

Outside the Lines

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SABR Business of Baseball Committee Newsletter

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Chairman's Note

After our enjoyable and productive annual meeting at the convention in Denver, the Committee (a) added over 60 new members through a one-time mass e-mailing to those identified on the SABR Website as potential Committee members; (b) named a new vice chair, who will be supervising a special project, and three resource coordinators to identify and locate material of interest to Committee members; (c) prepared to make all back issues of the newsletter, plus much more material, available online at the SABR Website; and (d) launched one collaborative Committee research project and re-launched another.

Vice Chair: Don Coffin, Associate Professor of Economics at Indiana University Northwest's School of Business and Economics, has replaced Claudia Perry as Vice Chair. Don, a former chair of SABR's Statistical Analysis Committee, will be coordinating a project intended to turn the Committee's Website into a one-stop reference source for those studying the business of baseball. The site will include both summaries of the published literature on various business of baseball issues and downloadable data to facilitate further study. If you'd like to help, contact Don at dcoffin@iun.edu.

Resource Coordinators: Andy McCue, Chair of the Bibliography Committee, will serve as point person for subject matter bibliographies and special resources. Shayna Sigman of the University of Minnesota Law School will handle law-related resources (judicial opinions and secondary literature), and Larry Hadley of the University of Dayton, head of the Western Economics Association's section on sports economics, will cover the economic literature.

Committee Website: Mike Grandel and Paul Matthew will serve as co-Webmasters for the Committee as we begin posting content to our section of the SABR Website once the new Content Management System is implemented. We hope to have a complete archive of material from past newsletters online within a few months. If you have contributed to the newsletter in the past and do not want your material posted on the SABR Website, let me know as soon as possible. In addition, the new software allows all Committee members to contribute content to the site – if you've written anything you'd like to share, let me, Mike or Paul know.

Committee Research Projects: The General Managers Project, coordinated by John Matthew (john.matthew@rogers.com), seeks to identify everyone who has served as a major league general manager, or (especially in the older days) performed the function of a modern GM without the title. John currently has complete lists from Anaheim, Arizona, Brooklyn/Los Angeles, New York Mets, Pittsburgh, Seattle, Tampa Bay, Texas and Toronto. If you'd like to help, contact John.

The new Front Office History Project, coordinated by Liesl McCool (LMMcCool20@aol.com), will study the evolution of the major league front office, from one- or two-person operations to today's mid-sized, multifunction businesses. In Liesl's words: "I am totally excited to get started on researching front office operations from the beginning through today and invite anyone who is interested to e-mail me with your ideas and, of course, pertinent information that you find in the course of this research or that you may stumble on as you research other topics. This topic is likely to take years and produce mountains of source material. As we move along I expect we will gain a firmer idea of the path forward to completion. For now, let's get busy!"

The Committee also maintains an electronic discussion group through Yahoo! Groups. To keep out spammers, the group's not listed in the Yahoo! directory; if you'd like to join, send an E-mail to BaseballBiz-subscribe@yahoo.com.

Finally, Committee members can now receive the newsletter via E-mail in either Adobe Acrobat .PDF or WordPerfect format. The default method of delivery will remain U.S. Mail, but an E-mail subscription will save SABR money while getting you the newsletter several days faster. If you'd like to switch to E-mail delivery, let me know.

MLB News

All-Star Game ratings unchanged. Fox had predicted that the publicity associated with awarding home field advantage in the World Series to the All-Star Game winner could boost ratings by 10%. Instead the 2003 game drew a 9.5 rating and a 17 share -- exactly the same as last year's extra-inning tie. Indeed, the All-Star Game was more popular in *Japan* than in the U.S., earning a 9.8 rating for a game that aired in Tokyo at 9:30 on a Wednesday morning. Soon thereafter MLB finally opened its first full-time regional office in Japan.

Yankees only club expected to owe luxury tax. I should save this sentence as a macro; the Yankees are almost certainly the only club which will ever owe the luxury tax. After a series of midseason salary dumps, the #2 Mets lowered their payroll-plus-expenses to just under the \$117 million threshold. The Yankees were a mere \$63 million over the threshold, which will probably cost them about \$10.8 million in what MLB has renamed the "competitive balance tax."

Expos still need a home for 2004 and beyond. To no one's surprise, MLB missed a self-imposed deadline of the All-Star break to resolve the Expos' situation. At press time no one knows where they will be playing in 2004, let alone thereafter. Recent developments:

- The MLBPA announced its opposition to another split home schedule for the club. Inasmuch as the union must approve the 2004 schedule (a draft of which was due by July 1, though the deadline has been extended), it could block a repeat of 2003's 59 home games in Montreal, 22 in Puerto Rico.
- Jeffrey Kessler, the attorney representing the Expos' former limited partners in their RICO action against Jeffrey Loria, Bud Selig and others, warned that he would seek to enjoin any attempt to move the Expos or schedule all their 2004 home games in any city other than Montreal. Unlike the MLBPA, he remains amenable to a split schedule.
- The Oregon legislature passed the first piece of Portland's stadium financing plan, \$150 million of bonds to be secured by income taxes on players and MLB officials and backed by a private guarantor. Portland Mayor Vera Katz, a major baseball supporter, believes that \$60 million of the remaining \$150-\$200 million can be raised from a ticket tax, \$25 million more from charter seat licenses, and the balance from some combination of hotel, vehicle and restaurant taxes; tax increment financing; and a contribution from the future owner of the Portland Expos.
- Virginia's bid for the Expos took a major hit when Arlington County said it was no longer interested in hosting the Expos. Neither is nearby Fairfax County. Virginia baseball officials say the state can override local opposition, but unless it does, four of the five leading sites have been removed from consideration. The fifth, near Dulles Airport, is probably too far away from downtown Washington, D.C. to satisfy MLB.
- Frustrated Washington, D.C. officials said that while they remain interested in the Expos, they would make no further offers, and would not vote to fund a stadium, until MLB awarded the Expos to Washington.
- Monterrey, Mexico has joined San Juan in offering to host all 81 Expos home games in 2004.

Agents, amateur players grumble over draft slottings. Before the amateur draft, MLB distributed "guidelines" for the signing bonuses to be offered players in each of the first 10 rounds of the draft. It subsequently began policing these "guidelines," warning clubs not to pay more than the "recommended" bonus -- which in most cases was significantly lower than the same slot received in 2002. It's only a matter of time before someone gets angry enough to sue over this practice.

MLB signs five-year, \$500 million apparel licensing agreements. The base value of the new contracts, covering the 2005-09 seasons, is 70% higher than the deals which expire after the 2004 season.

ESPN regains Division Series rights. In a move sure to save baseball fans across America untold anguish, Fox and ESPN have agreed that for the duration of the current contracts, which expire after the 2006 season, ESPN and ESPN2 will air the Divisional Series games that formerly aired on cable outlets F/X, Fox Family and ABC Family. We can now forget about those channels once again.

MLB claims to contribute \$76 million/year to Dominican economy. An MLB study showed that 79 Dominicans on major league rosters earned a combined \$210 million, some of which made its way back to the Dominican Republic, and that the baseball academies operated by major league clubs contribute another \$14.7 million. MLB says it's directly responsible for 1,200 jobs, indirectly responsible for 900 more.

Around the Majors

Rockies make first cash call. The Rockies' partners have been assessed \$12 million toward the \$20 million purchase price of bankrupt limited partner Oren Benton's shares of the club.

Cubs ticket-scalping action goes to trial. Judge Sophia Hall, who is hearing the case without a jury, heard several days of testimony in mid-August. She has promised a ruling by Nov. 24. At trial, the Cubs admitted reporting to MLB the *net* revenues from the Tribune Company's wholly-owned ticket brokerage, rather than their gross revenues, and admitted selling the brokerage \$1 million worth of tickets on credit even though the brokerage opened with just \$1,000 of capital.

Marlins making noises about new park. The Florida Marlins, who still suffer from the sweetheart lease terms original owner Wayne Huizenga gave himself at Pro Player Stadium, hope to relocate to downtown Miami. The club has reportedly offered \$100 million toward a new retractable-roofed park, the cost of which is estimated at between \$325 and \$400 million.

Proposed Dodgers sale remains in limbo. News Corp. is believed to have reached an agreement in principle to sell the Dodgers to Malcolm Glazer, owner of the NFL Tampa Bay Buccaneers. However, the deal has foundered over NFL cross-ownership rules, which forbid Glazer from borrowing against the Bucs to finance his acquisition of the Dodgers and would require the Dodgers to be independently managed unless Glazer flips the Bucs for an NFL expansion franchise in, or NFL rights to, Los Angeles.

Heavily indebted Brewers seek cash infusion. Brewers President Ulice Payne Jr. tried and failed to persuade a local businessman to invest up to \$20 million in the club. The money would have been used to pay down the Brewers' outstanding debt, which is so high that the club was unable to meet its commitment to contribute \$50 million toward the construction of Miller Park. I can't imagine anyone investing so much in the Brewers without demanding a major voice in club operations – a voice which principal owner and Commissioner for Life Bud Selig is unlikely to offer.

Mets' alleged rent arrears rise to \$4.56 million. A new audit by the New York City Comptroller's Office shows the Mets owing \$1,178,815 for 2001 underpayments, in addition to \$3,381,816 owed from two prior audits.

Yankees' holding company disintegrating. YankeeNets, formed four years ago to bring the Yankees, the NBA Nets and NHL Devils under common management, is expected to dissolve soon. The YES cable network will be retained, but otherwise each entity will go its separate way. YankeeNets founded over – surprise! – differences between George Steinbrenner and the basketball and hockey folks.

Phillies sell naming rights for \$57.5 million. For its first 25 years, the Phillies' new home will be known as Citizens Bank Park. The deal also obligates the bank to spend \$1.5 million/year on advertising, about twice what it currently spends. Citizens Bank CEO Steven D. Steinour described the deal as "more than a name on the park. I characterize it as a partnership." He's not kidding: in addition to extensive signage in and around the park, the bank's logo will appear on Phillies stationery, press releases and even tickets.

Mariners' ticket resale practices attract scrutiny. A Seattle anti-scalping ordinance bans the resale of tickets for more than their face value. The Mariners, who aggressively prosecute on-site scalpers, have found two ways to evade the ordinance for their own purposes. First, the Mariners' Website allows season ticket holders to resell their tickets at a premium, with the club receiving a percentage of the price, so long as the seller lists a zip code outside the city of Seattle.

Second, the club is now selling tickets with *no* stated face value. Before Safeco Field opened, these tickets were available to fans who purchased "charter seat licenses" – the right to buy these premium seats at face value. The Mariners now offer the unsold charter seats through their Website on a per-game basis, at a price which falls as game day approaches. Eventually they're released to Ticketmaster, which sells them at a fixed price. The same seats have a face value when sold as part of a charter seat package, or through Ticketmaster...but not, according to the Mariners, when sold through their Website.

The Voices of Summer, by Doug Pappas

Over the past few years, I've assembled a database of Major League Baseball's local broadcasters from media guides, *Baseball America* directories, and the annual broadcasting summaries published in *The Sporting News*. I don't include one-shot appearances or fill-ins not considered part of the "official" broadcasting team, which I suspect accounts for most of the differences between my list and Curt Smith's, published in the last edition of *Total Baseball*.

Without further ado, here are some broadcasting records I haven't seen published anywhere else:

Table 1. 40 Or More Years As Principal Major League Baseball Broadcaster

<i>Tenure</i>	<i>Broadcaster</i>	<i>Teams</i>	<i>Seasons</i>
54 years	Ernie Harwell**	Dodgers, Giants, Orioles, Tigers	1948-91, 1993-2002
54 years	Vin Scully**	Dodgers	1950-2003
53 years	Harry Caray**	Cardinals, Browns, Athletics, White Sox, Cubs	1945-97
50 years	Bob Murphy**	Red Sox, Orioles, Mets	1954-2003
47 years	Jack Buck**	Cardinals	1954-59, 1961-2001
47 years	Herb Carneal**	Orioles, Twins	1957-2003
45 years	Milo Hamilton**	Browns, Cardinals, Cubs, White Sox, Braves, Pirates, Astros	1954, 1956-57, 1962-2003
45 years	Jaime Jarrin**	Dodgers	1959-2003
43 years	Ralph Kiner*	White Sox, Mets	1961-2003
42 years	Lon Simmons	Giants, Athletics	1958-73, 1976-78, 1981-2002
42 years	Chuck Thompson**	Athletics, Phillies, Orioles, Senators	1947-48, 1955-58, 1960, 1962-87, 1991-94, 1997, 1999-2002
41 years	Jack Brickhouse**	Cubs, White Sox, Giants	1940-46, 1948-81
40 years	Phil Rizzuto*	New York Yankees	1957-96

Notes: Harwell and Scully both broadcast the 1951 NL playoff game won by Bobby Thomson's home run, and both were still broadcasting Major League Baseball half a century later. Caray is the only local broadcaster to achieve iconic status for three separate teams, the Cardinals, White Sox and Cubs – an especially impressive feat given the rivalries among these clubs. Ralph Kiner and Phil Rizzuto are the only Hall of Fame players on this list, though only Kiner would have been inducted without his broadcasting career. Lon Simmons is the longest-tenured broadcaster never to win the Ford C. Frick Award or earn Hall of Fame induction. Curt Smith credits Chuck Thompson with more seasons than I do. Notables who don't make this list include Mel Allen, Red Barber, Russ Hodges and Harry Kalas.

Table 2. Longest Broadcasting Careers for One Club

<i>Tenure</i>	<i>Broadcaster</i>	<i>Team</i>	<i>Seasons</i>
54 years	Vin Scully**	Brooklyn-Los Angeles Dodgers	1950-2003
47 years	Jack Buck**	St. Louis Cardinals	1954-59, 1961-2001
45 years	Jaime Jarrin**	Los Angeles Dodgers	1959-2003
42 years	Herb Carneal**	Minnesota Twins	1962-2003
42 years	Ernie Harwell**	Detroit Tigers	1960-91, 1993-2002
42 years	Ralph Kiner*	New York Mets	1962-2003
42 years	Bob Murphy**	New York Mets	1962-2003
40 years	Phil Rizzuto*	New York Yankees	1957-96
37 years	Jack Brickhouse**	Chicago Cubs	1942-44, 1948-81
37 years	Bob Elson**	Chicago White Sox	1931-42, 1946-70
37 years	Joe Nuxhall	Cincinnati Reds	1967-2003

Notes: Between them, Scully and Red Barber have broadcast every season of Dodgers baseball since Larry MacPhail first sold radio rights in 1939. Ernie Harwell was so beloved in Detroit that after the Tigers tried to force him into retirement, public pressure brought him back for ten additional seasons. Six of these eleven – Carneal, Harwell, Kiner, Murphy, Brickhouse and Elson – also broadcast for other clubs. Brickhouse and Elson are the only old-time announcers on the list.

Table 3. Current Local Broadcasters with 30 or More Years With Same Club

<i>Tenure</i>	<i>Broadcaster</i>	<i>Team</i>	<i>Seasons</i>
54 years	Vin Scully**	Brooklyn-Los Angeles Dodgers	1950-2003
45 years	Jaime Jarrin**	Los Angeles Dodgers	1959-2003
42 years	Herb Carneal**	Minnesota Twins	1962-2003
42 years	Ralph Kiner*	New York Mets	1962-2003
42 years	Bob Murphy**	New York Mets	1962-2003
37 years	Joe Nuxhall	Cincinnati Reds	1967-2003
35 years	Denny Matthews	Kansas City Royals	1969-2003
33 years	Bob Uecker**	Milwaukee Brewers	1971-2003
32 years	Jacques Doucet	Montreal Expos	1972-2003
32 years	Mike Shannon	St. Louis Cardinals	1972-2003
31 years	Jerry Coleman	San Diego Padres	1972-79, 1981-2003
30 years	Marty Brennaman**	Cincinnati Reds	1974-2003

* - inducted into Hall of Fame as player

** - recipient of Ford C. Frick Award for "major contributions to baseball" as broadcaster

Notes: Jaime Jarrin is by far the longest-tenured Spanish-language broadcaster, but still ranks second on his own club. Kiner and Murphy are two-thirds of the Mets' original broadcast crew; Denny Matthews is also an original Royals broadcaster. Bob Uecker continued to broadcast the Brewers even while starring in *Mr. Belvedere*, a network sitcom, for five seasons. Nuxhall and Brennaman are the longest-running pair of broadcasters, serving as the Reds' radio team for thirty seasons.

The View From Japan, by Yoshihiro Koda

The main topic for the 2003 baseball season in Japan is the first winning season since 1985 for Osaka's Hanshin Tigers. Osaka is the second largest city in Japan following the nation's capital Tokyo. The Giants, the most popular club in Japan, is based in Tokyo. To understand how the fans of the Tigers and Giants, especially Tigers fans, regard one another, American fans may imagine the rivalries between the Yankees and Red Sox, or the Giants and Dodgers.

The Giants have enjoyed considerable success: four league championships in the past 10 years, as well as three of four Japan Series during this time. On the other hand, the Tigers have not only gone 18 years without a pennant, they have finished last in four of the past five years. But this season the other hand, the Tigers have never won for 18 years. In addition to, they have ended at the bottom for 4 of last 5 years. But this year, they started fast and have kept up the pace. They are now more than 15 games ahead of their closest rivals. Not only Tigers fans, but also Osaka area natives who usually pay little attention to baseball are crazy about this situation. Tigers games, at home or on the road, are played to nearly full houses.

The Hanshin Tigers have been the leading story in the popular Central League. Osaka has another club in the rival Pacific League, the Osaka Kintetsu Buffaloes. The Buffaloes are in second place as of mid-August, still contending for their league championship, but have been unable to attract the fan and media attention enjoyed by the Tigers. As I have written here before, it is hard for Pacific League clubs to share a market with Central League clubs.

My support among Pacific League clubs is going to the Nippon-Ham Fighters. As I have previously written, they are moving their home from Tokyo to the virgin soil of Sapporo next year. I hope people in Sapporo welcome and support them.

To attract more fans, I have a request for the Fighters. Unfortunately, I have never eaten good-tasting hot dogs in any Japanese baseball stadium. The owner of the Fighters is Nippon-Ham, a meat packer. This means sausage is one of their main products. Hokkaido, the area Sapporo belongs to, is famous for its good farm products. If the Fighters can serve superior hot dogs at their new home, the Sapporo Dome, Sapporo Dome, it will be an additional attraction for bringing more fans to the stadium. I hope the Fighters take this approach, and that I will be able to enjoy quality hot dogs while watching a ball game at Sapporo Dome.

The Centennial of Modern Organized Baseball, by Doug Pappas

_____ Numerous books published this year have proclaimed the centennial of the World Series. This is misleading at best, incorrect at worst. Similar championship series between the champions of the National League and American Association were played during the 1880s. Moreover, the 1903 postseason series between the Pittsburgh Pirates and Boston Americans was arranged directly between the club owners, not by the leagues. Not until 1905 did the major leagues adopt rules governing postseason championship series.

_____ Meanwhile, the *real* centennial story has received no attention at all. September 11, 2003 will mark the hundredth anniversary of the National Agreement between the AL, NL and National Association, the document which established the structure of Organized Baseball. (A copy of the 1903 National Agreement is posted on my Website at <http://www.roadsidephotos.com/baseball/1903NatAgree.htm>.)

In late 1901, with hostilities between the AL and NL at their peak, minor leagues which recognized the reserve system formed the National Association of Professional Baseball Leagues. The AL-NL war ended in January 1903 with the signing of the AL-NL Peace Agreement (<http://www.roadsidephotos.com/baseball/1903AL-NL.htm>), which reaffirmed the reserve system and resolved all conflicting claims to players. Paragraph 8 of the AL-NL Peace Agreement appointed AL president Ban Johnson and NL president Harry Pulliam to draft the National Agreement in consultation with National Association President P.T. Powers.

Article I of the National Agreement declared that it could be dissolved only by the unanimous consent of the three signatory organizations, warning that "if any of said parties withdraws from it, or violates any of its fundamental principles the party so withdrawing or offending shall be treated as the enemy of organized base ball." Article II recognized the right of each party to adopt and enforce its own constitution and bylaws, while Article III established a six-member rules committee composed of representatives from the AL and NL.

Article IV established Organized Baseball's new supreme governing body, the National Commission. The three-member Commission consisted of the presidents of the American and National Leagues, together with a chairman elected jointly by the two league presidents. The first – and only – man ever to serve as chairman was Garry Herrmann, president of the Cincinnati Reds. Notwithstanding his NL ties, Herrmann was also a close friend of Ban Johnson, who was generally happier than the NL owners with Herrmann's service.

Few were less happy than Pittsburgh owner Barney Dreyfuss, who soon focused on the fundamental conflict of interest in having an owner chair the Commission. The problem was especially acute because under the National Agreement, the chairman's power was near-total in disputes over rights to a particular player. When an AL and NL club both claimed the same player, the chairman alone decided the grievance. In disputes between a major league club and a minor league club, the chairman and the president of the other major league heard the grievance – but if their views differed, the chairman's vote prevailed.

Making matters worse, Herrmann was even less sensitive than Bud Selig to potential conflicts. In 1906 Herrmann, as president of the Reds, asked waivers on an obscure player named Ed Phelps. Before the 10-day waiver period had expired, Herrmann sold Phelps to the Red Sox...but on the 10th day Phelps signed with the Pirates. Under the Commission's rules, the dispute was to be resolved by the chairman, which put Herrmann in the position of reviewing his own conduct.

Herrmann claimed that he had obtained Phelps' permission to sell his contract so long as the Reds paid Phelps half the sale price. Phelps denied ever giving Herrmann the right to sell his contract. In upholding the sale, Herrmann credited his own version of the dispute over Phelps's, to the frustration of both the player and the Pirates.

Pittsburgh owner Barney Dreyfuss was not satisfied. A week later, he was stunned to learn that Herrmann had also bet \$6,000 that Pittsburgh would not win the NL pennant! Herrmann admitted making the wager, which he termed a "serious mistake" and promptly called off, but added, "You know that I did not solicit the wager -- in fact, it was brought about after a good deal of jesting."

For "jesting," read "drinking." The friendship between Herrmann and Ban Johnson, a fellow Cincinnati, had been cemented in saloons across the Queen City. In 1909, after losing yet another dispute, Barney Dreyfuss fumed to *The Sporting News*: "The Commission is a joke, just as anybody in baseball knows. Its members do too much drinking."

Dreyfuss and Herrmann clashed again in 1916. This time the stakes were higher: rights to future Hall of Famer George Sisler, the decade's best college prospect. Sisler had signed a professional contract at age 17, while still underage, then repudiated it a year later to preserve his college eligibility. Pittsburgh acquired that contract, but Sisler signed with the St. Louis Browns to play for his former college coach, Branch Rickey.

The dispute between the Pirates and Browns went to the National Commission, where Herrmann had to decide whether to award Sisler to one of his own rivals or ship him off to the other league. Although his decision in favor of the Browns was legally correct, Dreyfuss and other NL owners soon tried to force Herrmann to choose between the Reds and the Commission.

Article V of the National Agreement set forth the map of major league baseball that would remain in place until 1953. Clubs in the five two-club cities were specifically forbidden from consolidating into a single, stronger franchise, but were allowed to relocate to another city with the consent of a majority of clubs in each league. The National Association agreed not to locate any of its clubs (except for Jersey City) within five miles of any major league city except with the consent of the affected major league team. In an early dispute over these provisions, the Commission rejected the New York Highlanders' proposal to play Sunday games at Ridgewood, Queens, holding that the club's "New York" territory was limited to Manhattan Island.

Article VI contained the economic centerpiece of the Agreement, the rules governing the acquisition, release and reserve of players. Through Section 1 of this Article, all major and minor league clubs recognized one another's reserve rights as well as contract rights. They agreed that any club or league which harbored a contract or reserve jumper "shall be considered an outlaw organization, and its claim to contractual and territorial rights ignored."

Section 3 declared: "The right and title of a major league club to its players shall be absolute, and can be only terminated by release or failure to reserve under the terms of this Agreement by the club to which a player has been under contract." Once released, a major league player was subject to claim by any other club in his league for 10 days; only after that was he free to sign with the club of his choice. Section 4 outlawed the practice of farming players to minor league clubs, forbidding the loaning of players and proclaiming that any transfer of a major league player to a minor league club must be absolute.

Section 6 established rules for the drafting of minor league players by major league clubs. Between September 1 and October 15, major league teams could draft up to two players from each Class A minor league club, an unlimited number from those in the lower classes, for a selection price of \$750 for Class A players, \$500 for Class B, \$300 from Class C and \$200 from Class D. Similar drafts existed within the National Association itself, allowing clubs in the high minors to acquire players from the lower minors for relatively nominal sums.

But the mere existence of such a draft was more important than its terms. Class A clubs realized that rather than lose their two best players for \$750 each, they were better off selling the highest-quality prospects to the highest major league bidder before the draft, when these players could command a market price. This system both rewarded minor league owners with talented rosters and ensured a steady flow of talent upward through the system, to the high minors and then the majors.

Although the entire reserve system was clearly designed to limit player mobility and reduce player salaries, the Commission was not entirely unsympathetic to players. In a 1905 ruling, the Commission reinstated James Wiggs, who had refused to report to Brooklyn after the club bought his contract, then offered him less money than he was earning in the minors. Chairman Herrmann explained: "While there is no rule on the subject, it has been and should be the custom that when a player advances from a Minor to a Major League, he is to receive a reasonable increase in salary; and a Major League Club that does not conform to this custom, is not deserving of much recognition at the hands of the Commission. In my judgment, the player was forced into his position by the actions of the Brooklyn Club."

Another key provision of the National Agreement addressed the recurring problem of informal contract tenders and purported acceptances. The Agreement directed the use of a standard form contract for major league players. It bound a player to the terms of any agreement which he had accepted by letter or telegram, or had acknowledged receipt of an advance paid thereunder. If such a player subsequently failed to sign a formal contract, he would be ruled ineligible after ten days, unable to play for any club in Organized Baseball unless released.

The National Agreement did not require clubs to include the reserve clause in all player contracts. In December 1903, however, the National Commission made clear that even if a player's contract did not expressly contain a reserve clause, the club could still reserve the player unless the player could prove, by a preponderance of the evidence, that he was not to be reserved. The Commission also decreed that in the

future, all waivers of a club's reserve rights must be contained in the player's contract itself, not in any side agreements.

In 1907 the Commission amended the National Agreement to forbid outright the use of non-reserve contracts without the express approval of the Commission (for major league players) or the National Association (for minor leaguers). One loophole remained, however: in March 1909 the Commission granted free agency to Charles A. Fallon, who had played the previous season in the minors without ever signing *any* contract. The Commission explained, "Club owners have every opportunity in protecting their rights to players by reservation or suspension, if they refuse to sign contracts. On the other hand the rules are plain that if players do not sign contracts they cannot be reserved."

Although the National Agreement survived World War I, the National Commission it created effectively collapsed in 1918. The breaking point was a dispute between the Boston Braves and Philadelphia Athletics over the rights to pitcher Scott Perry. When the Commission awarded Perry to the Braves, Ban Johnson declared that the AL was not bound by its decisions and encouraged Connie Mack to defy the Commission. After the season the NL directed league president John Heydler not to approve another term for Garry Herrmann as chairman, then allowed Herrmann to remain on a temporary basis until a neutral outsider acceptable to both leagues could be found.

This was the situation during the 1919 World Series. When Charles Comiskey heard rumors that some of his players might be throwing the Series, he refused to talk to Ban Johnson, with whom he was feuding. He couldn't bring the matter to chairman Herrmann, who was president of the opposing club. That left NL president Heydler, who couldn't do anything to help.

Herrmann finally resigned as chairman effective February 11, 1920. Ban Johnson, already fighting the White Sox, Red Sox and Yankees for control of the American League, spent the next nine months fighting with the National League over Herrmann's replacement. When the Black Sox scandal broke in September, Organized Baseball was leaderless and incapable of addressing the problem.

The National Commission era came to an end in November 1920 with the selection of Judge Kenesaw Mountain Landis as Organized Baseball's first Commissioner. Landis demanded and received dictatorial authority over the game. But the structure created by the National Agreement survived – and survives today in the form of the Major League Agreement, Major League Constitution, and the Professional Baseball Agreement between the majors and the minors.

Portions of this article were previously published in the September 2002 issue of [Boston Baseball](#).