4.25) <sup>4</sup>	2 (4.25) <sup>4</sup>	2 (4.25) <sup>4</sup>	2	Full 2893.26
do	4 (4.00) <sup>4</sup>	4 (4.00) <sup>4</sup>	4 (4.00) <sup>4</sup>	4 (4.25) <sup>4</sup>	1 1/2	Full 2056.41
Power House	1 (4.50) <sup>4</sup>	1 (4.50) <sup>4</sup>	1 (4.50) <sup>4</sup>	1 (4.50) <sup>4</sup>	1	Full 1527.44

Only \$800 of this was paid by Eastmoreland Golf Course.

Only \$240 of this was paid by Eastmoreland Golf Course.

4 day per day.



#### IV

#### CONCLUSIONS AND RECOMMENDATIONS

The basic fact from which come all of the conclusions and recommendations for Eastmoreland municipal golf course is that a municipal golf course can no longer be considered an utility. At one time, it may have been reasonable, as well as expedient, to assume that public operation of a golf links should be on a utility basis. When golf was first becoming a popular sport, it was commonly regarded as a rich man's game. Many people then looked upon golf as polo is regarded today, an expensive sport in which only a favored few could engage. Today and for many years, this has not been the case. Golf is now, partly through the agency of municipal course leadership, a sport which is economically available to those who desire to engage in some form of physical recreation.

The question naturally arises as to whether governmental units, such as a municipality, should provide recreational facilities for the public. The continued maintenance and popular esteem for the wonderful recreational opportunities which the people of Portland enjoy through the Bureau of Parks conclusively answers this question. The people of Portland desire tax supported parks, swimming tanks, tennis courts, etc. The recent presidential election (1936) has surely indicated a decided expression of popular belief that government is a proper agency for conducting all types of work for general public welfare.

It would be difficult to convince an unprejudiced observer

that the cost of the Bureau of Parks has been out of proportion to the many benefits and public services which are conferred under its direction. A summary of cost for the five year period 1931-1935 and the budget appropriation for 1937 shows how low the costs have been. See Table X.

Municipal golf in Portland has performed its most valuable service in providing inexpensive links for all who desired to play. But it has done more than this. Portland has achieved widespread renown as a city of beautiful homes. It does not have the large industries and manufactures which attract population and capital, but it does have a most favorable geographic location. This natural beauty can be cultivated or destroyed. The municipal golf courses have been of major influence in preserving the attractions which Portland has to offer. Lovely homes have been built in areas adjacent to the golf courses soon after their construction. One has but to look at the many beautiful residences in Rose City and Eastmoreland to appreciate the truth of this. These residences sprang up almost overnight after the construction of the municipal golf courses. Portland does have something to offer. It presents the opportunity for an attractive and pleasing home site.

If it is desired, the municipal golf courses, can be regarded as nothing other than creators and sustainers of property values. As such, alone, they have been an important asset to the city. They have served to attract the building of valuable residential districts which in turn have paid large sums in taxes into the City treasury. It is clearly evident that for more than

Table I

SUMMARY OF COSTS OF BUREAU OF PARKS

	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>	<u>1935</u>
Personal Service	274,453.78	274,052.81	222,730.63	192,234.43	214,720.61
Operation & Main.	51,637.03	53,051.15	31,517.53	29,554.40	31,173.47
Equipment	7,604.62	4,538.56	1,109.43	728.58	1,996.39
Special Approp.	11,216.30	11,946.01	3,136.07	1,901.50	3,006.31
	<hr/> 344,975.73	<hr/> 343,588.53	<hr/> 258,443.66	<hr/> 212,518.91	<hr/> 250,696.78

1937 Appropriation

Personal Service	234,061.15
Operation & Main.	29,062.50
Equipment	1,990.00
Special Approp.	1,400.00
	<hr/> 266,513.65

one reason the City should continue municipal golf.

If there is such a thing as a public utility, the Water Bureau is one; and because it is an utility, it should be operated as one. The intent of the people of Portland, as expressed in the charter provision providing for the acquisition of an utility and the positive vote on the referendum submitted to them in 1932, has been that the Water Bureau be financially independent and self-supporting. The City Council is obligated to continue to operate the Water Bureau as an utility. This clearly implies that other agencies of the City should pay for their water and that the City Council, as controllers of the finances of these other agencies and of the Water Bureau, should make suitable arrangements that they do pay.

This means that Eastmoreland Golf Course should pay for its water. Because other instrumentalities of the City have not met their just obligations, Eastmoreland is not thereby given carte blanche to do likewise. Undoubtedly, Eastmoreland is paying too high a rate for water to be used for irrigation purposes. If the Water Bureau cannot furnish water at lower costs, then the Park Bureau should pump it from the nearby lake. The clubhouse can continue to obtain its drinking water from the Water Bureau.

There is a far more sensible policy which could be pursued, however, than having Eastmoreland pump its own irrigating water. The Portland water system is owned by the taxpayers who are also the water consumers. It is entirely to their interest for the Water Bureau to market its water. If there were a limited supply,

then the golf links might more reasonably be compelled to pay the standard price or pump their own. But there is an abundance of water. With the Bear Creek project now complementing the Bull Run, a system at present supplying less than half a million people has enough water to meet the needs of a population of at least 800,000. The Water Bureau might just as well meet the annual cost, about \$1,000, of the independent pumping of water from the lake instead of letting the water flow over the dam. The taxpayer ought to get the financial assistance, small though it be, of an amount equal to the cost that Eastmoreland would have to pay for pumping its own water. This is the intelligent policy in view of the enormous supply which the water system of the City has at its disposal.

Actually, it would cost the water system almost nothing to supply the whole City park system and municipal golf courses. Of course, the cost of irrigating the City's properties can be taken out of the money raised by taxes on property. In that case, there would exist the wonderful situation of the taxpayers paying a higher property tax (or in the case of a municipal golf course, the golfer paying a higher green fee) in an attempt to avoid paying as much for water and the amortization of indebtedness incurred in constructing a system to get it.

Requiring the links to pay for its water, past and present, at the same time that it has insufficient income to meet operating expenses and fixed charges, sounds decidedly unrealistic. To do all of these is an obvious impossibility; however, there is a

very real need for something to be done about them. The solution logically follows from the fact already indicated, that, as golf is no longer an utility in fact but only as a legal fiction the City Council should abandon that outworn construction of the status of the municipal golf courses. From this, it follows that the amortization of present indebtedness for acquiring land for them should be included in the general tax budget. Because golf is a sport which requires more expense to maintain playing facilities than other sports provided for the public, it is not unreasonable to require the golfer to pay for the costs of operation. To make him also pay for the land and improvement assessments is unjust and unreasonable. The golfers at Eastmoreland have paid \$86,150 on a total of \$111,150 assessed them for the purchase of land; they have paid \$52,470 in interest payments on public utility certificates issued to acquire this land; \$26,000 for a clubhouse; and \$32,292.19 for street and sewer assessments for the period from 1923 to 1931 inclusive. The amount of investment and interest payments thereon can be seen in Table XI. The golfers have paid a large amount as their contribution toward acquiring this splendid links for the City of Portland. They have borne a lion's share of the burden. Now that the public attitude toward public recreation facilities has evolved to its present position, it is incumbent upon the public to carry on the expense of acquiring public property. The City should itself assume the refunding public certificate indebtedness of the municipal golf courses and operate them as a recreational unit

# II

## CAPITAL INVESTMENT

<u>Item</u>	<u>Amount</u>	<u>Paid by</u>
Original Subscription	\$ 4,000	Private donation, \$3,000; operation of properties, \$1,000.
Improvements in course, 1918 to 1923	56,000	City
Club-house	26,000	Golfers
Land, 1st <u>pine</u> , 56 acres	54,000	City
Clearing of land debt	13,500	Golfers
Land, eight-tenths acre	650	Golfers
Land, 2nd <u>pine</u> , 95 acres	68,000 <sup>1</sup>	Golfers
Land, 11 acres	6,000 <sup>2</sup>	Golfers
Street and sewer assessments, 1923 to 1931 inclusive	32,222	Golfers
Improvements in course, W.P.A. etc.	20,000	Federal Gov't.
	<u>\$260,442</u>	

<sup>1</sup>\$43,680 in interest has been paid on this indebtedness to date. There was \$26,000 of the principal outstanding as of January 2, 1937.

<sup>2</sup>\$6,220 in interest has been paid on this indebtedness to date. There was \$13,000 of the principal outstanding as of January 2, 1937.

under the direction of the Park Bureau.

More than ten acres of Eastmoreland Golf Course were diverted from golfing purposes in 1931 to the making of a small public park (Shakespearean Garden) within the links. The construction and operation of this project was carried on with the finances and under the direction of the Park Bureau. Needless to say, the City did not reimburse the Eastmoreland golf fund for this land. Here is a clear indication that, in policy, the City has recognized that municipal golf is only an utility in so far as it enables the City to make the golfer pay.

As a recreational unit of the Park Bureau, the green fees of the municipal courses could be manipulated by the City Council to serve as a yardstick for golf fees in this region. The City should not endeavor to compete vigorously with the public courses but rather to insure that there will always be some place for the large number of less well-to-do individuals to play golf. There is no reason to believe that Eastmoreland Golf Course cannot pay its entire cost of operation, including water, from the revenue derived from green fees. It can do this and at the same time protect the golfing public against unreasonable fees on the public courses.

The present members of the City Council are apparently imbued with the idea that the municipal golf courses should pay for their cost of operation and also for the purchase of land for golfing purposes. The present official in charge of them, Commissioner of Public Affairs, J. E. Bennett, to whom the Park



Bureau was transferred in November 1935, is endeavoring to secure these objectives.<sup>5</sup> While it has not been his fault that revenue has been at its decidedly low level, it is questionable whether the solution adopted to solve the financial crisis is very wise. The Council agreed to observe the effect of the sale of the first one hundred life certificates upon the business of the course. They evidently forgot this when they were faced with more debt and interest payments due January 2, 1937 and no money in the golf funds to meet them. In the face of a decrease in annual income at Eastmoreland of about \$2,000 (calendar year of 1936 compared with calendar year 1935), they sold one hundred more life certificates. Since this has been done, Commissioner Bennett has stated that he would like to sell at least fifty more. This is not very good business. The goose that lays the golden egg can be killed by such a policy. The operation and maintenance of the municipal golf courses, let alone the continuation of debt and interest payments, is dependent upon green fees for revenue; and the opportunity for income from green fees is being imperiled. Two or three hundred life certificates may have little detrimental effect; however, the sale of these establishes a policy for acquiring funds whenever a need appears urgent. The golfers who were not in a position to bid in on the 200 recently sold may

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<sup>5</sup>The Commissioner of Finance appears to be in full accord with this as he was reported to have declared on March 12, 1936: "When the municipal golf courses were in arrears \$1675.25 in meeting payrolls, that the golf courses should not be subsidized out of the General Fund by having the City make up their deficit. Morning Oregonian, Portland, Oregon, March 12, 1936."

reason that they should be as entitled to this extraordinarily inexpensive privilege as their predecessors. It is not inconceivable that, with pressure coming on the one hand from the City's need for money and on the other from the golfers, the sale of life certificates would become excessive. The Council may be forcing itself into adopting the proposals for financing advocated herein or of discontinuing municipal golf.