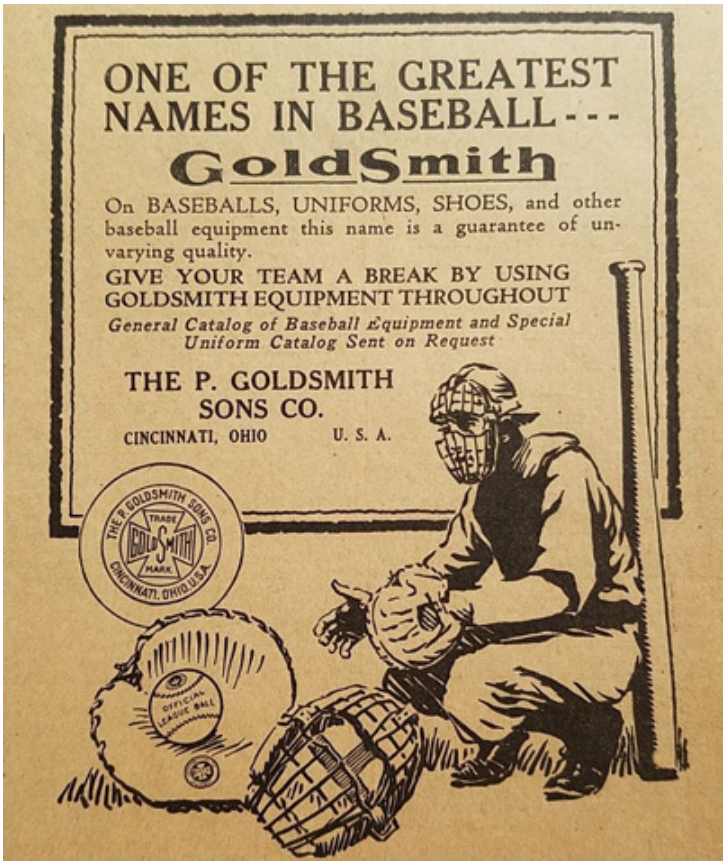
THE P. GOLDSMITH SONS CO.
CINCINNATI, OHIO, U.S.A.

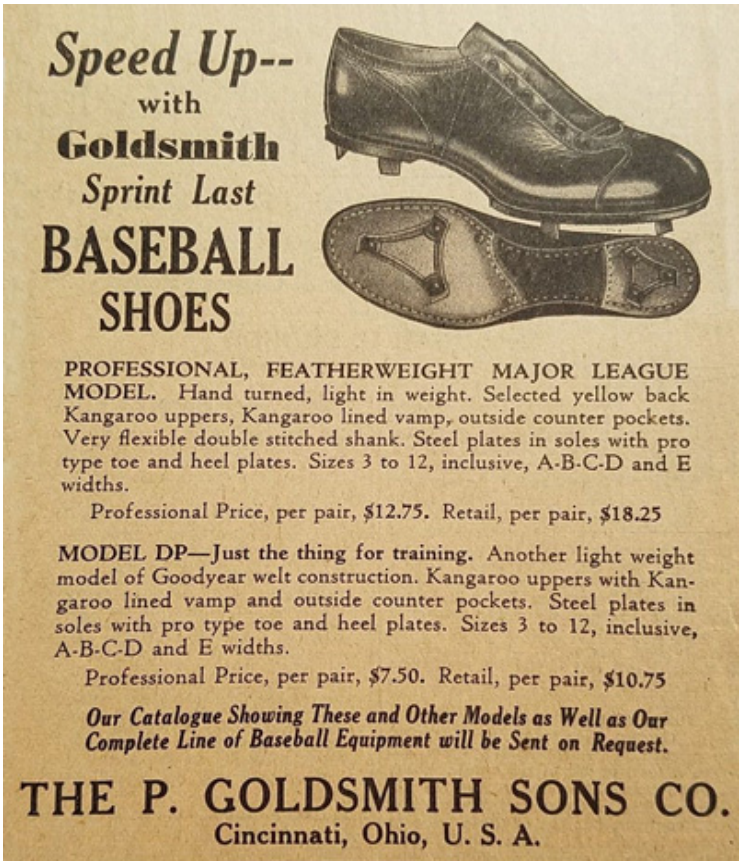
History of MacGregor 1829 To 1979 by Robert D. Rickey PDF

P. Goldsmith Sons Co. is a sporting goods & baseball glove manufacturer, founded by Philip Goldsmith. Philip Goldsmith was one of the earliest of entrepreneurs who became involved with the business side of baseball. Born in Austria, 1844, Goldsmith came to the United States in 1861 with only a few cents in his pockets. In 1875, Goldsmith started to manufacture the first handmade baseballs. At that time, baseballs were composed of a core of rubber, a layer of string, and a leather cover, Goldsmith invented and patented a specialized machine to wind the string. Workers then stitched on the leather covers by hand and the ball was inspected for roundness, weight, size and perfection of seams.

In 1885 Goldsmith was also making other kinds of sports equipment and had a national market for all his products. The company did well until Goldsmith passed away in 1894 – drowning during a family vacation in Wisconsin. Philips sons took over after his death, moved the company across the Ohio River to 1800 John St. Cincinnati, and continued to grow the business. They reorganized the business concentrating on the manufacture of baseballs and sporting goods. The firm's name was changed to P. Goldsmith Sons.

Especially Philips son Hugo turned out to be a manufacturing genius over the years with many patents to his credit. He stabilized a notoriously seasonal industry by carrying 700 different sports products for every season and sport, including baseball, boxing, football and tennis. In the throes of the Great Depression, P. Goldsmith Sons bought out two struggling sporting goods companies in 1936 & 1937, Draper Maynard and Crawford, McGregor & Canby Co.





A Cincinnati baseball company helped prisoners of war escape during World War II

P. Goldsmith Sons Co. from Cincinnati hid radios inside of baseball to communicate with American prisoners of war.

By: Marshall Kramsky wcpo.com

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CINCINNATI — Cincinnati is a baseball town. It's where the first professional big league team calls home.

In the early- to mid-1900s, there was one local brand that was the gold standard for making baseballs: P. Goldsmith Sons Co.

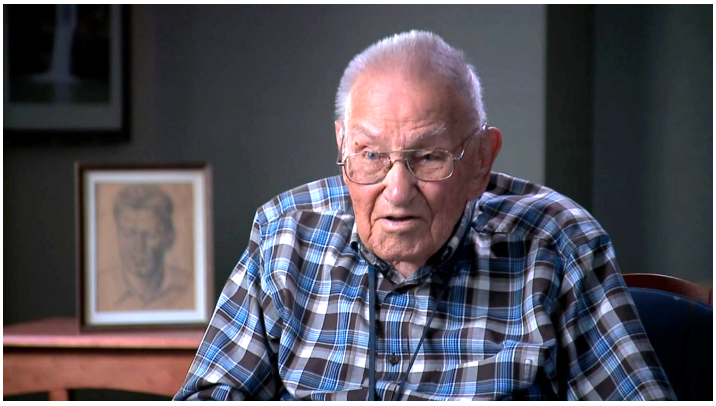
"There's not that many people that know the Goldsmith name," said Greg Koch, owner of Koch's Sporting Goods (established in 1888) in downtown Cincinnati.

While some may not remember the iconic name, Cody Hefner with the Cincinnati Museum said many might remember seeing it on an old glove, bat or baseball. Goldsmith developed the stitching found on baseballs today. Patented on March 7, 1876 in Covington, it was a technology that forever changed how baseballs are made.

But the company's impact wasn't just on the field. They transcended the game of baseball with their efforts during World War II.

World War II veteran 2nd Lieutenant Robert Doolan, now 105 years old, grew up in Price Hill. He was a navigator in the Army Air Corp during the war and in 1943, on his 13th mission, Doolan's plane was shot down over Holland.

"It destroyed the back of the ship, I got three little wounds," Doolan said.



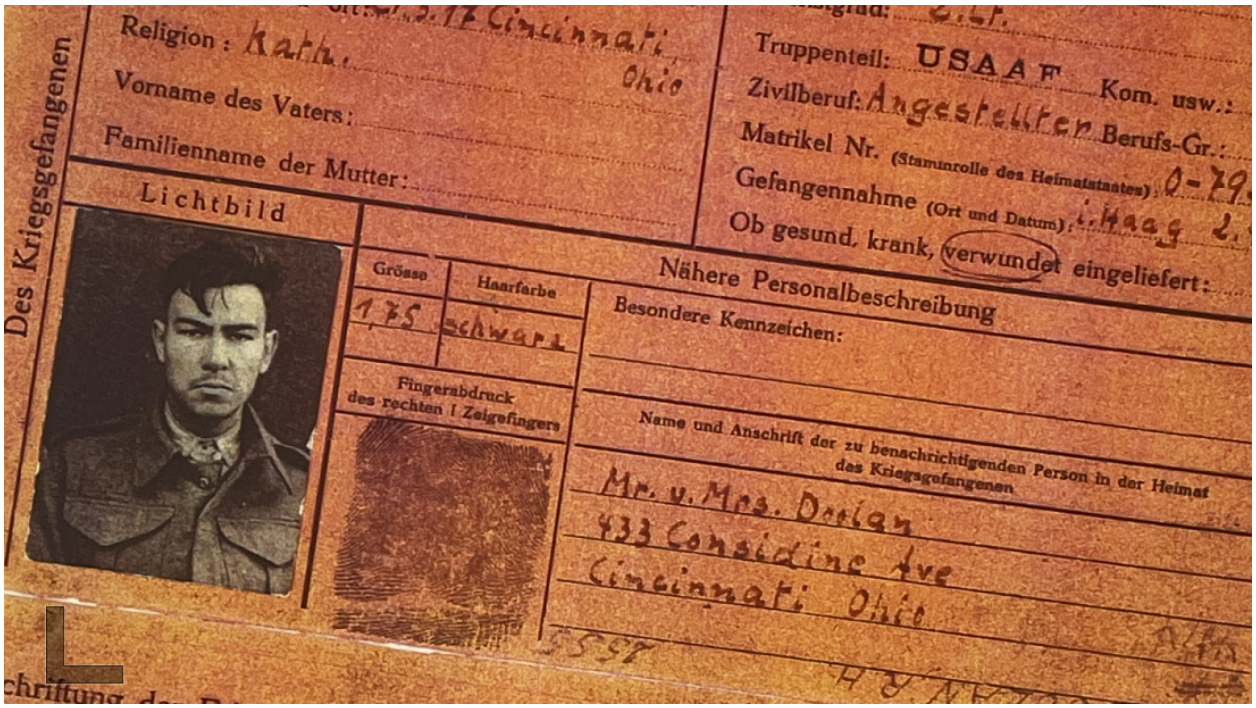
Ray Pfeffer
Bob Doolan

His B-17 plane landed in a Dutch field, and after evading the Gestapo on foot for almost three weeks, his luck ran out.

“Instantaneously, I’ve got six men on me, three Gestapo, and three Schutzstaffel," Doolan said. "Bang, bang, they threw handcuffs on me."

Doolan became a prisoner of war and was sent to Stalag Luft III.

“Which was a huge prisoner camp,” Doolan said.



Bob Doolan's prisoner of war card

Doolan’s memory of his time in Stalag Luft III is precise.

To pass the time during his 20 months as a prisoner of war, Doolan played soccer and baseball. The game was less important than the equipment: The baseballs came from Goldsmiths in Cincinnati. On the surface, they were a harmless way to keep American prisoners of war happy, but at its core, Goldsmith put radio parts in baseballs so they could communicate with the United States, Hefner said.

“We wanted some radio parts, and there was a little ball in the center. And that’s hollow,” Doolan said.

Cincinnati Museum Center
Goldsmith baseballs

Because of Goldsmith's top-notch reputation, the U.S. military asked the sporting goods company to replace the rubber core of the baseball with an aluminum capsule. Inside the capsule were ham radio parts. The baseballs were then regularly shipped to Stalag Luft III. Prisoners working in the mail room looked for a secret marking on their packaging.

"Dave Pollock from Cincinnati was one of the men that helped," Doolan said. "When he saw a package with the tax stamp tilted ... there was a map in there. He would manage to keep the Germans from opening that one."

Radios inside baseballs, along with playing cards with hidden maps, aided prisoners in communicating with the U.S. It was all a highly classified mission known as P.O. Box 1142, never spoken about publicly until 1990.

"Another writer discovered a lot of this stuff and published it and made the army very unhappy," Doolan said.

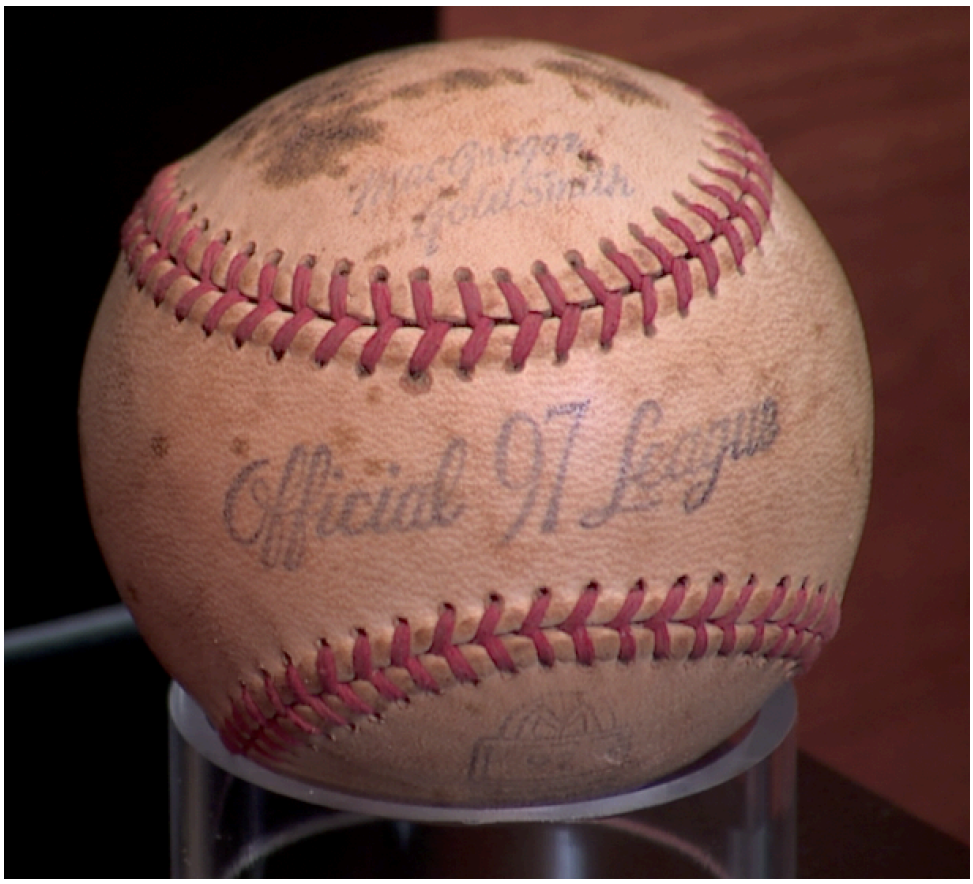
Although published, it was still a surprise even to the experts.

"It's unexpected to think that baseballs were used in that way," Hefner said. "And to think that happened right here in your own backyard."

“I had no idea that was going on,” Koch said.

With the help of companies like Goldsmith, Stalag Luft III went on to be known as The Great Escape camp. Bob Doolan never escaped, but he was liberated after 20 months by the allied forces.

From Cincinnati to Nazi Germany: America’s pastime helped save America’s future.



Ray Pfeffer
Goldsmith's baseball

GoldSmith, MacGregor GoldSmith, and MacGregor

https://mlbcollectors.com/capmakers.php

Philip Goldsmith immigrated to the United States from Austria in 1861. In 1869, He opened a toy store iIn Covington, KY where he bought toy dolls from Wolf Fletcher, owner of a small manufacturing and repair shop. In 1875 Goldsmith closed his business and became partners with Fletcher in his manufacturing operation. During slack times, Fletcher was in the habit of hand making baseballs from left over materials to make ends meet. They patented a baseball winding machine in 1876 and began to expand their sporting goods business. The partnership ended in 1878 with each starting their own competing businesses just blocks apart. Goldsmith continued to make dolls, baseballs and other athletic goods and became highly successful. His business went through a few name changes and locations in Covington, but was known as P.Goldsmith & Co. by 1890. Philip's sons Oscar and Alfred became partners in the business in 1893, and a year later Philip died by drowning . The sons carried on with the sporting goods business and eliminated doll manufacturing. Alfred soon sold his partnership interest to another brother, Edgar. Their youngest brother, Hugo became a partner in 1906, the business name changed to P. Goldsmith & Sons Co., and they moved to a larger facility across the river in Cincinnati.

GoldSmith & Sons tried mightily to get into the uniform market in the early 1900's and 1910's. They did become a presence in the evolving baseball glove market. Hugo turned out to be a manufacturing genius with many patents to his credit. He stabilized a notoriously seasonal industry by carrying 700 different products for every season and sport. In the throes of the Great Depression he bought out two struggling sporting goods companies, Draper Maynard and in 1936, Crawford McGregor & Canby Co. which made the popular MacGregor golf clubs and equipment. Attempting to boost their small share of the baseball market, in 1946 GoldSmith added the prestigious MacGregor name to their products and became known as MacGregor GoldSmith. The 1940's was the peak of their cap making for major league teams. By 1953 the GoldSmith name was dropped entirely and the company was simply called MacGregor. By the end of the 1950's, no MLB teams were using their caps; MacGregor jerseys remained popular into the 1960's. MacGregor-labeled caps re-appeared on MLB fields again briefly, when they acquired Sports Specialties in 1986 before selling it in 1987 (see below).

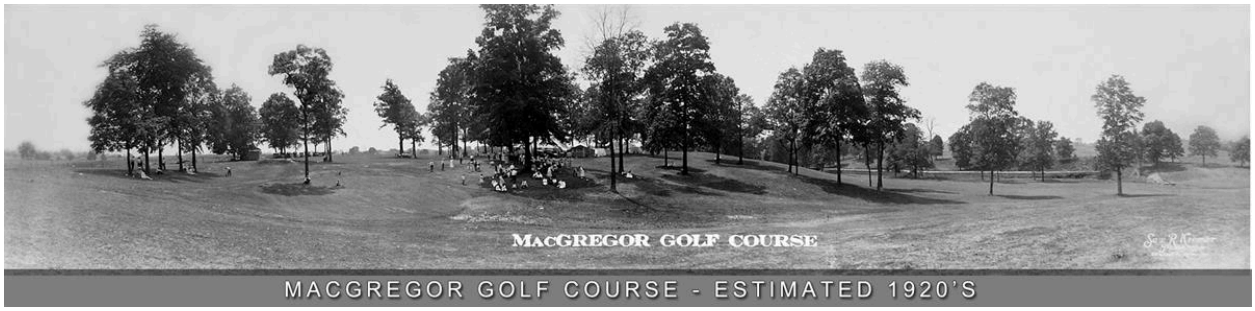
Sports Specialties, MacGregor and Nike

Founded in 1928 by David Warsaw, Sports Specialties Corporation was the first company to make products under license from a pro sports team (Chicago Cubs) and is the inventor of the bobble-head doll. By the 1960's Sports Specialties was the world's leading licensed sports headwear company. Sports Specialties became an official licensee for MLB caps in 1984 supplying their wool caps, "The Pro". These were mostly manufactured by the Young An Hat Company in Korea and are recognizable by their thick wool, flat embroidery, and short, square visors. Some were made in the USA at a plant in Winslow, AZ. In 1986 Sports Specialties and New Era were granted co-exclusive licensing for MLB caps (under the "Diamond Collection" label), making them the only two makers of on-field caps. More than half the MLB teams used Sports Specialties caps from the mid 1980's through 1993 (Baltimore, Boston, Chicago Cubs, Cincinnati, Colorado, Detroit, Florida, Houston, Milwaukee, Minnesota, NY Mets, Oakland, Philadelphia, San Diego, San Francisco, St. Louis, Texas are the ones I've seen). But Sports

Specialties never gained much of a following with MLB teams, and in 1994 New Era won an exclusive license to supply on-field caps to all MLB teams. Sports Specialties continued making MLB caps for several years for retail only, which were now 80% acrylic and without an MLB label inside or the batterman logo on the back.

Sports Specialties was bought by MacGregor Sporting Goods Inc. in 1986, sold to the Oppenheimer-Palmieri Fund L.P. in 1987, and then to Nike in 1992. They left the MLB cap market at the end of the 90s, but rumor has it Nike is interested in the MLB contract once New Era's exclusive license expires after 2014.

THE DEMISE OF MACGREGOR GOLF



MACGREGOR GOLF COURSE - ESTIMATED 1920'S

History's Mysteries: MacGregor Golf

Wilson Staff famously touts more majors won than any other brand. Their total of 62 is mostly frontloaded but it is an impressive number.
But did you know MacGregor is No. 2 with 59?

MacGregor's history dates all the way back to 1829. That's when English immigrants and expert wood craftsmen Archibald and Ziba Crawford founded the Dayton Last Company in Dayton, Ohio. A last is a wooden, foot-shaped form used in shoe manufacturing and repair and the Crawfords made good ones. They were also quite innovative, developing a unique lathe that could make lasts faster and more precisely. That lathe would later play a huge role in golf history.

From Shoes to Golf

The Crawford heirs eventually brought in two new partners to their company: John McGregor (note the spelling) in 1875 and Edward Canby in 1886 to eventually form the Crawford, McGregor and Canby Company. McGregor was a Scottish immigrant from St Andrews and a hardcore golfer. He eventually got Canby hooked on the game, setting the wheels in motion. In 1897, Crawford, McGregor and Canby introduced its first golf club—a wood made using the Crawford lathe.

By 1910, Crawford, McGregor and Canby had become a major force in golf as well as the world's largest shoe last maker. In fact, the company was exporting more than 100,000 clubs a year to the U.K. By the Roaring '20s, golf blew past shoe lasts in revenue. And by the end of the decade, Archibald and Ziba's company had made its last shoe last.

The Market Changes

By 1927, retail golf sales exceeded pro shop sales for the very first time. Crawford, McGregor and Canby went all in, mass-producing low-cost, high-profit clubs. Record sales and profits followed and everything was looking rosy.

Until the Great Depression.

By 1932, the bottom had dropped out of retail and, by 1934, Crawford, McGregor and Canby was facing bankruptcy. Edward Canby died and the company went up for sale. Chief competitor Wilson put in a bid but the company was ultimately sold to sporting goods giant Goldsmith. A new management team was brought in, headed up by Clarence Rickey (cousin of Branch Rickey, who would later break baseball's color barrier by signing Jackie Robinson).

Rickey's team officially renamed and re-spelled the company "MacGregor." The reason was simple. The Depression wiped out retail but club pros were still moving product. Most of those pros were Scottish immigrants and "MacGregor", quite simply, sounded more Scottish. One Scotsman, in particular, was in Rickey's crosshairs: Medinah head professional Tommy Armour.

Rickey knew Armour from Medinah and from his days with the Burke Golf Company in Chicago. Their partnership would produce the very first Tommy Armour Silver Scot irons. And just to show history has a sense of humor, decades later Burke would morph, ironically, into the Tommy Armour Company.

MacGregor Goes KA-BOOM!

With Armour and his assistant, Toney Penna, onboard, MacGregor soon exploded. Penna played MacGregor clubs on the PGA TOUR and recruited other Tour players to join him. He hit the jackpot in 1939 when he signed Jimmy Demaret, Byron Nelson and Ben Hogan.

After World War Two, MacGregor moved from Dayton to Cincinnati. Tommy Armour was the game's top-selling pro club while Nelson, Hogan, Demaret and LPGA original Louise Suggs all had their names on MacGregor clubs. From 1947 through 1960, more touring pros used MacGregor clubs and balls than all others combined.

In 1950, MacGregor introduced the Penna-designed MT irons. As a designer, Penna was ahead of his time. His MT irons were compact blades with a relatively thick topline. They featured a very low CG and—prepare to be outraged—jacked lofts. They were so popular that MacGregor had to stop making tennis equipment to free up more space for golf club production.

Other MacGregor firsts during the 1950s: Oversized Eye-O-Matic woods with tri-colored inserts, Colorkrom irons with a copper face, the Pro-Pel shaft, colorful kangaroo leather bags and shoes and the first all-weather rubber and cord grip.

Brunswick, Jack and the Beginning of the End

In 1958, MacGregor was sold to bowling giant Brunswick. Owner Ted Bensginer made a killing when he developed the first automatic pinsetter and started buying up companies to grow his empire.

One of the new ownership's first moves was to shift golf production out of Cincinnati and away from its labor unions to Albany, Ga. Golf ball, basketball and football manufacturing was moved to Covington, Ga. While the move did quadruple production capacity, it also required an entirely new workforce.

The first few years under Brunswick were a mess. A new accounting system nearly killed the company, causing $12 million in losses in just three months. Salespeople saw their pay structure changed, prompting many to leave MacGregor for Acushnet.

The ship eventually stopped rocking long enough for MacGregor to sign Jack Nicklaus in 1962 to one of the first big-money equipment deals in golf: a staggering $100,000 for five years.

MacGregor had the hottest new golfer on the planet in its stable of professionals. With Jack about to embark on the greatest run of golf ever, MacGregor should have been sitting pretty. In truth, however, MacGregor was sitting on a house of cards.

The Not-So-Swingin' 60s

"Those who cannot remember the past are doomed to repeat it." Philosopher George Santayana

As far as decades go, the '60s were not all that kind to golf. Over-production was an industry-wide problem and, in 1964, MacGregor was forced to liquidate 50 percent of that year's product. The equipment glut led to the birth of off-course discount golf

retailers. Those retailers would scoop up excess inventory at a bargain and sell it for less than club pros could buy it for.

As it did in 1927, MacGregor dove headfirst into retail. And, just as in 1927, club pros were understandably pissed. MacGregor's pro shop gear was all custom made and of higher quality than the retail stuff but average golfers only saw the 25-percent premium.

At the same time, Karsten Solheim was making investment casting a thing. It was faster, easier, less expensive and made perimeter weighting doable. Penna, in fact, brought up the idea of investment casting in the '50s but management dismissed the idea. Frustrated, Penna eventually left MacGregor to start his own company.

Moreover, Brunswick's schizophrenic management style was taking its toll. At one point, MacGregor had five different presidents during an 18-month span. The company also struggled with quality issues at the new Albany plant, issues that would plague the company on and off for the rest of its existence.

The Ownership Carousel

In 1978, Brunswick sold MacGregor to the Wickes Corporation. Wickes was a world leader in lumber sales and owned Snyder Drug and Red Owl supermarkets. Several of Wickes's top brass were golf nuts so MacGregor seemed like the perfect toy.

Unfortunately, Wickes was swimming in debt. In April of 1982, Wickes sold the company to Nicklaus and Wickes VP Clark Johnson. Thirty days later, Wickes filed for Chapter 11, at the time the largest bankruptcy filing in U.S. history.

Nicklaus had been heavily involved in MacGregor throughout the '70s. He brought Jack Wullkotte, his personal club maker, back from Toney Penna in '74 to oversee operations and he hired David Graham as chief designer. Together, they designed the VIP irons, which Graham used to win his two majors, and the Jack Nicklaus Limited Edition irons. Jack won two majors with those.

Clay Long was also part of the MacGregor team during those years. Chi Chi Rodriguez used Long's oversized CG-1800 irons to win a bunch of Senior Tour events. And Long is best known for the Response ZT putter Jack used to win the '86 Masters. The company figured it might sell about 6,000 Response ZTs but, by noon the day after the Masters, MacGregor had orders for 5,000. The company sold 150,000 the first year and 350,000 over three years. It was the single biggest seller in MacGregor history.

Amer and Irrelevance

MacGregor was making money again but Jack's golf course business was in a jam. Specifically, the St. Andrews project in New York was becoming a money pit and Jack needed cash fast. So, in 1988, he sold 80 percent of MacGregor to the Amer Group from Finland for $8 million—the same Amer that would also buy Wilson Sporting Goods. Three years later, fed up with what he felt was lousy retail product, Jack sold his last 20 percent to Amer.

Amer's stewardship of MacGregor didn't make it through the '90s. There was talk of folding MacGregor into Wilson but, in 1996, Amer sold MacGregor to Masters International Ltd. for $20 million. Two years later, Masters sold MacGregor to business maverick Barry Schneider for $42 million.

To his credit, Schneider made sweeping and long overdue changes. He phased out low-end lines, which accounted for millions in revenue, and focused on returning to MacGregor's forged premium roots.

"I don't want to be the biggest, just the best," he was quoted as saying at the time.

Schneider and The Shark

The Schneider years were a roller coaster for MacGregor. Big TV ad campaigns alternated with big cutbacks. Message and marketing consistency was long gone as MacGregor ran through eight ad agencies in 15 years. Schneider tried dumping the company in 2000 but found no takers. Two years later, he went all in again with a $10-million ad budget, in-store marketing, college team sponsorships and more than 1,200 demo days nationwide.

*In 2003 Schneider brought Bobby Grace Putters into the fold and, by 2006, **the company thought it had found its savior in Greg Norman**. Even when the Shark was under contract with Cobra, he had MacGregor's legendary Don White grind his irons for him. Within two years, Schneider was out and Norman was named chairman of the board.*

"I underestimated the strength of existing brands in a consolidating industry," Schneider said at the time.
Norman had big plans for a turnaround, dumping the low-end MacTec line and reviving MT irons. And there were plans to resurrect the VIP line in 2009. Unfortunately, the real world intervened in the form of a near-global financial collapse. By spring, the writing was on the wall. The chairman jumped overboard and signed a deal with TaylorMade. And in yet another example of the cosmos having a sense of humor, the former Goldsmith-MacGregor company was sold to golf retailer Golfsmith for less than $2 million.

The 112-year-old industry icon was now a store brand.

Golfsmith To DICK'S

"We have great respect for the history and tradition of the brand," said Golfsmith VP David Lowe in the May 22nd issue of Golf Digest. "We're going to make product that is consistent with its history."

*Golfsmith's heart was in the right place. It assigned R&D to its partner, Jeff Sheets Design. The result was one last gasp, **the 2010 MacGregor VIP forged cavity back**. A titanium driver with a 360 cup face and a series of hybrids, fairways, wedges and putters followed. But the die was cast. MacGregor was a store brand and real golfers don't buy store brands.*

Golfsmith filed for bankruptcy in 2016. Ultimately, DICK'S Sporting Goods snapped up all its assets.

Where does that leave the MacGregor brand? That's a good question and one we posed to David Michaels, DICK'S Senior Manager of Business Development. His answer was simple and straightforward.

"I'm not sure of the current situation of that brand."

As John Cleese might say, this is a dead parrot.

What Killed MacGregor?

As with most business failures, you have the usual suspects: scattershot ownership, rudderless management, late-to-the-party innovation and ineffective marketing. Take your pick. They're all valid. But the real reason is much simpler.

All businesses ebb and flow but the ones that last constantly challenge themselves by asking, "What business are we really in?" Seems simple enough but it's an easy

question to get wrong. MacGregor thought it was in the business of getting people to buy the golf equipment it made. However, it was most successful when Penna and company were developing golf equipment people wanted to buy.

There's a difference.

By the '90s, Callaway, TaylorMade and COBRA were making golf equipment people wanted to buy. They were new, exciting and innovative. MacGregor was viewed as being none of those. Even though it was the first company to design a driver using a computer in the early '90s, people stayed away in droves.

"They were using something called the Cray Computer," says Bob Winskowicz, founder of SQAIRZ golf shoes and a regional sales manager for MacGregor during the Amer years. "It analyzed what happened when the ball and club met at impact. What they saw was the clubhead expanding significantly and the ball compressing to about half its size."

MacGregor used that information to develop the Mad Mac.

"It had these gears on the top of the head and ribs at the bottom and they were connected internally," Winskowicz tells MyGolfSpy. "The computer showed stress points and those stress points meant a lack of energy being transferred to the ball. Fast forward to today and Callaway is marketing the same thing with Jailbreak. Their rib technology delivers more ball speed.
"MacGregor did this back in the '90s."

But, by then, it was too late.

History's Mysteries: Time Passages

"Those who fail to learn from history are doomed to repeat it." Winston Churchill

MacGregor Golf is dead and buried but a few folks do miss it. Every April through July, I screw around with new irons that catch my fancy, hoping to find a new magic bullet. But, like clockwork, August comes and I go back to my one true love: the 2002 MacGregor V-Foil VIPs. They remain MacGregor's last hurrah.

It's hard for 100-year-old brands to be thought of as innovative or cutting edge, even if they are. Once the market decides you're not innovative, you're not innovative. It's different now but in the 1950s through the 1990s, breakthrough innovation came from upstarts who had nothing to lose. Mainstays like MacGregor were too invested in the status quo. Their innovations wound up a day too late and a dollar too short. MacGregor's foray into metalwoods is a prime example. MacGregor owned the premium woods market from the Crawford Shoe Last days until 1988 when the first metalwoods showed up on Tour. Then it didn't. In just nine months, MacGregor's woods production dropped from 1,200 per day to 50 per week.

MacGregor did introduce golf's first cast titanium driver, the T-920, in 1992. That, however, came a full year after the force of nature that was the Big Bertha, so no one cared. Callaway didn't go full titanium until the Great Big Bertha in 1995. That year Callaway sold more than 250,000 GBBs. MacGregor sold only 2,500 T-920s.

Today, nearly all innovation comes from the big companies, simply because they have the R&D juice to do it. The New Age Ely Callaways of the world simply don't. You can debate whether that's a good thing but it certainly behooves the Big Five and the others to remember Santayana's and Churchill's warnings: Learn from the past or repeat it.

And remember what business you're really in.

History's Mysteries: Your Turn

We hope you enjoyed this installment of History's Mysteries and our take on MacGregor's downfall. Please let us know your recollections of MacGregor and, if you have any suggestions for future deep dives into golf's historic brands, clubs or events, please let us know.

(Note: The worldwide web has been a tremendous help in researching this article. For an even deeper dive, we recommend Robert Rickey's History of MacGregor: 1929 to 1979*, and Adam Schupack's seminal piece for* ***Golfweek.)***

Patent