

Outside the Lines

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SABR Business of Baseball Committee Newsletter

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Chairman's Note

Marvin Miller to Speak at SABR Convention in Cincinnati. Former MLBPA Executive Director Marvin Miller will be the keynote speaker at SABR's 34th annual convention, to be held July 15-18, 2004 at the Westin Hotel in downtown Cincinnati, Ohio. Make your hotel reservations now!

Have you renewed yet? If your 2004 SABR dues haven't been paid, this will be your last issue of *Outside the Lines*. You can renew through the SABR Website (<http://www.sabr.org>) or by contacting the SABR office at 800 Huron Road, Cleveland, OH 44115, 800-969-SABR.

General Managers Project. John Matthew, coordinator of the General Managers Project, would like to acknowledge the following contributions (some more recent than others): Andy McCue for the Dodgers, Randy Mudarri and Dave Vincent for the Red Sox, Dann Stupp for the Reds, Rodger Payne for the Royals, Philippe Cousineau for the Expos, Neal Traven for the Phillies, Charles Johnson for the Giants. If you have sent John information that is not included above, please contact him again to ensure that a) he really got it and b) that he can recognize them as well. John can be reached at john.matthew@rogers.com.

Evolution of the Front Office Project. Coordinator Liesl McCool submits this report: "As one would expect, preliminary research indicates that front office staff did not significantly increase until the last half of the 20th century. To begin with I'm trying to get a high level look at when the increases began and how they evolved. I could use some help with collecting lists of personnel from blue books at the beginning of each decade. This information will:

1. Show the trends of the increases in numbers of personnel by team, which will
2. Indicate if there were certain teams that "led the charge" in expanding their front offices.

If there were certain teams that did, those would be likely prospects to approach for more specific information." Liesl can be contacted at LMMcCool20@aol.com.

Ninth Annual Business of Baseball Committee Survey

With the Committee now boasting 280 members, we received a record number of responses to this year's survey from members and friends. Thanks to the 78 respondents: **Mark Armour, Roland Bassett, Leon Battista, Rob Bellamy, Joseph Brady, Gene Carney, Herbert Crehan, Joel Dinda, Neal Davis, Bill Dunstone, Matthew Ernst, Bill Felber, Edwin Fernandez, Sean Forman, Eugene Freedman, Steve Friedman, Vince Gennaro, Steve Gietschier, Bill Gilbert, Daniel Ginsburg, Darren Glass, Larry Grasso, Glenn Guzzo, John Hagemann, Michael Haupt, John Herson, Chris Isidore, Chris Kahrl, Jason Korczak, Sean Lahman, Brian Lepley, Ethan Lewis, Don Leypoldt, Jim Libbin, Jack Little, Thomas Love, Stephen Lyman, Brian Marshall, John Matthew, Andy McCue, John McMurray, John McLain, Michael McCullough, Joe Merrill, Herb Moss, Randy Mudarri, Anthony Nazzario, Gary Nelson, Ron Nelson, Dan Neman, Jim Overmyer, Nick Padgett, Mark Pankin, Doug Pappas, Mark Pattison, Mike Rice, Dave Rich, Dominic Rivers, Jeremy Roe, Christian Ruzich, Rick Salamon, Anthony Salazar, Alan Schwarz, Joe Sheehan, Shayna Sigman, Terry Sloope, Larry Taylor, John Tebo, Tim Thomas, Ted Turocy, Alain Usereau, Andrew Van Cleve, Jerry Wachs, Don Ward, Mike Webber, Paul White, John Wiegand and John Zajc.**

1. The MLBPA is investigating whether the owners have improperly colluded to reduce player salaries during the 2002-03 and 2003-04 offseasons. Which of the following statements best reflects your views?

- a. "The owners have colluded, and the players will be able to prove it." **6 votes**

b. "The owners have colluded, but cleverly enough that the players won't be able to prove it." **19 votes**

c. "The owners haven't colluded, but there's enough smoke that the MLBPA could persuade an arbitrator that they have." **19 votes**

d. "The owners haven't colluded, and the players won't be able to prove that they have." **25 votes**

e. Other **4 votes**

Jim Libbin: A. "The owners have colluded every other time. Will this time be any different?"

Terry Sloope: A. "Although I doubt the players will have to work very hard to get a favorable ruling."

Chris Isidore: B. "Owners are colluding (not as blatantly as last time but they're sharing bidding information) but the players won't be able to prove it. Last time the owners left the body and the murder weapon out in the open for everyone to see. This time both have been hidden better."

Mark Pattison: B. "The more 'restraint' owners show, the more restraint of trade I suspect."

Bill Felber: C. "The basic position of the players is as follows: If we don't get what we want, then it's reasonable to assume that we are being colluded against. They cannot accept a free market that works both ways, which I believe is what is in force at the moment. On the other hand, arbitrators can be capricious now and then. The owners' history in this regard also works against them, so an allegation, even if baseless, may be to an extent believable."

Dan Ginsburg: C. "I don't think the owners are unified enough to practice collusion, but a somewhat sluggish market may give the appearance that they have done so."

Stephen Lyman: C. "The owners have wised up to the high-risk, low-reward long term deals that have been given to veteran starting pitchers in the past. Furthermore, the economy as a whole has been down over the past few years, lessening the willingness of owners to spend more on player salaries. All that being said, I'm amazed that Vladimir Guerrero did not get a larger contract on the open market. This alone may appear a smoking gun to an arbitrator."

Mark Armour: D. "I think owners pay attention to what other owners are doing, and are wising up that good teams tend to be cost-conscious. Owners are finally waking up to the fact that 75% of the players are essentially replaceable."

Vince Gennaro: D. "The owners haven't colluded...they didn't need to as the new CBA is contributing to reduced salaries. The poorly designed revenue sharing program is a contributor. Its two major flaws are that it lowers the marginal revenue for each contributing team and it is based on actual revenues rather than the concept of revenue opportunity."

Andy McCue: D. "Of course, I said that back in the 1980s as well. I can't believe they've been that stupid. I think what we have seen is that the Players Association and the agents understood the CBA very quickly and the owners took years and years. Now they understand how non-tendering, releasing people after arbitration victories and other tactics can not only improve their individual positions, but lower the collective market as well."

Jerry Wachs: D. "Insurance companies will evidently no longer insure contracts over a 3-year length so management is offering contracts of that length or less."

Michael McCullough: E. "While I'm not inclined to believe that the owners have colluded and, instead, believe that the new CBA reshaped the playing field, I'm not absolutely convinced of this. It's hard to believe 30 formerly stupid owners all got wise at the same time. Nevertheless, even if they have colluded, I think the players won't be able to prove it without a smoking gun of the sort they got in the late 80s."

Shayna Sigman: E. "The owners have colluded and not very cleverly, but not stupidly enough for the players to be able to prove it. Proving collusion is *really* difficult."

2. Commissioner Selig credits the new collective bargaining agreement with improving competitive balance in Major League Baseball. Which of the following statements best reflects your views?

a. "Competitive balance wasn't a problem before the new CBA, and it's not a problem now." **28 votes**

b. "Competitive balance was a problem before, but is now less of a problem." **10.5 votes**

- c. "Competitive balance was a problem before, and is still just as much of a problem now."

34.5 votes

- d. "Competitive balance wasn't a problem before, but is becoming one as a result of the new

CBA." **3 votes**

- e. Other **1 vote**

Joel Dinda: A. "Our Buddy's just using 'competitive balance' as a smoke screen for his real agenda, which is costs."

Mark Pankin: A. "In the 1950s it was a real problem. Oakland and Texas show that team management is more important than the owner's pocketbook."

Mark Armour: B. "I think the problem has always been overstated, has taken focus away from bigger issues, and has been conveniently used as an excuse for poor management. Nonetheless, sharing some money makes it less of a problem than it was."

Rob Bellamy: C. "I know and agree with all the arguments that stupid management is more of a problem than revenue disparity. However, as the resident of a small market, there are problems of equity that the owners could fix."

John Herson: C. "Competitive balance is not a money problem but a brain power issue."

Sean Lahman: C. "If competitive balance is a goal of MLB, they have done a lousy job of achieving it. When some teams make the playoffs year after year (Yankees and Braves) while others have not been to the postseason for more than 20 years (Expos and Brewers), there is no competitive balance. Look at the NFL by contrast, where 26 of 32 teams have gone to the playoffs at least once in the last three years. We can debate whether the level of parity in the NFL is what we want in MLB, but even the most conservative definition of 'competitive balance' would be something MLB has not even approached."

Dominic Rivers: C. "This CBA is designed to punish the Yankees and/or limit spending more than improve competitive balance. It's a de facto salary cap."

Terry Sloop: C. "The issue is whether the teams can afford to keep (or are willing to spend money to keep) the good players they develop or sign on a long-term basis. Measuring competitive balance based on the narrow view of 'which teams we hadn't expected made the playoffs this year' misses the point. 'Can these "small market teams" be competitive year after year' seems to be a better measure of balance."

Mark Pattison: E. "The CBA did next to nothing in addressing competitive balance, which is affected by factors that can't even be touched upon in a labor contract."

3. How should home-field advantage for the World Series be determined?

- a. Former system: home field advantage alternates between the leagues **27 votes**
 b. New system: league that wins the All-Star Game gets home field advantage **9 votes**
 c. Team with better regular-season record gets home field advantage **34 votes**
 d. Coin flip **0 votes**
 e. Other **7 votes**

Brian Marshall: A. "The old system provides certainty in that teams can prepare their World Series tickets prior to the World Series with actual dates for home/road games. The current system is too dependent upon the actions taken in an All-Star Game that no one takes seriously, no matter how hard Fox tries to portray the contrary. While a better regular season would be better, since it supposedly rewards the better team, it does not adjust for having a team like the current Brewers in its division. Even worse, it prevents certainty for fans, who might not know when the games would be in their city until two days beforehand but would certainly be billed by their team for tickets to a fourth game that ultimately could not be played in their park."

Alan Schwarz: B. "I think it's fun, and more is being made of it than is truly necessary."

Thomas Love: B. "I don't buy the argument that the All-Star Game will be taken more seriously by the players as a result of this, but I do like that it puts some pressure on the managers to try to win the %\$#@ game."

John McMurray: C. "The only fair way to determine home field advantage for the World Series is to base it on a team's regular season performance. Why should any other method be used? A coin flip is

random. Alternating home field advantage between the leagues would allow for a team that had clearly been the best in baseball during the regular season -- such as the 1995 Cleveland Indians -- not to have home field advantage for the seventh game of the World Series. The All-Star Game solution is unsatisfactory because the result of an exhibition game shouldn't determine something of such importance."

Eugene Freedman: "Presuming interleague play is here to stay, league head-to-head records should determine the World Series home team. The All-Star game can count as five games toward the winner, or some other arbitrary, yet not determinative number of points."

Michael Hauptert: E. "Since the Cubs never make it to the World Series, I don't care."

Mark Pankin: E. "Either the team with the lower payroll gets it or the team with the greater improvement in wins in the regular season over the previous season gets it. The All-Star game can be used as a tie-breaker if needed."

4. Larry Lucchino of the Boston Red Sox blames the MLBPA for the collapse of a trade that would have sent Alex Rodriguez to the Red Sox. The MLBPA said that while Rodriguez could restructure his contract to reduce the amount of money due him in return for equivalent non-cash considerations, it would object to any deal which would reduce the value of Rodriguez' contract. Which of the following statements best reflects your views?

a. "Any player who wants to reduce the value of his contract should be allowed to do so. It's none of the MLBPA's business." **13 votes**

b. "The MLBPA has a reason for concern, but should have approved a reduction in this specific instance. A-Rod's was an exceptional situation where it was clear he wasn't being pressured into taking a cut." **28 votes**

c. "To protect the collective interest of all its members, the MLBPA has an obligation to ensure that all guaranteed contracts are paid in full, even if a particular player would be willing to renegotiate and take less." **34 votes**

d. Other (specify) **3 votes**

Dan Ginsburg: "A. Under the current system, owners can act against their interests, so there is no reason to prevent players from doing the same."

Michael Hauptert: A. "As long as the agreement doesn't violate the Basic Agreement (i.e., minimum salary, etc.) it should not be the MLBPA's concern. I find it interesting that the MLBPA enforces this issue, but does not come out against a player who holds out because he feels that the long term contract he signed last year is no longer sufficient."

Steve Friedman: B. "This is where the MLBPA can protect a player with reduced bargaining power, and does a valuable service to the players. In the Alex Rodriguez situation, the MLBPA does not protect him or other players in not allowing a restructuring, and has not assisted the players in a more vulnerable position."

John Tebo: B. "A-Rod should have been able to say 'I'll renegotiate to have the chance to go to Boston and have a fresh start.'"

Steve Gietschier: C. "It is not the MLBPA office's job to be popular or to help teams make trades."

Ethan Lewis: C. "I'm pretty much against restructuring of contracts in any way. If two responsible parties make an agreement, they should stick to it. The thing about a guarantee is that it is a guarantee. Once a player says 'I've made enough, you don't have to give me the rest,' the owners will all begin to pressure other players to give up some of what is coming to them. It would be a bad precedent."

Brian Lepley: D. "The issue should have been taken to arbitration with A-Rod on one side, the MLBPA on the other."

5. Where will the Expos play the majority of their 2005 home games?

a. Montreal **39.5 votes**

b. RFK Stadium, Washington, DC **21.5 votes**

c. Puerto Rico **5 votes**

d. Monterrey, Mexico **4 votes**

- e. Portland, Oregon **3 votes**
- f. Las Vegas, Nevada **2 votes**
- g. Other **3 votes**

Bill Felber: A. "On this issue, it's always wisest to bet on the side of inertia."

Stephen Lyman: B. "How could MLB not bring baseball back to the nation's capital as soon as possible? This is easily the most overlooked market in the country."

Mark Pankin: G. "Do not expect a majority in any one location. Will have approximately equal numbers of games in 3 or 4 cities, one of which will be Montreal, which will have more than any other so they can call it 'home.' The other two or three cities will be the highest bidders for the games."

6. Where will the Expos call home in 2007?
- a. Montreal **3 votes**
 - b. Washington, D.C. **17 votes**
 - c. Northern Virginia **29 votes**
 - d. Puerto Rico **1 vote**
 - e. Monterrey, Mexico **2 votes**
 - f. Portland, Oregon **6.5 votes**
 - g. Las Vegas, Nevada **3 votes**
 - h. Norfolk/Hampton Roads, Virginia **1 vote**
 - i. Charlotte, North Carolina **2.5 votes**
 - j. Other **1.5 votes**
 - k. Nowhere -- they will have been contracted after the 2006 season **8.5 votes**

Bill Gilbert: C. "Another team in the New York area makes the most sense."

Larry Grasso: C. "I'd like to believe Montreal, but I think even if a 'white knight' were to emerge with the financial wherewithal to re-establish what once was an excellent baseball market in Montreal (keeping players, privately financing a new stadium, and investing in marketing), I believe Selig would do everything in his power to prevent it."

Rod Nelson: J. "Milwaukee. Wendy Selig-Prieb has announced that the Milwaukee Brewers are 'for sale.' In light of the malfeasance I believe will be revealed when their books are examined and no buyer is found, the State of Wisconsin will force Major League Baseball to replace the Brewers franchise with an amalgam of their baseball holdings in receivership: Milwaukee, Montreal/San Juan/Monterrey, Pittsburgh, Denver and Tampa Bay."

Brian Marshall: K. "No city seems to be able to actually support a team and be willing to waste \$500,000,000 on a stadium that won't improve the local economy one bit. If the owners thought it was possible, they would have sold the Expos and kept 30 teams. Instead they will contract the Expos and Athletics and send the Brewers back to the American League, pushing Minnesota to the AL West, Colorado to the NL Central and Pittsburgh to the NL East."

Mark Pankin: K. "Most likely: Tampa Bay is also contracted, and Florida becomes a true state team by splitting their games between the Miami and Tampa areas and possible some in Orlando or Jacksonville if there is a suitable stadium. Possibly Tampa and Florida are allowed to combine in some way so they can keep the best players from both teams, but it is an NL club hoping to develop a good rivalry with the Braves. Brewers go back to the AL."

BONUS QUESTION: Testifying before Congress in November 2000, Commissioner Selig asserted, "At the start of spring training, there no longer exists hope and faith for the fans of more than half of our 30 clubs."

- a. Name the sixteen clubs LEAST likely to make the playoffs in 2004. (63 valid ballots were received. To be valid, a ballot had to name at least sixteen different clubs. A few voters had trouble counting to 16, and at least one listed the same team twice. No, it wasn't Detroit.)

63 votes: **Detroit**

62 votes: **Cincinnati, Pittsburgh, Tampa Bay**

61 votes:	Colorado, Texas
60 votes:	Milwaukee, New York Mets
59 votes:	Montreal
58 votes:	Baltimore, Cleveland
50 votes:	Toronto
49 votes:	San Diego
39 votes:	Arizona
34 votes:	Kansas City
32 votes:	Los Angeles
26 votes:	Chicago White Sox
25 votes:	St. Louis
23 votes:	Florida
22 votes:	Seattle
10 votes:	Anaheim
9 votes:	Atlanta
8 votes:	Minnesota
3 votes:	Oakland, San Francisco
2 votes:	New York Yankees, Philadelphia
1 vote:	Chicago Cubs
0 votes:	Boston, Houston

Alan Schwarz: "I'm going to skip this one, because some clubs have no hope and faith because they're stupid, not because they're poor. Mixing them in confuses what the Commissioner was talking about."

b. Of these clubs, identify the ones whose fans really should have "no hope and faith" of making the playoffs in 2004.

59 votes:	Detroit
57 votes:	Tampa Bay
53 votes:	Milwaukee
50 votes:	Pittsburgh
42 votes:	Cincinnati
39 votes:	Texas
33 votes:	Cleveland
32 votes:	Montreal
31 votes:	New York Mets
30 votes:	Colorado
22 votes:	San Diego
14 votes:	Baltimore
7 votes:	Toronto
5 votes:	Kansas City
4 votes:	Arizona, Los Angeles
1 vote:	Anaheim, Chicago White Sox, Florida, Oakland, Seattle
0 votes:	Atlanta, Boston, Chicago Cubs, Houston, Minnesota, New York Yankees, Philadelphia, St. Louis, San Francisco

John McMurray: "The teams that have 'no hope and faith' of making the playoffs in 2004 are primarily those which have difficulty re-signing their own free agents; which don't have the financial resources to attract new free agents consistently; or which are committed to rebuilding by developing young players."

The View from Japan, by Yoshihiro Koda

Following the agreement between the clubs and the players' union, all of the Japanese professional baseball clubs started their spring training on February 1. As in recent years, some players have left Japan to start their career in North America this coming spring.

On the other hand, some Japanese players who once played in North America have come back home to restart their career here. Former Seattle Mariner Kazuhiro Sasaki is one of them, and former New York Met Tsuyoshi Shinjo is another. Both of them are welcomed here.

Tsuyoshi Shinjo has joined Hokkaido Nippon-Ham Fighters. As I wrote here before, the Fighters will start their very first year at their new home in the northern city of Sapporo. This is an important season for the club following its move from Tokyo. Some articles report the club's efforts for developing its new market, others report how the local society welcomes the newcomer. And on TV, Shinjo is credited for helping to improve this situation.

Until last year, it was rare for TV to broadcast what happens at the Fighters' spring training. But this year, they are being covered as a front-line team, with the focus usually on Shinjo and his fans.

Fortunately, the strategy of the Fighters to date has been viewed as successful. But as it should be unnecessary to say, it is hard to keep fans' attention on the baseball club without the excitement of the game. From this point of view, I guess the Fighters may have new chances because of the new system introduced this season in the Pacific League.

Under this new system, the top three teams after six months of league competition can progress to the Pacific League championship games, competing for the right to progress to the Japan Series. Of course some oppose this system. I agree with the logic that it is unnatural for that a third-place team in league competition may progress to the Japan Series and meet against the leader of the Central League competition. But the Pacific League has made the decision already, so I think about the profit provided by the new system. I believe it may work to the benefit of the Fighters.

Notwithstanding the opposition, the new system may introduce more excitement into the pennant race by providing the chance for more teams to advance to the next stage. Since there are only six teams in the PL, half the clubs will have a chance to progress to the championship games. With the Fighters' new fans in Sapporo having a 50% chance of experiencing this situation in the very first year they have a local team to cheer for, the people of Sapporo may pay more attention to the Fighters..

I really expect the Fighters to succeed in Sapporo. The Fukuoka Daiei Hawks, another PL club, have enjoyed great success in the western city. If the Fighters can follow them in Sapporo, the Pacific League, the less popular league for a long time, can be a true nationwide league and may herald a new era.

I'm looking forward to the coming baseball season.

Book Review: "A Good Bet: David Pietrusza's Rothstein," by Don Leyboldt

Arnold Rothstein, much like David Pietrusza's excellent biography on his life and times, was many things. Although he primarily earned notoriety for fixing the 1919 World Series, he was also a realtor, racketeer, rum runner, drug lord and founder of organized crime in America. Likewise, the book is as much of a social history of the Underworld-Tammany Hall alliance that ran New York City in the Jazz Age as it is Rothstein's biography. The CASEY-award winning Pietrusza has produced an outstanding read, but SABR members should realize that this is not a "baseball book."

The Black Sox scandal comprises two and a half chapters in Rothstein. The book breaks from Eliot Asinof's Eight Men Out, the most famous account of the scandal, in several ways. Unlike Eight, Rothstein focuses little on the scandal's background, and much more on Rothstein's role in fixing the Series. Pietrusza writes:

"The Black Sox scandal . . . is a labyrinth of fixes, double-crosses, cover ups and a con so big it nearly ruined professional baseball. And manipulating it *all* was Arnold Rothstein.

Eliot Asinof's Eight Men Out, the standard history of the Black Sox fix, relates a far different tale-A.R. (Rothstein) is a mere latecomer to one portion of the fix, a mere bystander to the other."

(Pietrusza later comments: "Eight Men Out is such a well-written book that it is easy to gloss over the inconsistencies.")

Rothstein describes the machinations that created the fix and how Rothstein manipulated

gamblers to ensure that he would profit while others took the fall. The book is not sympathetic to the Black Sox. "On the Sox were men who would have stolen even if they were millionaires." Pietrusza interestingly points out that White Sox owner Charlie Comiskey was paying his players market value salaries, which contrasts the popular belief that Comiskey's stinginess caused the scandal. The book also implies that gambling on baseball was by no means limited to the Black Sox. Hal Chase and Heine Zimmerman were two marquee, non-Black Sox ballplayers who were banned from baseball by 1920 for fixing games. There are strong hints that other World Series in the 1910s were fixed as well.

The twenty non baseball chapters are well worth reading. They chronicle how Rothstein rebelled against his very religious father to rise from a small time gambler to New York's underworld king. They describe how Rothstein took ruffians like Meyer Lansky and Lucky Luciano under his wing and turned them into gang lords. They detail the intimate relationship and corruption among the New York City police force, the underworld and all-powerful Tammany Hall; and how reformers like Franklin Roosevelt and Thomas Dewey made their political name by bringing it down

Although this is not a baseball book per se, this intricate New York City web of power brokers entwined baseball. One example of these many webs surfaces in a 1925 bankruptcy hearing, which produces most of Rothstein's public commentary on the Black Sox scandal. The hearing addresses an insolvent Wall Street brokerage firm that Rothstein helped to fleece. One of the accomplices of the theft was long time Rothstein associate Charles Stoneham, who owned the New York Giants and whose family would continue to own them until 1976. Stoneham's manager was John McGraw, who co-owned a billiard parlor with Rothstein.

One of the drawbacks of the book is that it presents complex situations that involve many different people. Pietrusza smartly puts a description of "The Players in our Drama" in the front of the book, and the reader will refer to this constantly. Pietrusza also neatly ties up loose ends with an epilogue detailing the fates of the major characters. There are a lot of loose ends to tie. Rothstein dies 3/4ths the way through his biography; it takes Pietrusza almost 100 more pages to spell out the implications of Rothstein's murder, and present some other intriguing surprises.

Baseball fans tend to wax poetic over baseball's "yesteryear," when players seemingly played for the love of the game and not for salary. Though not the book's central theme, Rothstein reminds fans that baseball is first and foremost a money driven business; it always has been and always will be.