



Outside the Lines

A publication of the Society for American Baseball Research Business of Baseball Committee

October 19, 2008

Fall 2008

Frantic Frankie Lane

By Steve Treder
The Hardball Times

Frank Lane lived for nearly 85 years, and it would seem he needed every one of them to squeeze in all the things he did. Lane was, at various times, a professional baseball player, a professional football player, a professional football referee, a professional basketball referee, the general manager of an NBA team, a minor league baseball president, and an officer in the U.S. Navy.

But Lane gained his greatest fame as a major league baseball general manager, a position he held with five different franchises. None of the ball clubs he oversaw won a championship (although the first three all improved), but Lane was nonetheless an extraordinarily high-profile GM, and his notoriety was mainly a result of his extreme eagerness to conduct player trades. No other executive in the history of the sport

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A Look at Player Pay During the Integration Era

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Major League baseball players have historically been well paid relative to the average American salary. This is certainly obvious today, but it was also true of earlier periods. This article will focus on one of those periods: the integration era.

I define the integration era as the period from 1947, the year Jackie Robinson broke the color barrier, to 1959. In between, all sixteen MLB teams integrated their rosters, some more than others. The impact of

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Major League Baseball as Enron: The True Meaning of the Mitchell Report*

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On December 13, 2007, an event much anticipated in the world of Major League Baseball took place: the release of “The Mitchell Report.”¹ In it, former United States Senator George Mitchell, acting upon the request of MLB commissioner Bud Selig, identified dozens of other players who had taken steroids and other suspected performance-enhancing substances in violation of federal law over the past several years. Upon its release, baseball had, in the eyes of Selig, closed a chapter: the drug abusers – the outliers -- were identified, perhaps they would be reprimanded, and baseball had been cleansed. “This report is a call to action,” Selig said as he rose his right in-

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¹ George J. Mitchell, Report To The Commissioner of Baseball Of An Independent Investigation Into The Illegal Use Of Steroids And Other Performance Enhancing Substances By Players In Major League Baseball, December 13, 2007.

* Excerpted and modified from Mitchell Nathanson, *The Sovereign Nation of Baseball: Why Federal Law Does Not Apply to “America’s Game” And How It Got That Way*, 16 VILL. SPORTS. & ENT. J. (forthcoming Dec. 2008)

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was as enamored with trades as Frank Lane. He executed great clouds of trades, an all-time record 290 in all, and it was this trait that earned him the various nicknames of “Frantic Frankie,” “Trader Lane,” and “The Wheeler Dealer.”

The Long Road to GMhood

Lane was born in Cincinnati in 1896. The Ohio of his boyhood was the hotbed of the developing young sport of football, and as a young man Lane played professional football for several Ohio teams in the rough-and-tumble pre-NFL days. Quite the athlete, he played minor league baseball as well.

But he didn’t attain professional stardom in either sport. Soon the alert, intelligent, and profoundly energetic young man found a way to make a steadier living in the world of sports: he became a referee in football and basketball as well. In that profession Lane gained a reputation for excellence, and earned a steady living through the 1920s and into the ‘30s.

In this period, Lane also worked as a newspaperman—or perhaps he didn’t. In his later years Lane claimed to have once been a newspaperman, but in my research I’ve been unable to identify for what paper Lane worked, and in what capacity. While Lane certainly might have augmented his referee’s pay with newspaper work of some sort—sports journalism in that era didn’t exactly present high barriers to entry—it seems equally likely that this aspect of Lane’s early career was a nugget he adroitly made up, inventing it as a means of ingratiating himself with sportswriters. Such a tactic would be entirely in character for The Wheeler Dealer, who among his other talents would become quite skilled at managing his image in the press.

In any case, Lane developed a friendship with Larry MacPhail, the ebullient young GM of the Cincinnati Reds. In 1933 MacPhail hired the 37-year-old Lane to work as the Reds’ traveling secretary, while Lane continued to work in the autumn and winter as a basketball referee.

Lane displayed executive potential in this role, and in 1936 MacPhail promoted him to the GM role for one

of the organization’s minor league affiliates, the Durham Bulls of the Class-B Piedmont League. His performance there impressed MacPhail’s successor, Warren Giles, who hired Lane as his Assistant GM, a position Lane fulfilled from 1937 through 1941.

This would be an excitingly triumphant period for the Cincinnati franchise. A member of the National League since 1890, they’d won just a single pennant—in 1919, only to have that joy poisoned by the radiation from the Black Sox scandal. Most of the time the Reds had languished in the NL’s second division. Indeed in 1937, the season Lane assumed the Assistant GM role, the Reds finished last for the fifth time in the 1930s.

But the 1937 Reds featured key stars in catcher Ernie Lombardi and pitcher Paul Derringer. In the seasons immediately following, a cohort of younger talent would suddenly and simultaneously blossom under the calm, steady hand of manager Bill McKechnie. A series of well-crafted deals added key players—pitcher Bucky Walters in June 1938, third baseman Billy Werber in March 1939, pitcher Jim Turner in December 1939, and pitcher Joe Beggs in January 1940—and the Reds were overnight transformed into a contender in 1938 and a back-to-back pennant winner in 1939-40.

What role Lane played alongside Giles in the building of the roster and the crafting of the acquisitions isn’t clear. But it is evident that the Reds’ organization dramatically stepped into the limelight in these seasons. Lane, just a few years into his employment as a baseball executive, was making a name for himself in the industry.

From Cincinnati to Chicago

In December of 1941, the United States entered World War II. Lane was in his mid-40s, far too old for the draft, but that didn’t stop him from enlisting. The US Navy welcomed Lane and put his high-energy executive skills to use as an officer through 1945.

Upon his discharge at the war’s conclusion, Lane was hired by George Weiss, the Farm Director of the mighty New York Yankees organization. Weiss entrusted Lane with the GM job for the Yankee system’s

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flagship farm team, the Kansas City Blues of the triple-A American Association.

After just one season in Kansas City, the American Association itself hired Lane to serve as league President, a role he would fill for two years. This period was the heart of the postwar baseball boom, and Lane presided over record-setting American Association attendance and revenue, as the league sold more than 2.2 million tickets in 1947 and 2.36 in '48.

In September of 1948, Lane was hired by Charlie Comiskey II, owner of the Chicago White Sox, to be that organization's General Manager. Lane was 52 years old.

Chicago: 1948-49

To put it gently, the White Sox in 1948 were not a thriving operation. They'd never really recovered from the devastation of the Black Sox debacle that gutted their talent core in 1920. The White Sox hadn't finished better than third place since 1920 and had posted just seven winning records in those 28 seasons.

The 1948 edition of the White Sox finished in last place; indeed their 51-101 record was the worst in the major leagues. They were 13th among the 16 major league teams in attendance, and their rudimentary farm system had produced talent at a rank of 15th out of 16. Lane, shall we say, had his work cut out for him in building a contender in Chicago.

In a flamboyant style that would soon become his trademark, Lane acted quickly and boldly. His first move was to place every player on his 40-man roster on waivers. Lane would claim that only two of the 40 were claimed by other clubs (at which point Lane pulled them back); but as with many of Lane stories, this sounds dubious and its veracity is impossible to verify. Nevertheless, the stunt achieved three things: it attracted press attention to his ball club, it placed Lane himself squarely at the center of attention, and it established the Lane image as a fearless, take-no-prisoners man of action.

Next Lane got busy making actual trades. Before

Opening Day of 1949, the White Sox executed 10 deals involving 15 players. There was a pattern to the transactions, and it was to make the Chicago roster younger. The players Lane surrendered had an average age of 30.3 years, and those he acquired were just 26.5 years of age.

Two of the trades were significant, and turned out beautifully. On October 2, 1948, Lane sent 31-year-old journeyman southpaw Frank Papish to the Cleveland Indians in exchange for two prospect pitchers, 26-year-old Ernie Groth and 25-year-old Bob Kuzava. Groth wouldn't pan out, but Kuzava would establish himself as a solid performer while Papish was petering out. And on November 10, 1948, Lane traded 33-year-old first-string catcher Aaron Robinson to the Detroit Tigers for 21-year-old left-hander Billy Pierce and \$10,000 cash. Robinson would have only a few years left, while Pierce would develop into a first-tier ace, a decade-long star.

At Comiskey Park, for the 1949 season Lane installed a chain-link fence across the outfield, 20 feet inside the existing wall. In typical grandiose fashion, he dubbed it "Home Run Lane" and predicted that the White Sox would derive particular benefit from the goosed-up scoring. Nevertheless, after just eight home games (in which the Sox went 4-4), Lane ordered the new fence removed. In the seventh of those contests, the Washington Senators hit seven homers in defeating the White Sox 14-12 in 10 innings. In the next game light-hitting Chicago infielder Floyd Baker, who at 32 years old had never hit a major league home run, popped one over the wire in an 8-7 loss to the Senators, apparently convincing Lane that this wasn't such a hot idea after all.

Mostly what Lane did during the 1949 season was work the phones and make more deals: he pulled off 16 mid-season transactions, involving 21 players. Amid all the comings and goings, the White Sox improved. Finishing in sixth place at 63-91 they weren't good, but they were a lot better than they'd been in 1948. Moreover, the flurry of activity got fans interested in the White Sox again. The team set a franchise attendance record at 937,000, earning Lane a \$7,000 bonus.

Chicago: 1949-50

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Lane didn't slow his wheeling and dealing. Between October 1949 and September 1950, he swung 18 trades involving 25 players.

Within this torrent, three key transactions emerged as exceptionally beneficial for the White Sox: his October 1949 purchase of minor league shortstop Alfonso "Chico" Carrasquel from the Brooklyn Dodgers' organization, his October 1949 trade of backup catcher Joe Tipton to the Philadelphia Athletics for second baseman Nellie Fox, and his June 1950 trade with the Washington Senators, the gist of which was second baseman Cass Michaels and pitcher Bob Kuzava for first baseman Eddie Robinson. With remarkably modest payment, Lane had acquired three-quarters of an outstanding infield.

But overall the 1950 White Sox weren't an improvement over the '49 edition. Attendance dropped back below 800,000 as the club finished sixth again, at 60-94. For 1951, Lane hired a new field manager: 42-year-old Paul Richards, who'd been a successful minor league manager for years but was taking on his first big league managerial assignment.

Chicago: 1951

Shortly after Opening Day in 1951, Lane engineered his most audacious trade yet, a three-club, seven-player humdinger engaging both the Cleveland Indians and Philadelphia Athletics. Lane surrendered two of his best talents, the fine all-around center fielder Dave Philley as well as home run-slugging left fielder Gus Zernial. In return all he received was Paul Lehner, a journeyman outfielder and a Cuban outfielder-third baseman named Minnie Miñoso, who'd performed wonderfully in the Negro Leagues and in the U.S. minors, but whose major league experience consisted of 17 games and 30 at-bats.

This was, to say the least, a massive gamble on Lane's part. Philley and Zernial were established, well-producing regulars, while Lehner was a role player and Miñoso was completely unproven. Moreover, the White Sox at this point weren't yet a racially integrated ball club. No player of color had ever been employed by the White Sox or, for that matter, their

cross-town National League counterparts, the Cubs. Indeed, as of April 1951, only two American League franchises had ever played non-whites, the Indians and the St. Louis Browns. The Browns had abandoned the experiment after just a half-season in 1947.

Moreover, Miñoso wasn't just black, he was also a Latin American who spoke virtually no English. So Lane was sacrificing two of his best players in order to break the color line in Chicago with a Spanish-speaking Cuban of meager experience, managed by a big league rookie from the South. There were about six different ways this deal could become a disaster for the White Sox, and just one in which it would be a winner: if Miñoso, in this pressure-cooker situation, would immediately blossom as a major star.

Against all odds, that's exactly what happened. Right away Miñoso was a stunning success in Chicago. In 1951 he led the American League in triples and stolen bases. He ranked in the league's top five in batting average, on-base percentage, slugging, runs, hits, doubles, and extra-base hits. He made the All-Star team and finished fourth in the league's MVP voting. Such performance has a way of smoothing cultural integrations. Miñoso was embraced by Chicago fans as an immediate favorite, and there were no reported incidents surrounding his acceptance by teammates. Lane's roll of the dice paid off big time.

The White Sox in 1951 were suddenly a contender. Not just Miñoso, but Pierce, Fox, and Robinson all emerged as stars. The team was in first place into July and finished third, setting a new franchise attendance record at 1.3 million. In just his third season as a major league GM, Lane gained recognition as a star in the role.

Chicago: 1952-55

In the seasons following the 1951 breakthrough, Lane continued the constant stream of trades. But other than his acquisition of catcher Sherm Lollar from the St. Louis Browns in November of 1951, he was able to pull no more rabbits out of the trade-market hat. The White Sox remained a consistent contender, but couldn't move past the Indians or Yankees and capture the pennant.

Lane did a remarkably effective job of building and

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maintaining a strong major league roster, but in half a decade he accomplished very little toward building a competitive farm system. The White Sox in 1955 remained 15th among the 16 farm systems in talent delivered to the majors, just as they'd been when Lane arrived.

It remains an open question to what degree the White Sox's success in the early 1950s was attributable to Lane's contributions versus those of his field manager Richards, upon whose arrival the jump into contention had occurred and under whose guidance so many of Lane's acquisitions blossomed. Nevertheless, it is the case that in 1955, with Richards having departed Chicago to take on a combined field manager/GM role with the Baltimore Orioles, Lane's White Sox under new field manager Marty Marion performed just as well as they had under Richards.

In any event, in September of 1955 it was Lane now tendering his resignation with the White Sox franchise.

St. Louis

Lane had been hired by Gussie Busch to take over as GM for the Cardinals. This once-great franchise had fallen out of National League contention in the early 1950s. The 1955 edition presented the team's worst record since 1924.

Lane wasted no time in applying his *modus operandi*: in his first 11 months in St. Louis, he executed 21 trades involving 42 players. Several of the moves were high-profile. He surrendered such first-rate talents as pitcher Harvey Haddix, center fielder Bill Virdon, and second baseman Red Schoendienst and received little in return. Still, while the 1956 Cardinals were mediocre at 76-78, it was an eight-game improvement over their 1955 performance and attendance was up by 200,000.

Lane kept at it. In the 1956-57 off-season he attempted to trade iconic superstar Stan Musial to the Pittsburgh Pirates, but Busch intervened with a veto. Lane also tried to trade young star third baseman Ken Boyer to Philadelphia, but was unable to agree upon terms with the Phillies. Still Lane swung 18 deals anyway, and two of his acquisitions (left fielder Del

Ennis and pitcher Sam Jones) worked out well. The team jumped to second place in its best showing since 1949.

Lane was lauded with praise for bringing off another revitalization. But a close look at the 1957 Cardinals' roster reveals that except for Ennis and Jones, little of the team's improvement was due to Lane's frantic machinations. Several young players already in the organization before Lane had arrived blossomed in 1957 (including second baseman Don Blasingame, outfielder-first baseman Joe Cunningham, and pitchers Larry Jackson and Lindy McDaniel), and the veteran Musial produced his best performance in half a decade.

In any case, that November Lane abruptly quit.

Cleveland: 1958

The Indians had enjoyed a run of strong success from 1947 through 1956, winning two pennants and never finishing lower than fourth. But in 1957 they'd dropped to sixth, suffering their first losing season since 1946. The Cleveland ownership, chaired by William Daley, hired Lane to right the ship.

Lane's approach was predictable. He quickly undertook a flurry of trades, the most notable of which sent longtime Indians' ace pitcher Early Wynn and third baseman-outfielder Al Smith to the White Sox for his familiar star Minnie Miñoso. Another trade surrendered outfielder Gene Woodling and supersub Dick Williams to the Baltimore Orioles in exchange for veteran center fielder Larry Doby. Miñoso and Doby had been the first black Latin and the first African-American in the American League. These deals returned both to the Indians, their original big league franchise.

But Lane didn't stop there. In June of 1958 he attempted to trade the Indians' power-hitting 24-year-old right fielder Rocky Colavito. The first blockbuster he pitched was to the Senators; the supposed exchange would have been Colavito and pitchers Cal McLish and Mike Garcia for third baseman Eddie Yost, outfielder Jim Lemon, and pitcher Pedro Ramos. That offer wasn't accepted; so Lane then turned to the Kansas City Athletics, and in exchange for Colavito asked for first baseman Vic Power, infielder-outfielders Hec-

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tor Lopez and Woodie Held, center fielder Bill Tuttle, pitcher Duke Maas, and minor league outfielder Dave Melton.

The Athletics weren't sold on the wisdom of a six-for-one, even for a talent such as Colavito. But when Lane modified the package to include as the Cleveland centerpiece, instead of Colavito, the Indians' prodigiously talented 23-year-old center fielder Roger Maris, a deal was struck. The exchange, consummated on the mid-season trading deadline of June 15, 1958, was Maris, infielder-outfielder Preston Ward, and pitcher Dick Tomaneck for Power and Held.

The Indians' immediate response following the trade was to lose six of eight games, so Lane then fired manager Bobby Bragan and replaced him with former Cleveland star Joe Gordon. But, although the team performed slightly better under Gordon over the balance of the season, they still finished a so-so 77-76, in fourth place, with Cleveland attendance at its lowest level in a non-wartime season since 1939.

Cleveland: 1959

Lane's off-season trading whirlwind started with pitchers Don Mossi and Ray Narleski to the Tigers for second baseman Billy Martin and continued with first baseman Vic Wertz and outfielder Gary Geiger to the Boston Red Sox for center fielder Jimmy Piersall. He capped it off in spring training by sending veteran outfielder Larry Doby to the Tigers for outfielder-first baseman Tito Francona.

This time the Cleveland ball club responded with strong play. They bolted out to a great start and spent much of the season in first place, before finishing second at 89-65. (Though in September, in the heat of pennant stretch Lane was at his most reckless, firing Gordon, then thinking better of it and re-hiring him before the next day's game.) Indians' attendance boomed to 1.5 million, more than double the 1958 volume.

But as had been the case in St. Louis, it isn't clear that the team's improvement was indicative of trading brilliance on Lane's part. A key element in their success was the great performance delivered by Francona, the

spring training acquisition. However, Lane himself had bluntly stated at the time that the trade had been made simply to get rid of Doby, whom Lane had decided was over the hill, and that anything he received in return was an afterthought. Lane was as surprised as anyone by Francona's sudden prowess (which would turn out to be one of the all-time fluke seasons). One of the team's other biggest stars was Colavito, the league home run champion, whom Lane had been eagerly attempting to deal away in 1958.

Cleveland: 1960

His team had dramatically improved. What was Lane's response? Naturally, to tear it apart.

Minnie Miñoso, who'd presented back-to-back outstanding seasons for the Indians, was the first to go – dealt back to the White Sox in exchange for journeyman third baseman-outfielder Bubba Phillips and two intriguing prospects: catcher Johnny Romano and first baseman Norm Cash. Then it was Martin, McLish, and another highly-touted first base prospect, Gordy Coleman, to the Cincinnati Reds for second baseman Johnny Temple.

But Lane, as usual, wasn't finished. In April of 1960, on the eve of Opening Day, he sent pitcher Herb Score, the onetime Cleveland phenom who'd never been the same after being felled by a line drive in 1957, to the White Sox for young pitcher Barry Latman. That move was sensible. But also he traded Cash to Detroit for a second-tier prospect third baseman, Steve Demeter, who would almost immediately be farmed out and disappear into oblivion. And, most alarmingly, he finally succeeded in trading away Colavito, also to the Tigers, even-up for batting champ Harvey Kuenn.

It wouldn't be long before this sequence of trades would prove disastrous for the Indians. Even at the time, Cleveland fans howled in protest at the surrender of Colavito, everyone's favorite. As fine a ballplayer as Kuenn was, even then he was widely recognized to be less than Colavito's equal.

Alas, neither were the 1960 Indians as good as they'd been in '59. In early August, with the team in fourth place, Lane pulled off yet another audacious transac-

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tion, executing a first-ever (and never-repeated) trade of managers, sending Gordon to Detroit in exchange for Tiger skipper Jimmie Dykes.

Nonetheless the Indians finished fourth, and attendance sharply dropped from its 1959 spike. In December of 1960, Lane swapped Kuenn to the San Francisco Giants for outfielder Willie Kirkland and pitcher Johnny Antonelli. Lane demanded a raise in return for his tireless efforts. Not receiving it, he quit the Cleveland organization in January 1961.

Kansas City

This time the owner hiring Lane was none other than Charles O. Finley, who'd just completed the purchase of the moribund Athletics franchise. Lane got right to work: in eight months, he completed 18 trades involving 47 players.

But, there was trouble afoot. Through the mid-to-late 1950s the A's had become notorious for engaging in a series of sweetheart trades with the New York Yankees, a circumstance that was highly suspicious because the Kansas City owner, Arnold Johnson, was also the owner of Yankee Stadium; he was the Yankees' landlord. Finley energetically assured Kansas City fans that no more of these shenanigans would be taking place. To dramatize the point in such a manner as only Finley could, he bought an old bus, painted "Shuttle Bus to Yankee Stadium" on it in huge letters, and publicly burned it.

Yet, one of the deals Lane made, in June of 1961, was to send Bud Daley – the A's best pitcher – to the Yankees in exchange for third base-outfield prospect Deron Johnson and veteran pitcher Art Ditmar. Whatever the merits of this trade on its own, it was exactly the type of exchange that Finley had vowed to banish. Finley's reaction to the predictable firestorm of protest in Kansas City was to fire Lane in August. Lane sued Finley for breach of contract.

1961-1970

The lawsuit would languish in the court system for years. While it did, with Lane's contract status unresolved, he was unable to take another job in baseball.

For Lane this was merely a minor annoyance: he soon became GM of the Chicago Packers of the NBA.

At last, in January 1965, Finley and Lane settled the suit out of court, Finley paying Lane \$113,000. Free again to work in baseball, in March of that year Finley was hired by the Baltimore Orioles. His new boss was Orioles' GM Lee MacPhail—the son of Larry MacPhail, who'd hired Lane into his first job in baseball more than 30 years before.

Lane's role with the Orioles was as a "special assistant" to MacPhail. In practice he was a roving major league scout, offering advice and counsel (to MacPhail and to his successor Harry Dalton) regarding, what else, trades. He would work in this capacity through 1970, and throughout this period the Baltimore organization displayed a consistently excellent record of adding net value through shrewd trades. Their deals were nothing like the pell-mell flurry that was Lane's trademark, but focused on addressing specific needs. Baltimore's disciplined judgments on who should go and who should be brought in were remarkably sharp. In these years the Orioles acquired at minimal cost pitchers Moe Drabowsky, Pete Richert, Mike Cuellar, Pat Dobson, and Grant Jackson, and outfielders Frank Robinson and Don Buford.

Milwaukee

It had been a decade since Lane's last stint as a baseball General Manager, but in January 1971 the 36-year-old owner of the Milwaukee Brewers – one Allan "Bud" Selig – nonetheless decided to hire the 75-year-old Lane as his GM. Lane immediately demonstrated that the "Trader Lane" nickname was still apt. Within two weeks of assuming the job, he'd swung five deals. Overall Lane's 21-month tenure in the Milwaukee job was as energetically busy as any in his long career as he made 37 trades involving 84 players.

There were some slick pickups in the torrent – in particular, first baseman George Scott, outfielder Johnny Briggs, and pitcher Jim Colborn – but on balance the Brewers didn't show improvement. Late in the 1972 season Lane was relieved of his GM duties and a few months later would depart the Milwaukee organization.

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The end of the road

Still unready for retirement, Lane hooked on as a scout for the Texas Rangers' organization and then with the California Angels. Finally, in his 80s, ill health forced him to stop working.

Lane died at a nursing home Dallas, Texas, in 1981. Commissioner Bowie Kuhn asked Bobby Bragan, who was working in Dallas in the Rangers' front office, to represent MLB at Lane's funeral service.

Lane's baseball career had covered five decades. But not only was Bragan the only figure from the baseball world to attend Lane's burial, when he arrived the only people present were the preacher and Lane's second wife. Subsequently, Lane's daughter and her family showed up, as did a Dallas city councilman, but a total of just eight people were on hand to mourn Lane's passing, including the clergyman.

The stats

Most references to Lane's career will note that as a GM he engineered "over 400" trades. It's unclear where this figure comes from. It wouldn't be surprising if Lane, always eager to burnish his legend, made it up. But the truth is that in his combined tenures with the White Sox, Cardinals, Indians, Athletics, and Brewers Lane executed a total of 290 player trades and sales, involving 567 players (and, of course, two managers). While considerably less than 400, this still represents the highest total of any GM in major league history.

Lane's most frequent trading partners were Calvin Griffith of the Senators/Twins, with whom he swung 23 deals, and Bill DeWitt of the Browns and Reds and Gabe Paul of the Reds and Indians with 20 trades apiece.

In examining the entire catalogue of 290 deals, it's apparent that in the early White Sox transactions there was a focus and purpose. Although not every one of those moves was successful, overall they were part of a strategic program to add to the Chicago roster talented young players who, for one reason or another, had been underutilized or overlooked in previous or-

ganizations. But after the first several years that pattern faded and was replaced by no pattern whatsoever. From the mid-1950s onward, Lane's torrential volume of transactions was largely one of trades for trades' sake. No overriding theme of targeting young talent or key veterans, or pitching/defense or power, or anything else in particular was evident.

The dynamic

So what explains this?

First of all there is Lane's constitution itself. He was the quintessential workaholic "go-getter," inexhaustibly industrious and distinctly biased toward action. Faced with the choice between passively letting a situation develop and actively addressing it, Lane was instinctively driven to "do something."

And there's no doubt that Lane was smart and perceptive, a shrewd judge of baseball talent. It was this combination of innate talents that Lane displayed in his first few seasons with the White Sox. He conceived of a sound plan and exercised the skill to activate it, and his performance was genuinely brilliant.

But in achieving executive success in such a high-profile manner, Lane himself became a star. Encountering intense public attention for the first time in his 50s, Lane reveled in it. Having become a star through the making of trades, that aspect of the General Manager's job became Lane's signature. It was his means of exercising power – both over his players and over the media – and it's apparent that before long making trades became Lane's compulsion.

How and why?

"He could talk himself into any job." Thus was Lane described by Cleveland broadcaster Jimmy Dudley. "He had a real knack for figuring out what people wanted to hear, then he would tell it to them."

Hank Peters, who twice in the 1970s and '80s would be named Baseball Executive of the Year by *The Sporting News*, put it this way: "Frank Lane was ahead of his time in some ways. He preached change, shaking up the status quo. If you had a team that was in the doldrums and you wanted something new, Frank Lane was your guy. He was the ultimate advo-

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cate of change.”

“Fans love trades, and Frank Lane loved to make trades. The bigger the deal, the more controversial, the more he liked it,” elaborated Peters. “He made trades just to make them, to keep the pot at the boiling point. There was no off-season with Frank Lane ... The media loved him, followed him, and wrote about him more than any other general manager. He loved those stories and his reputation for trades. He did make fans pay attention and wonder what he would do next.”

The dark side

But there’s a difference, of course, between shaking things up for the sake of improving the team, or even just for drawing media attention to the team, and shaking things up for the sake of feeding one’s own ego. As Gus Zernial, who blossomed into a home run-hitting star for Lane’s White Sox and then quickly found himself traded away, observed, “Frank Lane liked to trade anyone who shared his limelight.”

It’s all too obvious that this was what drove Lane to trade his young Cleveland slugger Rocky Colavito, a move that made no baseball sense. The fans adored

Colavito, and trading him was Lane’s none-too-subtle means of grabbing the spotlight back, of insisting that the real star of the show wasn’t Colavito or any other player, but was instead Frank Lane. His attempt to peddle St. Louis icon Stan Musial was the same dynamic.

Pointlessly and repeatedly disrupting the careers and lives of others isn’t a behavior that suggests a concern for the interests of others. Lane was completely insensitive to such interests, even – and perhaps especially – those of people in his employ.

Cleveland writer Terry Pluto phrased it bluntly: “Frank Lane was not a nice man.” Bob Quinn worked for Lane in the Milwaukee front office, and recalled, “He had a favorite phrase. He’d say, ‘Sympathy. You can find that in the dictionary, right between shit and syphilis.’ That was what he said when he didn’t want to hear someone’s excuse.”

Tireless effort and a ruthless attitude can be the ingredients of a successful career. But they also can be the recipe for an eight-person funeral.

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From the Editor

This issue of *Outside the Lines* includes three excellent articles. Two, by Mike Haupert and Steve Treder, come from presentations at SABR38.

Mike Haupert continues his important look at baseball economics in the period of integration, concluding that: “[W]hite players were paid better for each homerun they hit or game they won.” Steve Treder’s examination of the career of Trader Frank Lane paints a picture of a man whose need top be the center of attention overwhelmed his baseball judgment. Mitch Nathanson examines the Mitchell Report and concludes that it shows that MLB had encouraged and profited from a culture of corruption.

We thank these authors for their willingness to share their work with us.

The next issue of *Outside the Lines* will come out in the Winter. We are always looking for high quality research on the business side of the game. The deadline for the Winter issue is January 6. If you have research that you would like to share with us, please contact me at jruoff@bellsouth.net.

John Ruoff
Co-Chair Business of Baseball Committee
Editor, *Outside the Lines*

Frantic Frankie Lane (Continued from page 9)

Who compares?

In the annals of baseball executive history, few careers can meaningfully compare with Lane's.

He was a chess player in the mold of notoriously unsentimental Yankees' GM George Weiss, endlessly scrutinizing the roster and calculating angles of advantage. But Lane didn't share Weiss's discipline, his capacity to limit his transactions to the necessary and to eschew the superfluous and counterproductive.

Lane's enormous ego was comparable to that of Charlie Finley, another character who couldn't stand not having all eyes trained in his direction. Yet Finley, for all his interpersonal flaws, sustained a vision in building his Athletics dynasty from the ground up: Finley never lost sight of the fact that it was through the success of his ball club on the field that he'd gain the glory he so nakedly sought. For Lane, all too often team success was little more than a byproduct of his insatiable desire for personal attention.

And Lane was a showman much like Bill Veeck. Lane's installation of the "Home Run Lane" interior fence in Comiskey Park was a stunt worthy of Veeck,

and Lane's ardent schmoozing of the press was Veeck-like as well. But Veeck's hucksterism was always delivered with a twinkle in his eye; he was genuinely warm and everyone who knew him liked him. Lane's salesmanship couldn't obscure his rampant self-centeredness; he earned respect but not personal regard.

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Outside the Lines is published quarterly. Contributions should be sent to jruoff@bellsouth.net.

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MLB as Enron (Continued from page 1)



...dex finger during the press conference in conjunction with the release of the Report, “and I will act.”² As it has so often in the past, Selig seemed to imply in his words and deeds, the system, despite its flaws, ultimately worked. The integrity of MLB remained intact.

Or so the story goes.

Buried beneath the fireworks over the names of the players identified within the Mitchell Report was the true dynamite: namely, a detailed history of the decades-long disregard for federal law on behalf of Major League Baseball. This willful dismissal of the law was on display, as noted by Mitchell in his report, even in Selig’s charge to Mitchell upon handing the investigation over to him. As noted within the report, Selig appointed Mitchell to conduct an investigation:

...to determine, as a factual matter, whether any Major League players associated with [the Bay Area Laboratory Co-Operative] or otherwise used steroids or other illegal performance enhancing substances at any point after the substances were banned by the 2002-2006 collective bargaining agreement.³

Selig, however, also permitted Mitchell to “expand the investigation and to follow the evidence wherever it may lead,” if he felt it necessary to do so.⁴ Mitchell took Selig’s opening and ran with it, producing a report that focused on MLB’s historical indifference to the pervasiveness of illegal performance enhancing drugs in its locker rooms, and one which went well beyond Selig’s 2002 start date, generating a treatise that, in the end, most likely gave Selig and MLB much more than they had bargained for.

In its pages, the Mitchell Report destroyed the myth that Selig and MLB had perpetrated for years: the myth that MLB’s signing of the 2002 collective bargaining agreement along with the Major League Base-

ball Players Association (the “Players Association”) somehow rendered 2002 a starting point in the discussion of illegal drug use within the game. By destroying that myth, the Mitchell Report invariably shifted the focus of the blame for baseball’s steroid crisis from “rogue” players such as Barry Bonds, Miguel Tejada and the others mentioned within the Report, to MLB itself. By doing so, the Mitchell Report showed that the proper comparison is not between these alleged “outliers” and people like Martha Stewart and I. Lewis “Scooter” Libby – individual malfeasance within the structure of a just system – but between MLB and entities such as Enron and its compatriots – corporate malfeasance amid a culture of corruption and a willful disregard for the law. As such, and as the Mitchell Report highlighted, in MLB it was the system itself that was corrupt, with the identified players merely symptoms of the problem rather than the problem in and of themselves. This article examines the true meaning and import of the Mitchell Report.

A. The Culture of Corruption Within MLB as Exposed in the Mitchell Report

In his triumphant “call to arms” press conference, Selig’s posture indicated that he had either misunderstood or willfully ignored the true thrust of the Mitchell Report in that it was not the naming of names that was most damning but, rather, the conclusion that MLB should have taken action many years earlier. In its “Summary and Recommendations,” the Report concluded that Selig’s assumption that the signing of the 2002 Basic Agreement with the Players Association was of particular relevance was “not accurate.” Rather,

Beginning in 1971 and continuing today, Major League Baseball’s drug policy has prohibited the use of any prescription medication without a valid prescription. By implication, this prohibition applied to steroids even before 1991, when Commissioner Fay Vincent first expressly included steroids in baseball’s drug policy. Steroids have been listed as a prohib-

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² Bill Pennington, *Selig Says Report ‘Is a Call to Action’ And Vows to Act Swiftly*, THE NEW YORK TIMES, Dec. 14, 2007, at D1.

³ Mitchell Report, at 2.

⁴ *Id.* In his Report, Mitchell noted, “I welcomed this latitude as necessary to ensure that my findings were reached in the proper context and that I would not be required to request additional investigative authority from the Commissioner once the investigation began.”

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ited substance under the Major League Baseball drug policy since then, although no player was disciplined for steroid use before the prohibition was added to the collective bargaining agreement in 2002.⁵

Moreover, this prohibition was binding upon the players even absent their express consent to it via a collectively bargained basic agreement. As noted within the Report in its historical review of baseball's drug policies in theory and in practice:

Many players were suspended for drug offenses before 2002, even though none of these suspensions related to the use of steroids or other performance enhancing substances. Some suspensions were reduced in grievance arbitrations brought by the Players Association, but no arbitrator ever has questioned the authority of the Commissioner to discipline players for "just cause" based upon their possession, use, or distribution of prohibited drugs.⁶

As referenced above, in 1991, Commissioner Vincent distributed a memorandum to all 26 team owners, stressing that baseball's drug policy expressly prohibited the use of "all illegal drugs and controlled substances, including steroids or prescription drugs for which the individual...does not have a prescription."⁷ As such, under "baseball law," steroids had been banned, at least implicitly, for decades.

However, of even more relevance was federal law which, at least in theory, has always applied to baseball. And here, the distribution of prescription drugs of any sort by individuals other than a duly licensed

physician acting in furtherance of an individual determination of a proper course of treatment has been prohibited ever since the passing of the Federal Food, Drug and Cosmetic Act of 1938.⁸

In 1970, Congress passed the Controlled Substances Act (CSA) which created five "schedules" of controlled substances subject to varying levels of penalties for misuse, depending on, among other things, their potential for abuse.⁹ In 1988 the CSA was amended, making "the distribution of anabolic steroids illegal unless (1) it was done pursuant to the order of a physician, and (2) it was for the purpose of treating a disease."¹⁰ In 1990, the CSA was amended once again, pursuant to the Steroid Control Act of 1990, which "imposed more stringent controls with higher criminal penalties for offenses involving the illegal distribution of anabolic steroids and human growth hormone. That enactment reclassified anabolic steroids as Schedule III controlled substances, effectively raising penalties for their illegal possession or distribution to levels similar to those applicable to narcotics."¹¹

Regardless of the reality that federal law now explicitly criminalized the improper possession of steroids and human growth hormone, MLB paid it little mind. As recalled by Vincent years later, "[m]y memo was totally ignored by all. The point was to alert the baseball world to the recent inclusion of steroids as illegal prohibited substances under federal law. But the union did nothing to underscore my memo and I think the clubs ignored it as irrelevant."¹²

In fact, the clubs' perception of the law, as well as of Vincent's memo, was quite accurate. For all practical purposes, federal law had been irrelevant to MLB for nearly a century by that point; there was no reason to assume that the Steroid Control Act signaled any such

(Continued on page 13)

⁵ Mitchell Report, at Summary and Recommendations (SR) 10-11.

⁶ *Id.* at SR 11.

⁷ Francis T. Vincent, Jr., *Memorandum to All Major League Clubs Re: Baseball's Drug Policy and Prevention Program*, Jun. 7, 1991, at 2.

⁸ Federal Food, Drug and Cosmetic Act, c. 675, 52 Stat. 1040 (codified as amended at 21 U.S.C. § 353 (b)(1)(B) (2004)). See also, Mitchell Report, at 18.

⁹ Comprehensive Drug Abuse Prevention and Control Act of 1970, Pub. L. No. 91-513, 84 Stat. 1236 (1970). See also Mitchell Report at 18-19.

¹⁰ See 1988 Anti-Drug Abuse Amendments, Pub. L. No. 100-690, 102 Stat. 481 (1988). See also Mitchell Report at 19.

¹¹ Anabolic Steroids Control Act of 1990, Pub. L. No. 101-647, 101 Stat. 4789 (1990). See also Mitchell Report at 19-20.

¹² Murray Chass, *Mitchell Report Revealed Little New Work*, THE NEW YORK TIMES, Dec. 18, 2007, at D5.

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shift in this reality. Therefore, they were confident that they not only could willfully ignore the mounting evidence of steroid abuse within the game from the 1980's through the 1990's and into the early 2000's, they could in fact reward the most blatant violators of the law with large contracts in recognition of their inflated statistical achievements attained, at least in some measure, through their possession and use of Schedule III controlled substances in violation of the Steroid Control Act.¹³

As the Mitchell Report likewise made plain, MLB's frequent refrain that it was unaware of the problem until the release of the Report itself was specious. The evidence to the contrary, as noted within the Report, was overwhelming.

Before the Steroid Control Act was even passed, whispers of steroid abuse within MLB were heard. In 1989, in a well-publicized incident, Oakland A's slugger Jose Canseco was arrested for possession of a handgun in a Detroit airport.¹⁴ Pursuant to the search incident to arrest, steroids were discovered. The next year, Philadelphia Phillies centerfielder Lenny Dykstra arrived at spring training carrying 30 pounds of newly-found bulk, to which he credited to be the work of "really good vitamins."¹⁵ In 1992, Boston Globe columnist Peter Gammons reported that steroid abuse is "much greater than anyone lets on." He further wondered if a recent spate of injuries within the game could be attributed to steroid abuse "as players' muscle mass becomes too great for their bodies, resulting in the odd back and leg breakdowns."¹⁶ Los Angeles Times and USA Today baseball writer Bob Nightengale was likewise suspicious and made his

suspicious known in a series of articles emblazoned with headlines such as: "Baseball Still Doesn't Get It," and "Steroids Become an Issue in Baseball: Many Fear Performance-Enhancing Drugs Is Becoming Prevalent and Believe Something Must Be Done," in 1995, with the latter article picked up by wire services across the country and revised and reprinted in "The Sporting News," historically considered "The Baseball Bible" a few weeks later.¹⁷ In the updated article printed in "The Sporting News," steroid use was called "baseball's deep, dark, sinister secret."¹⁸

Regardless of these and other articles, MLB continued to profess ignorance. In all, the Mitchell Report cited 85 mainstream media articles focusing on the use and abuse of steroids and other performance enhancing substances within MLB between 1988 and 1998.¹⁹ Selig, however, throughout this period, repeated his refrain, stating at one point that "[i]f baseball has a problem, I must say candidly that we were not aware of it.... It certainly hasn't been talked about much."²⁰

By 2004, however, Selig's talking points were somewhat different. By then, he professed that, even had he known of such abuse with MLB, there was not much he could have done about it anyway due to the presence of the Players Association and the National Labor Relations Act (NLRA).²¹ Although he lauded the toughened standards enacted within the world of amateur athletics, he concluded that such standards were not viable within MLB due to the presence of the Players Association and the constraints placed upon MLB pursuant to the NLRA.²² Because drug testing was considered a mandatory subject of collective bargaining, MLB's hands were, according to Selig, effectively tied. Specifically addressing the proliferation of "nutritional supplements" such as the bottle of andros-

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¹³ Phil Sheridan, *Baseball Turned a Blind Eye – And Saw Cash*, THE PHILADELPHIA INQUIRER, Nov. 18, 2007, at E1.

¹⁴ Mitchell Report, at 61-66.

¹⁵ *Id.* at 66-67. Phillies general manager Lee Thomas suspected Dykstra of abusing performance-enhancing drugs but never pursued it beyond asking Dykstra if he had used steroids (Dykstra denied using them). In addition, Phillies trainer Jeff Cooper stated that an unnamed player's use of steroids was "obvious" and that he confronted Thomas with his suspicions. Thomas told Cooper to confront the player. Cooper did, the player said "it was none of his business," and the matter was dropped.

¹⁶ *Id.* at 69.

¹⁷ *Id.* at 69-70.

¹⁸ *Id.* at 70.

¹⁹ Mitchell Report, at Appendix C.

²⁰ *Id.* at 71.

²¹ Allan H. "Bud" Selig & Robert D. Manfred, Jr., *The Regulation of Nutritional Supplements in Professional Sports*, 15 Stan. L. & Pol. Rev. 35, 35-36 (2004).

²² *Id.*

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enedione found in Mark McGwire's locker in 1998,²³ the only solution, he stressed, was for the federal government to step in and ban and/or restrict unsafe nutritional supplements.²⁴

“Congress should not leave the regulation of nutritional supplements to the collective bargaining processes of the four major professional sports leagues.... Congress should empower and encourage the Attorney General to schedule certain harmful nutritional supplements as controlled substances under the CSA... in order to return to the hands of the FDA the power to effectively regulate nutritional supplements before they arrive on store shelves and in the hands of athletes.”²⁵

Selig's recommendation was both ironic and hollow, particularly given the reality that the federal government had done with regard to steroids in 1990 precisely what he was now recommending it do with regard to nutritional supplements and MLB responded by willfully ignoring the law.

Regardless, as the Mitchell Report stressed, the issues relevant to collective bargaining were ancillary to MLB's ability to control the problem of substance abuse within the game and to enforce the law. Rather, it was MLB's decision to disregard the law that led to the culture of steroid abuse as personified by the game's greatest slugger, Barry Bonds.

The Report noted that although MLB, through the Commissioner's Office, lacked the power to directly issue warrants and subpoenas, it could conduct investigatory interviews and compel even union-represented employees, such as those represented by the Players Association, to attend and answer truthfully.²⁶ This “interview right” is one enjoyed by all employers in order to ensure that its rules are being followed.²⁷ MLB, however, “rarely required” its play-

ers “to participate in investigatory interviews regarding alleged performance enhancing substance violations.”

With regard to violations of federal law, the Report found that MLB had been similarly non-compliant. The Report noted that, if it wished, MLB could partner with state and federal law enforcement agencies, which do have both warrant and subpoena power, and coordinate investigations through the indirect use of these powers.²⁹ However, prior to the investigation undertaken by Senator Mitchell, MLB made little use of this avenue as well. In exploring this avenue of investigation, the Report noted that “[o]ne law enforcement official advised us in frustration that there is no clearly designed person in the Commissioner's Office to call when law enforcement does have information.”³⁰ As for why this is the case, the Report does not say. It may be for the simple reason that, just like Commissioner Vincent's 1991 memo, those within MLB have historically simply not wanted to know the substance of the information potentially waiting for them on the other end of those calls.

Regardless, as the Mitchell Report made clear, the process of undertaking an illegal drug possession investigation of a suspected Major League player can and should be no different than investigations of employees in any other circumstance; the presence of the Players Association is, ultimately, irrelevant. In any other walk of life, the ability to conduct drug testing is not a prerequisite for undertaking such a criminal investigation. Employers have always had the ability to take reasonable steps to investigate, identify and rid themselves of drug offenders operating within their employ. Technically, MLB is no different than any other work environment. Except that, for some reason, MLB believes that it is.

In his response to the release of the Mitchell Report, Selig lauded the numerous (20) recommendations contained within; recommendations calling on MLB to

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²³ Mitchell Report, at 60.

²⁴ Selig & Manfred, *Regulation of Nutritional Supplements*, at 48, 58-59.

²⁵ Id.

²⁶ Mitchell Report, at 290-91.

²⁷ Id. at 292.

²⁸ Id.

²⁹ Id. at 290-91.

³⁰ Id. at 290.

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use its powers of investigation, conduct background checks on clubhouse employees, cooperate with federal and state law enforcement, and the like.³¹

He stated that he would implement all of the recommendations that did not require collective bargaining immediately.³²

However, as the Report made clear, MLB, not unlike Dorothy in Oz, had all of these powers at its disposal all along. Echoing his earlier plea for Congress to regulate nutritional supplements, Selig likewise called on Congress to classify Human Growth Hormone a Schedule III controlled substance under the CSA,³³ ignoring the fact that steroids had been similarly classified a Schedule III controlled substance for 18 years by that point, to little effect.

As such, despite Selig's attempts to label the players identified within the Mitchell Report as outliers, the Report showed that these players were merely the symptoms of a larger problem: MLB itself. With corporate scandals such as Enron and, most recently as of this writing, Fannie Mae and Freddie Mac, still fresh, the release of the Mitchell Report makes the comparison between MLB and these corruption scandals both inevitable and appropriate. Given the necessary passage of time required for full and tempered reflection, the Enron scandal serves as a helpful point of comparison.

Enron

In Enron, many commentators see "a textbook case of earnings management" in the active manipulation of accounting results for the purpose of creating an altered impression of the company.³⁴ For years, management hid debt, inflated profits and supported stock prices that "considerably overstated the firm's value."³⁵ In the end, before the scandal broke and its true image was revealed, Enron had succeeded in creating an erroneous, fictitious portrait of a robust, thriving, company.³⁶

Upon reflection, considerable evidence existed throughout Enron's existence that should have led analysts and regulators to question Enron's confident boasts through the years; yet until management could hide the company's condition no longer and its collapse was brought into public view, few thought to challenge them.³⁷ Once out in the open, however, a very different picture of the company emerged; a picture of a company run by executives who believed themselves to be above the law, answerable to no one. As such, without the constraints placed upon them by the legal system, they felt unencumbered and free to massage the company's image so as to make it appear to be something it most certainly was not. In short, corporate malfeasance led to a culture of active manipulation of results and ignorance of counter-information that otherwise would have caused it to stop and reevaluate its business strategy. In the end, it was not the thousands of Enron employees who brought the company to ruin, it was the people at the top – the ones who created the culture of deceit in which the company operated.

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³¹ *Id.* at 285-306.

³² Statement of Commissioner Allan H. Selig Before the House Committee On Oversight and Government Reform, Jan 15, 2008, at 9-10.

³³ *Id.* at 15. ("I am here to ask for your assistance in this fight. The illegal use of performance enhancing substances is a problem for Baseball – but it is a social problem that extends beyond this sport or any sport. It is a societal issue. Senator Mitchell's report identified the difficulties inherent in any attempt, whether by Baseball, by other professional sports, or by the Olympics, to stop by itself the use of illegal performance enhancing substances. We welcome your participation in attacking the problem at its source. There are a number of bills that have been introduced that we wholly support, including Representative Lynch's bill (HR 4911) and Senator Schumer's bill (Senate Bill 877) to make HGH a Schedule III Controlled Substance, Senator Grassley's bill (Senate Bill 2470) to prohibit the sale of DHEA to minors, and Senator Biden's bill (Senate Bill 2237) to crackdown on the sale of controlled substances over the Internet.")

³⁴ Anthony H. Catanach, Jr. & Shelley Rhoades-Catanach, *ENRON: A Financial Reporting Failure?*, 48 Vill. L. Rev. 1057, 1060-61 (2003).

³⁵ *Id.* at 1057.

³⁶ *Id.* at 1076.

³⁷ *Id.* at 1057, 1076.

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The release of the Mitchell Report cast a similar shadow upon MLB. Upon its release, Selig's long-professed ignorance of the culture of steroid use in Major League locker rooms seemed silly and his repeated assertions of helplessness in combating the problem ridiculous.

Instead, like Enron, the Report made clear that it was not the hundreds of players who brought MLB to this point, it was MLB itself – the entity that perpetuated and thrived within a similar culture of deceit. This revelation is, by itself, stunning and, as such, it is easy to see why Selig was so eager to respond to the Report by immediately diverting the public's attention from this to the litany of player names mentioned in the report, most notably that of pitcher Roger Clemens.³⁸

Unfortunately, to a great degree, Selig's tact was successful: The Clemens affair dominated the headlines for months afterwards, relegating the revelations of the Mitchell Report to the dustbin of history in remarkably short order.

CONCLUSION

Selig's success in this regard should come as no surprise. Historically, MLB has been amazingly successful in shunning the ugliness of its business affairs to the side while it presents a wholesome, symbolically "American" image to the public.³⁹ As such, it is not surprising that suspicion and evidence regarding illegal drug and steroid use was ignored throughout the 1980's, '90's and '00's, particularly when to acknowledge such abuses would very likely dampen enthusiasm for the game and threaten its integrity as an untarnished sport, emblematic of American values.

This pressure became increasingly acute after the labor unrest and resulting work stoppage which wiped out the 1994 World Series and which damaged the popularity of the game. Upon its return in 1995, base-

ball was looking for a return to its exalted status, much as it was in the wake of the Black Sox scandal decades earlier. Eventually, it found the path through power hitters such as Mark McGwire, Sammy Sosa and Barry Bonds, who threatened home run records and brought people back to the game, just as Babe Ruth had in the early 1920's. As pitcher Greg Maddux said in a promotional spot for MLB at the time, "chicks dig the long ball."

As the Mitchell Report makes clear, without the threat of legal action hanging over its head for non-compliance with existing federal law, MLB had no incentive to comply with it and every incentive to ignore it, blissfully and willfully. As a result, players got bigger and home run records that had stood unchallenged for decades were smashed and then smashed again as the baseball record book was rewritten with each passing season.

In its considered ignorance, MLB encouraged the culture of corruption that emerged in team clubhouses throughout the league and profited from it both in terms of dollars and status. The Mitchell Report exposed it but, despite the machinations of Selig to deflect attention away from MLB and onto players such as Barry Bonds, the exposure was not in the form of a window into the secret workings of a Major League locker room, but of a mirror where what was exposed was merely a reflection of the inner workings of MLB itself.



³⁸ Mitchell Report, at 167-75.

³⁹ For an in-depth analysis of MLB's historical indifference to federal law, see Nathanson, *The Sovereign Nation of Baseball: Why Federal Law Does Not Apply to "America's Game" And How It Got That Way*, forthcoming in the Villanova Sports & Entertainment Law Journal, from which this article is excerpted and modified (available online at: http://works.bepress.com/mitchell_nathanson/23/)

Player Pay (Continued from page 1)

Integration on the playing field is well known among baseball enthusiasts. This research will look at an area of integration that is seldom discussed: its impact on the salaries of black and white players. In particular, I am going to focus on the way in which players were paid during this era and how it differed by race.

For the most part salaries were determined by the teams. In the pre free agency world of professional baseball, salary negotiations did not really take place. The reserve clause removed all bargaining leverage from the player except for the threat of holding out. The holdout was a weak threat that seldom worked, even in the case of superstars. One frequently cited example involved Joe DiMaggio, who held out in 1938 after two outstanding seasons in the Yankee outfield. DiMaggio sought a raise from \$15,000 to \$40,000 and threatened to stay home in San Francisco until the Yankees met his demands. The Yankees held firm on their offer of \$25,000 and DiMaggio relented three days into the season. In a show of power, the Yankees docked his pay until management determined he was in acceptable playing condition. The final result was that DiMaggio earned just a bit over \$22,000 that year.

It is not a revelation to learn that teams had the upper hand in negotiations with players. It is less clear, however, exactly what determined the wage that a player was paid. If salaries were determined more by what the owner was willing to pay than a market driven process, what is it that determined how much a team was willing to pay a player? Why did Eddie Mathews earn \$50,000 in 1956 while Al Kaline earned \$20,000 the same year? Both were young players coming off solid seasons. In 1955 Mathews hit .289 with 41 homeruns and 101 RBIs. Kaline hit only 27 homers that year, but drove in 102 runs and batted .340. And why did the Indians pay Mike Garcia \$30,000 in 1955 while the Dodgers paid Don Newcombe only \$17,500? Was it Garcia's greater experience (seven years to four), his superior 1954 season (19-8, 2.64 versus 9-8, 4.55 for Newcombe), or his race that contributed to the large salary differential?

What determines player wages?

Three P's determine the relative pay of players. They are performance, perseverance and personal characteristics. Performance is exactly what it sounds like: a player's hitting, pitching and defensive output. Perseverance refers to a player's staying ability in the league. Player salaries usually increased from one year to the next, thus experience, measured simply as another year on the roster, was a contributing factor to a player's salary. Finally, personal characteristics play a part. This includes qualitative characteristics such as clubhouse presence, fan appeal (i.e. superstar attraction) and, of particular interest for this study, the color of a player's skin.

White players generally earned more than black players during this era. There are two possible reasons why this might have been the case. First, white players may simply have been better. In that case we would expect them to be paid more and discrimination would not be an issue. Unfortunately, this was not always the case. Rather, the second reason comes into play, and that is that whites were paid more than blacks for the same level of performance. It is hard to identify racism unless players have different pay, but by every other measure they are similar. We can better isolate these differences by using regression analysis.

The wage model

Six different models of the salary regression were run, three each for pitchers and hitters (Tables 1 and 2). In each case salary was regressed on performance, experience and age variables. The models differ in the way race is treated. In the first case, all hitters (pitchers) were observed in the same model with a variable included for race. This measure picks up general differences in salary due to a player's skin color. In an effort to determine if black and white players were paid differently for similar performance or experience variables, separate regressions were run for white and black players.

The model used is the standard semi log form employed most frequently in the literature. The basic

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form of the model in each case is $\ln \text{real salary} = \beta_1 \text{race} + \beta_2 \text{experience} + \beta_3 \text{performance} + \varepsilon$. A dummy variable is used for black players. Use of the semilog form means that the coefficients represent the percentage by which salary changes for a one unit change in the dependent variable.

season for the experience measure. Player age at mid-season is also included. The correlation of these two variables is discussed below.

The performance variables for hitters include lagged values of at bats, home runs, batting average and slugging average. For pitchers, the performance data include games, ERA, wins, innings pitched and strike outs, all lagged one year.

Table 1: Regression Coefficients on Hitters

	Dependent variable in real salary		
	All hitters	white	black
$R^2 = 72\%$			
Black	22.4*		
Age	0.6	2.4*	- 0.0
Negro League experience	0.003		1.2
MLB experience	7.9*	0.9	10.5*
Lag AB	0.1*	0.1*	0.1*
Lag HR	2.1*	2.3*	1.9*
Lag BA	137.9*	360.9*	94.4*
Lag SLG	- 40.1	- 47.0	- 30.4

* = significant at .01

note: coefficients expressed as percentages

Table 2: Regression Coefficients on Pitchers

	Dependent variable in real salary		
	All pitchers	white	black
$R^2 = 57\%$			
Black	11.9*		
Age	- 0.0	- 0.7	- 1.2
Negro League experience	1.5		3.3*
MLB experience	5.5*	4.7*	7.8*
Lag G	0.3	0.4	- 0.1
Lag ERA	- 0.5*	0.9	- 1.0
Lag W	5.1*	5.7*	4.5*
Lag IP	0.000	- 0.002	0.002
Lag SO	- 0.001	0.002	- 0.002

* = significant at .01

note: coefficients expressed as percentages

Real salary is used to account for inflation. Experience is measured separately for MLB and Negro Leagues. Playing in at least one game constituted a

The rationale for one year lags is the system of contracting that existed at the time. With the reserve clause firmly in place, contracts were routinely of the one year variety, therefore were able to be adjusted easily from one year to the next, with little fear of being turned down by the players. As a result, the contracts should be related to recent performance. As the R^2 of .72 for hitter regressions suggests, most of the variation is indeed picked up by the variables in the model. The R^2 for pitchers is not as high, though 57% is still a strong result.

Of interest is the race dummy, which takes on the value of 1 for black players, 0 otherwise. Note that for both pitchers and hitters it is significant and positive, suggesting that being black was worth a 22.4% salary boost for hitters and nearly 12% for pitchers. This is probably a result of the small number and high quality of the early black entrants into MLB, and not likely evidence of reverse discrimination on the part of white owners.

Negro League experience is insignificant for hitters, but does exert a positive influence on pitcher salaries, though only about half the impact that MLB experience is worth. This suggests that MLB owners placed little, if any, value on Negro League experi-

ence in salary determinations. MLB experience is significant and worth nearly 8% per year in additional salary for hitters and 5.5% for pitchers. When we use

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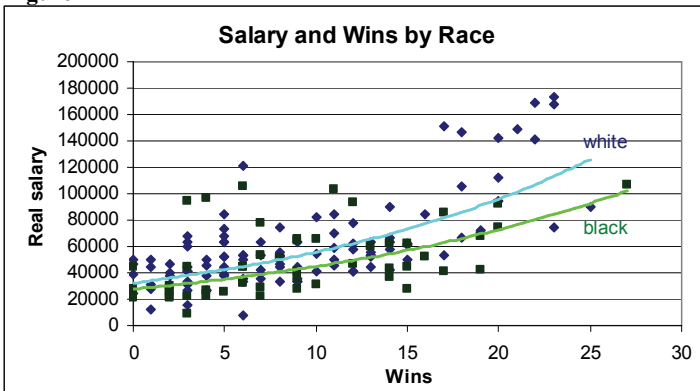
Player Pay (Continued from page 18)



the race segregated models these results hold, though their magnitude is slightly different. MLB experience is more important for black hitters than white hitters in determining salary. An additional year of experience is worth 10% for a black hitter, but age is more important for white hitters. For white pitchers, an additional year of experience is worth nearly 5% more in salary, while that year of experience is worth 7.75% for a black pitcher. In addition, NL experience is also valued for black pitchers. Does this mean that black players were rewarded better for their years of experience or that they had to prove themselves over a longer period of time?

Looking at pitchers, the results suggest it may be the latter. When segregated by race, the only performance variable that is significant is lagged wins. Wins lead to salary increases for pitchers, while a low ERA, high strikeout count and lots of innings pitched do not test significant in salary decisions. While wins are important for all pitchers, they pay better for white pitchers than black pitchers. White pitchers earn just under 30% more than black pitchers do for an additional win. The result of this difference is easily seen in Figure 1, which compares real salaries of white and black pitchers based on wins. The impact of the higher return to wins is clearly seen in this relationship, as the

Figure 1

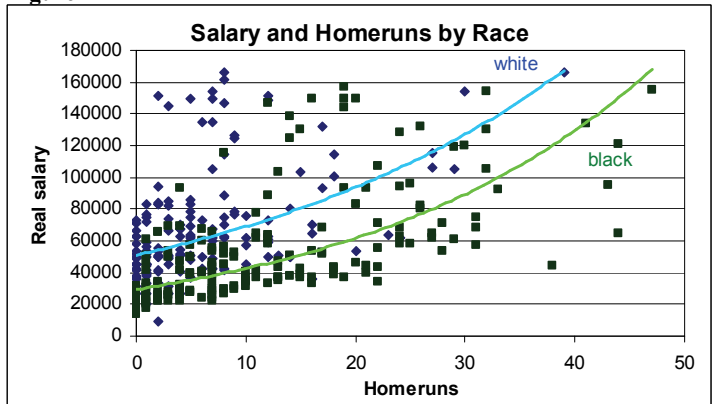


spread between black and white pitcher salaries increases with the number of wins. A similar analysis can be made for hitters. Black hitters are rewarded for years of experience – i.e. having proven themselves capable at the MLB level. White

hitters, on the other hand, are rewarded merely for getting older, as can be seen by the significant coefficient on the age variable. While age is a proxy for experience, it is an imperfect one, and the results here lend support to the theory that black and white players were treated differently in terms of salary determinations. MLB owners appeared willing to pay high salaries to black players, but only after they had proven themselves. Whites, on the other hand, seem to have been rewarded simply for aging.

Hitters were rewarded over a wider variety of performance variables than were pitchers. The coefficients on at bats, homeruns and batting average are all significant for both black and white hitters. White players were rewarded at a higher rate than blacks for homeruns and batting average. The result of this pay

Figure 2



difference is exhibited in Figure 2. Higher homerun totals led to higher salaries for all hitters, but since whites were compensated at higher rates for additional homeruns, the pay gap that results is obvious.

While black players were rewarded slightly better for accumulating more at bats than were whites, this again may suggest that they had to prove themselves worthy of their salary. This result is also driven in part by the fact that black players were more likely to be starters than reserve players on MLB rosters. If a team was going to integrate, it was more likely to do so with a player good enough to play in the everyday lineup. While blacks were on rosters, they were few in number, and were not likely to fill reserve rolls. A black player either had to prove he could excel in MLB or he would not make the team.

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Player Pay (Continued from page 19)



Age and experience

The other variables that affect salary are age and experience. They are closely related, yet they are not considered in the same way with regard to salary. This makes intuitive sense in that experience is indicative of future performance more than age is. However, they are obviously correlated, since a player who makes the MLB roster ages and gains experience at the same rate. When analyzing the role of age and experience an apparent contradiction arises. Figure 3 illustrates what the model suggests, that black players were rewarded at a higher rate than white players for experience. But Figure 4 shows that white players are compensated better as they age than are black players. So how is it possible that black

Figure 3

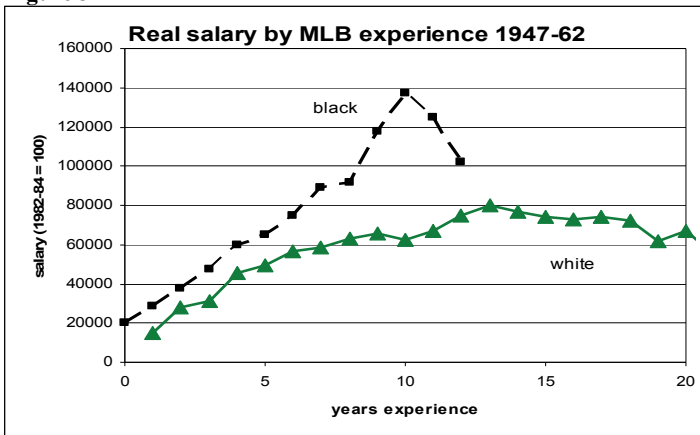
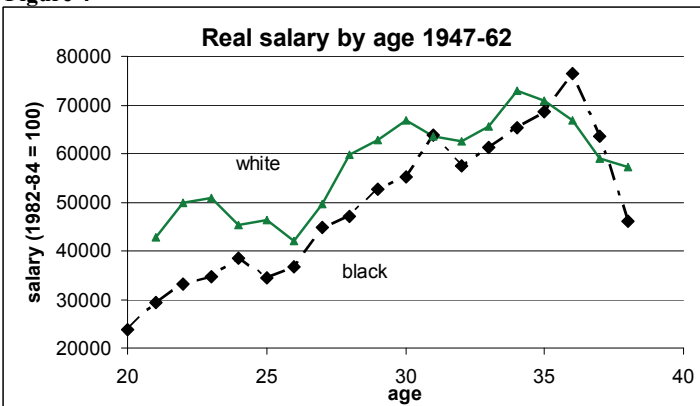


Figure 4



players are rewarded at a higher rate for experience but less at every age? The answer to this lies in the details of this relationship. The average black player with five years experience was 31 years old and had played in the Negro Leagues

for two years. The average white player with five years experience, however, was only 27. In other words, since black players were entering MLB at older ages, they were behind on the earning scale when measured by age. Looking at it another way, the average white rookie was 22.2 years old while the average black rookie was 26.3. Because the black players were older on average when they entered the league, it meant that the experience level they achieved came at a later age than it did for white players. Thus, a 27 year old white player was earning a salary increased by five years of experience, while a black 27 year old had less than a full year of experience to bolster his salary.

Conclusion

So what does it all mean? The bottom line is that hitters were paid to hit homeruns and pitchers were paid to win games. And white players were paid better for each homerun they hit or game they won. Black major leaguers were older than whites at every level of experience. Despite the pay differential, playing in the majors was a far better deal financially than the Negro Leagues, and playing baseball for a career paid better than the average line of work most major leaguers could have hoped for. This is not a defense of discriminatory pay, merely an observation of the opportunity cost, and a contributing factor that helps explain why these players would put up with the discrimination they faced to play in MLB. Not only were they pioneers, but they also recognized a good financial deal when they saw it.

This article was originally presented at SABR38 in Cleveland.

