

# Outside the Lines

---

Vol. V, No. 1

SABR Business of Baseball Committee Newsletter

Winter 1999

Copyright © 1999 Society for American Baseball Research

**Editor:** Doug Pappas, 100 E. Hartsdale Ave., #6EE, Hartsdale, NY 10530-3244, 914-472-7954.  
E-mail: 76615.662@compuserve.com or DougP001@aol.com.

## Chairman's Letter

**Don't forget to renew.** If you have yet to renew your SABR membership for 1999, now is the time. Contact the SABR office: 812 Huron Rd. East, #719, Cleveland, OH 44115, E-mail info@sabr.org. For those who don't renew, this will be your last issue of *Outside the Lines*.

**Upcoming events.** Over the weekend of April 16-18, SABR and Cleveland State University will co-sponsor the first Seymour Medal Conference. The conference will feature papers on the theme, "Baseball and Bad Guys: Eighty Years Since the Black Sox," and will culminate in the presentation of the Seymour Medal for the best book of baseball history or biography published in 1998. For details, contact the SABR office -- and don't forget that SABR's 29th annual convention will be held from June 25-29 at the Radisson Resort in Scottsdale, Arizona. Hope to see you there!

**Book reviewers wanted.** Several participants on the SABR-L electronic discussion list expressed frustration that since the demise of the *SABR Review of Books* (and its short-lived sequel, Paul Adomites' *Cooperstown Review*), it's hard to learn which of the dozens of baseball books published each year are worth buying. Since many "serious" baseball titles address issues of interest to members of this Committee, I'm looking for members to review these books. Just drop me a quick note before submitting your review to be sure no one else is already reviewing the same book.

**News updates to return next issue.** Even after expanding this issue by two pages, I was unable to include the usual quarterly update of news from around Major League Baseball in this issue of *Outside the Lines*. Six full pages are devoted to responses and comments from the Committee's annual member survey, which this year asked Committee members about the "large market"/"small market" issues facing Major League Baseball. If you didn't participate or have more to say after reading others' responses, please send me your views --if I get enough material, I'll publish a special extra issue of OTL in April.

## Document of the Month

This issue features a November 30, 1949 confidential memo from Walter Lord O'Brian to Commissioner Happy Chandler, discussing MLB's attempt to write its judicially-created antitrust exemption into law. "At the Executive Council Meeting in Versailles, Kentucky, on November 1, 1949, it was decided to investigate with some care the possibility of obtaining legislative relief for Baseball in the near future. . . .

"It is clear that it will not be easy to obtain passage of even a limited legislative exemption, and unless preliminary talks with the Department of Justice and the Administration result in favorable reaction, it is believed that it will be so hopeless as to be unwise to make the attempt." MLB's proposal would have codified the *Federal Baseball* antitrust exemption, except for radio and TV contracts (which were then under investigation).

"It is assumed that it will be desirable to include other organized sports than baseball, but this is a very doubtful assumption, and presents a serious question of policy. No other sport has baseball's reputation for integrity and responsible self government, and some may be said to be definitely subject to suspicion; accordingly, it might be wiser for baseball, at least initially, to urge an exemption only for Baseball itself, and not to attempt to include other sports."

Fourth Annual Business of Baseball Committee Survey

This year's survey focused on issues related to the disparity between "large market" and "small market" major league teams. What determines whether a team is "large market"? Which teams are "large market"? Should anything be done to improve the lot of the "small market" teams -- and if so, what?

Surveys were E-mailed to all members of the Committee for whom I have a valid E-mail address. If you didn't receive one, please update your E-mail address with me -- the Committee's mailing and E-mail lists are maintained by me, not by the SABR office. This was a long, complicated survey requiring much more work than past surveys, so special thanks to the 36 members who persevered: **Marshall Adesman, Michael Bauer, Alex Caporicci, Gene Carney, Don Coffin, Herb Crehan, Frank Cunliffe, Sara Dersch, Roy Flemming, Suzanne Gannon, Bill Gilbert, John Gottko, Larry Grasso, Jahn Hakes, Tom Heavisides, Rich Klein, Sean Lahman, Roger Launius, Ethan Lewis, John Matthew, Larry McCray, John McMurray, Thomas Mueller, Rod Nelson, Doug Pappas, John Pastier, Claudia Perry, Tim Phares, Richard Sheehan, Bill Slankard, Terry Sloope, Tal Smith, David Strasser, David Tate, Ted Turocy, Jerry Wachs.**

1. *What is the ONE most important factor in determining whether a club is a "large" or "small" market team?*
  - A. Population of its metropolitan area: **13 votes**
  - B. Average attendance: **0 votes**
  - C. Annual revenue, including money from luxury boxes and local TV/cable contracts: **20 votes**
  - D. Team payroll: **0 votes**
  - E. Other (specify):

**Ethan Lewis:** "I think that they are all "large markets" in the sense that they are all major North American cities."

**Rod Nelson:** "Majority municipally-funded 'modern' ballpark designates large market (hence many franchises will soon change to large market)."

**John Pastier:** "The mind-set of the person making the statement. It should be a simple matter to use metro population or TV households to make the determination. The problem is that large market/small market has lost its meaning in a baseball context, and has come to mean large revenue/small revenue, which has as much to do with business skills, business strategy (Montreal squeaks by on low revenues and low expenses), and luck."

Pastier's comments highlight the philosophical disagreement which split our voters: whether, when defining the size of a market, to consider a market's proven ability to generate revenue (choice C) or its potential to do so (choice A). Our two Indiana-based economics professors came to different conclusions. **Richard Sheehan**, supporting choice A, wrote, "Anything other than its population -- or as an alternate, the size of its media market -- is manipulable by the franchise and cannot be used to define whether the club is small or large market," while **Donald Coffin** who voted for choice C, contended, "It's the ability of the team to generate revenue that makes it a large-market team (or otherwise). Part of being a 'large market' team is the ability to have as your market something other than a wholly local market."

Other points in favor of choice A: **Sara Dersch:** "Clubs should not be compensated for not controlling controllable items (i.e., teams should not be compensated because they did a poor job of filling their stadiums.)"

**Terry Sloope:** "Clubs in relatively large cities can make a team very unappealing by limiting payroll, driving down attendance and marketing income. Some clubs simply do a piss-poor job of marketing their teams, That's the club's fault, not the market's."

Many choice C backers emphasized the wide disparity in media revenues. **John McMurray** observed, "The New York Yankees have an advantage over the Milwaukee Brewers precisely because of their huge V and cable contracts, not because there's a monumental difference in average attendance." **Michael Bauer** said, "The Indians sell out every game and are considered medium market, while the Yankees could play in front of an empty house and still turn a profit." Finally, **Ted Turocy** noted that choice C reflects the common usage of the term "large market," even though "this is a bit self-referential. If we define market size this way, any statement of the form 'large market implies playoffs' is tautological."

2. *Classify each major league club as "large market," "medium market," or "small market."*

**[Note:** Teams are rated on a 0-100 scale. One universally described as a small market scores 0, while one universally described as a large market gets a 100. A few ballots overlooked one team, so the number of votes is not always consistent. The Cardinals aren't rated because they were inadvertently omitted from the response form.]

Anaheim: 10 Medium, 22 Large	Rating: 84 (7/29)
Baltimore: 9 Medium, 1 Medium-Large, 22 Large	Rating: 85 (5/29)
Boston: 9 Medium, 1 Medium-Large, 22 Large	Rating: 85 (5/29)
Chicago White Sox: 14 Medium, 18 Large	Rating: 78 (9/29)
Cleveland: 1 Small, 2 Small-Medium, 16 Medium, 13 Large	Rating: 67 (11/29)
Detroit: 4 Small, 21 Medium, 1 Medium-Large, 6 Large	Rating: 54 (17/29)
Kansas City: 32 Small	Rating: 0 (29/29)
Minnesota: 26 Small, 6 Medium	Rating: 9 (26/29)
New York Yankees: 32 Large	Rating: 100 (1/29)
Oakland: 17 Small, 13 Medium, 1 Large	Rating: 24 (23/29)
Seattle: 7 Small, 23 Medium, 1 Large	Rating: 40 (20/29)
Tampa Bay: 10 Small, 1 Small-Medium, 18 Medium, 3 Large	Rating: 38 (22/29)
Texas: 17 Medium, 2 Medium-Large, 13 Large	Rating: 72 (10/29)
Toronto: 3 Small, 21 Medium, 8 Large	Rating: 58 (16/29)
Arizona: 4 Small, 1 Small-Medium, 12 Medium, 15 Large	Rating: 66 (12/29)
Atlanta: 1 Small, 9 Medium, 22 Large	Rating: 83 (8/29)
Chicago Cubs: 5 Medium, 27 Large	Rating: 92 (4/29)
Cincinnati: 21 Small, 11 Medium	Rating: 17 (24/29)
Colorado: 4 Small, 2 Small-Medium, 14 Medium, 12 Large	Rating: 61 (15/29)
Florida: 8 Small, 1 Small-Medium, 19 Medium, 3 Large	Rating: 40 (20/29)
Houston: 1 Small, 21 Medium, 2 Medium-Large, 8 Large	Rating: 63 (14/29)
Los Angeles: 31 Large	Rating: 100 (1/29)
Milwaukee: 26 Small, 6 Medium.	Rating: 9 (26/29)
Montreal: 23 Small, 2 Small-Medium, 6 Medium, 1 Large	Rating: 14 (25/29)
New York Mets: 1 Medium, 31 Large	Rating: 98 (3/29)
Philadelphia: 3 Small, 15 Medium, 1 Medium-Large, 13 Large	Rating: 66 (12/29)
Pittsburgh: 29 Small, 1 Small-Medium, 2 Medium	Rating: 4 (28/29)
St. Louis: <inadvertently omitted from form> 1 Small, 3 Medium from write-ins	
San Diego: 3 Small, 1 Small-Medium, 25 Medium, 3 Large	Rating: 49 (19/29)
San Francisco: 2 Small, 28 Medium, 2 Large	Rating: 50 (18/29)

The philosophical split noted in Question 1 affected the results here, with those who based their definitions on market size rating Detroit and Philadelphia much higher, and Cleveland, Arizona, Atlanta and Colorado much lower, than those who based their definitions on revenue. [Many thoughtful comments about particular teams, and all comments regarding teams likely to move/potential new markets (Questions 7 and 8 below), have been omitted for reasons of space.]

3. Should large-market teams share a greater percentage of their locally-generated revenues with small-market teams?
- Yes: 28  
No: 5

Supporters:

**Alex Caporicci:** "If you look at the example of the NFL, which has high revenue sharing and a hard salary cap you see the most successful professional sport. Each team has just as much of a chance to win as another team (with proper management)."

**Larry Grasso:** "Yes, but they need to be compensated with a one-time transfer payment for giving up

future revenue streams."

**John Matthew:** "My Beloved Expos can exist in the current environment; they made money in 1998. However, they are really a AAAA team developing players for the major leagues. If they could get money that bigger markets get, then they could actually keep some of their young players and have a shot at the playoffs."

**Claudia Perry:** "I think most large-market teams could lose some broadcast revenue without wincing in pain."

**Richard Sheehan:** "When so much of the difference in franchise value is due to differences in local media revenues - a range of \$3M to \$45M - something must be done. More teams have looked at the numbers and realized that there is no longer really any 'middle ground' and have essentially liquidated the payroll. The number of teams bidding on the premier free agents is absurdly low. We could be on the brink of a meltdown of historic proportions. (For a precedent, see English soccer about 10 years ago.)"

**Ted Turocy:** "A qualified yes. Going too far in this direction could stunt the incentives of teams to market themselves or build new stadia when necessary."

Opponents:

**Don Coffin:** "Since professional sports requires joint production, some revenue sharing is inevitable. However, I can't see any reason for having different revenue-sharing rates, since whether a team is a 'small-market' team or a 'large-market' team is in part a function of the team management's performance."

**Sean Lahman:** "No, unless the stated policy is to subsidize teams in the smaller markets."

**Tim Phares:** "George Steinbrenner is right when he says that there is a reason that he bought New York, and if teams can't make it where they are (see Montreal), baseball does itself no good by keeping them there. They should move to someplace where they can make money."

4. *What percentage of local revenues should be shared? (Definitions: 0%: home team keeps it all; 50%: home team keeps half and pays the remainder into a common pool which is then divided evenly; 100%: all local revenues are paid into a common pool)*

0%:	1 vote
1-25%:	4 votes
26-49%:	7 votes
50%:	8 votes
51-75%:	5 votes
100%:	3 votes

Other: **David Tate:** "40% to the home team, 40% to the pool, 20% to the winner."

5. *Which, if any, of the following proposals do you support?*

- a. Extending the amateur draft to cover all players worldwide: 22 Yes, 12 No
- b. Allowing teams to trade draft picks: 25 Yes, 9 No
- c. Limiting the size of signing bonuses to draftees and amateur free agents: 17 Yes, 17 No
- d. Capping each organization's budget for signing draftees and amateur free agents: 12 Yes, 22 No

**Gene Carney, Don Coffin, Frank Cunliffe, Tim Phares** and **Terry Sloope** volunteered that they favored elimination of the amateur draft; Sloope explained, "I don't support any policy that restricts player movement or artificially limits salaries." **Tal Smith** said, "I'm beginning to conclude small and medium market clubs would be better off without" the draft. Smith and **Jahn Hakes** favored the trading of draft picks if limited to the current year's picks -- in Hakes's words, "to keep GMS from wrecking teams for years to come."

Respondents disagreed sharply over whether signing bonuses should be limited. **Sara Dersch** wrote, "Signing bonuses are becoming ridiculously high in some cases"; **Suzanne Gannon** opined, "In the minor leagues, players should get paid a salary, non-negotiable. Keep them hungry. It's silly to give huge amounts of money to unproven players." **John McMurray** added, "Extending the draft worldwide would likely put some rationality into signing players from overseas, so that large market teams like the Yankees cannot simply outbid other teams for premier young players."

Opposing such restrictions, **Richard Sheehan** wrote, "We have a free market system in the U.S. and the owners generally have used this system in other areas to amass considerable fortunes. Then they buy a

sports franchise and say 'I need protection from the market.' Pardon my skepticism. There is the occasional Cuban or HS athlete who can command a substantial bonus but in most cases the money, while perhaps substantial to you and me, is almost inconsequential in terms of the overall budget of a franchise. I find it offensive for multi-millionaire owners to conspire to restrict the earnings of a class of individuals (minor league players) whose average baseball salary is under \$10,000. In addition, where do most of the non-U.S. players come from? The answer, I believe, is countries like the Dominican Republic and Venezuela. So now we are going to have multi-millionaire owners conspire to ensure that no Dominicans in the future will receive million-dollar bonuses? That would give a whole new meaning to the term Ugly American!"

- 6a. *Should MLB adopt measures to ensure that the recipients of revenue-sharing money reinvest the proceeds in the team?*

Yes: 26

No: 9

**Sean Lahman:** "Yes, otherwise revenue sharing has no value."

**John Matthew:** "My Beloved Expos get a cheque for millions from the common pool and the owners just put it in their pockets. Thus, I say there must be some measures."

**John McMurray:** "MLB should adopt such measures only if there is clear evidence that teams are not doing so and that the club is suffering because of it. I do not, however, see it as a major problem at present."

**Claudia Perry:** "Yes. If not, I can visualize car dealerships and mansions with team logos."

- 6b. *Towards this end, which, if any, of the following proposals do you support?*

1. Mandatory minimum payrolls tied to amount of revenue sharing received: 6 votes
2. Mandatory minimum "baseball operations" budget (major league payroll plus amount spent on farm system/draftees/amateur free agents) tied to amount of revenue sharing received: 14 votes
3. Mandatory minimum payrolls or "baseball operations" budget for all major league teams, regardless of revenue sharing: 6 votes
4. Other (specify):

**Gene Carney:** "Teams must account for use of \$\$\$ but no forced spending."

**Rich Klein:** "The NFL has a minimum and maximum salary cap. I think such a thing is needed in baseball as well. It would guarantee that good players could stay put. Also, advantages like in the NBA should be given to players staying put."

**David Tate:** "Revenue-sharing money should be earmarked first to repay local municipalities for public expenditures on baseball (e.g., stadiums), with (2), if it can be enforced, kicking in after the city has been paid back."

Other comments:

**Jahn Hakes**, for option 3: "That gives the incentive (stick-style) for the small teams to continue to develop their home markets. It should be noted that this spending floor is of great value to the union, and as such, should be used as a bargaining chip for something the owners need, which is some form of salary cap as a percentage of league revenues."

**Sean Lahman**, supporting option 1: "Absolutely, the same way that the NFL does. This forces quality free agents towards the teams lacking talent."

**Tim Phares**, supporting option 3: "If teams spend more on scouting and development, they will have more players competing for the same number of spots, raising the caliber of play and reducing the market for expensive free agents without having to resort to collusion or other artificial market-depressing mechanisms."

**Richard Sheehan:** "I could support 1 or 2 but would have some difficulty with 3. If a franchise wants to effectively liquidate, it should be able to do so, however unpopular that may be with other owners. However, if a franchise is receiving financial assistance from other owners in terms of revenue sharing, then the franchise has a commitment and should spend enough to be competitive."

**Ted Turocy:** "Mandatory minimum payrolls/outlays are just as bad as maximum payrolls. Take a young team, which might have to inflate salaries (relative to market) to meet this minimum. These salaries

then raise the proverbial bar for young players on other teams who make less, when the time comes for contract negotiations or arbitration, creating further upward pressure on the salary structure."

7. *Which major league teams, if any, do you think are likely to move within the next 10 years?*

21 votes: Montreal  
14 votes: Minnesota  
13 votes: Oakland  
7 votes: Pittsburgh  
4 votes: Milwaukee  
3 votes: Florida  
2 votes: Kansas City  
1 vote: Anaheim, Cincinnati, Houston, Seattle, Tampa Bay

8. *Which of the following markets could support a new or relocated major league team?*

19 votes: Washington, DC/northern Virginia  
15 votes: Mexico City  
11 votes: Northern New Jersey  
10 votes: Charlotte  
7 votes: Sacramento  
6 votes: Portland  
5 votes: Las Vegas, Orlando, San Jose  
4 votes: Buffalo, Nashville, San Juan  
3 votes: Indianapolis, Vancouver  
2 votes: Monterrey, Tokyo  
1 vote: New Orleans, Riverside/San Bernardino, San Antonio

9. *Other than proposals likely to provoke a labor stoppage (individual or team salary caps; performance- or seniority-based wage scales, luxury taxes significantly higher than those in the current CBA), how else should MLB address the disparity between large and small market clubs?*

**Bill Gilbert, John Pastier and David Strasser** all proposed greater sharing of local media revenues.

Selected additional comments:

**Michael Bauer:** "One- or two-year contracts maximum. That way there would be a large number of free agents available every year -- there wouldn't be unlimited dollars chasing limited players. Players would benefit because they would never have an 'outdated' contract" -- Brown's \$15 million or Vaughn's \$12 million could be a bargain four years from now."

**Gene Carney:** "Educate owners(!) on the need for competitive balance."

**Don Coffin:** "Encourage effective, innovative management. That's really the issue."

**Frank Cunliffe:** "If a small market team can't afford to survive it should move. And it should not be restricted from moving to a large market city, even if the large city already has a team(s)."

**Sara Dersch:** "Small-market teams should receive a form of rebate on free-agent signings -- a percentage of all monies paid by large-market teams for free agents. For example, with a 10% rebate, the Dodgers would have to pay \$10.5 million to the rebate fund for signing Kevin Brown. This money would then be distributed to small-market teams to invest in their own free agents or other aspects of baseball operations. This rebate system would allow small-market teams to sign free agents, and would keep salaries from escalating so quickly."

**Suzanne Gannon:** "Either flat salaries, or entirely performance-based salaries, in the minors. Let the astronomical salaries stay in the majors. With the amount that MLB would save by not giving millions to kids who may never see major league playing time (can anyone say Josh Booty?), they'd have plenty to overpay the major league stars, and still have enough left over to build their own ballparks."

**Larry Grasso:** "One-time transfer payments to large clubs in return for a change in the revenue sharing rules. Remove arbitration; pay players with 1-5 years major league experience based on comprehensive performance like *Total Baseball's* Total Player Index or adjusted TPI. A significant portion of shared revenue allotted to teams based on on-field performance."

**Jahn Hakes:** "Baseball needs to go back almost to the drawing board to make a long-term workable solution. But given the squabbling between players, small-market owners and large-market owners every time loose change hits the floor, I don't think it's going to happen without at least one more labor stoppage. A good first step might be for the owners to open their 'real' books for inspection by economists representing each and all of the factions. Some folks need to know the true extent of the illness before they're willing to take strong medicine."

**Rich Klein:** "A true partnership between players and owners is needed. The owners must show the players the true books and the players need to agree on a percentage of the revenue which they would receive. Anything less than that will not be enough to prevent the Armageddon we will have when this CBA expires."

**Sean Lahman:** "There is no problem. Why spend \$70 million to finish 35 games out (Orioles) when you can spend \$8 million to finish 40 out (Expos)? Owners and GMS are smart, and they realize that it doesn't make sense to chase free agents or spend a lot to retain your own players if you don't have enough talent to win immediately. They sell this roster dumping to the fans by complaining they are 'have-nots,' victims of a system within which they cannot compete. Once they've sold that idea, they insist that they need a new ballpark to compete, and threaten to move if the community doesn't build them one."

**John Matthew:** "You cannot force clubs to be competitive. Jesus said that the poor will always be with us and so will small market clubs. Reduce the number of teams and spread all money around equally and then there would be no disparity. This is impossible and so we must just accept the present situation."

**Rod Nelson:** "Distribution of national TV and merchandising revenues as an inverse function of total local revenues minus operating costs."

**Claudia Perry:** "It's interesting that we're worried about this now. Could it be that Bud Lite has fanned the flames of this debate because his (now ex) team could benefit from any revamping of revenue allocation? I seem to recall when the Yankees won every World Series under the sun and practically used the KC A's as a farm team there wasn't a lot of whining about the disparity."

**Tim Phares:** "I am for some form of cap. Baseball needs to put its salary structure in order. I would supplement it with profit sharing (which raises player compensation without threatening teams' bottom lines) and early free agency to increase the number of players on the market, thus stabilizing salaries. The visiting team should receive a greater portion of the gate. The league should start a stadium fund to which all clubs would contribute."

**Richard Sheehan:** "I don't think there are any unless you line up players' and owners' self-interests and that is devilishly tough. Owners and players are likely only to agree on items that increase the size of the pie and almost all proposals have been in terms of altering how the pie is sliced."

**Tal Smith:** "Contraction of number of clubs may be inevitable. Would result in (1) larger share of national TV revenues, (2) change in supply and demand of players which initially would de-escalate salaries (but probably not for long), (3) increased value for remaining franchises. Please note I don't advocate this -- I just fear that it will happen."

**David Tate:** "As always, the problem is that revenues are slippery and profits/losses are downright invisible. Required minimum payroll will restrict who can play The Owner Game, but it can't guarantee competitive balance. I like the idea of having the winner of each game get a predetermined cut of the gate, but I can't imagine it ever being ratified by the present species of owner."

**Jerry Wachs:** "The discussion of how to improve large cap-small cap differences in baseball is now academic. We have a wonderful model. It is called basketball. Salary caps, maximum salaries, 5-year rookie scales -- that is how baseball should be run. The owners stuck together and prevailed. Look at Minnesota as an example -- in baseball they've totally given up (\$10M payroll). No chance to win at all. In basketball they will be able to sign 3 stars and compete successfully. The basketball system is not unbelievably fantastic for the players and agents the way it is in baseball but the big winners are the fans! By ceding total authority to the players and agents 40-60% of fans will never see a playoff team. My plan is just a pipedream -- the baseball owners as a group make Marge Schott look brilliant."

**Editor's Note.** Let's keep this discussion going! Only about 1/4 of the Committee's membership participated in the survey; now I want to hear from the rest of you. This goes for everyone who reads the

Newsletter, whether or not they formally belong to the Committee. Send me your thoughts on the large market/small market issue, or the views expressed by our respondents, by April 1, 1999. Participants, too, please feel free to respond and comment on the results. I'll run the best comments in the next newsletter -- or, if there's enough material, in a special issue.

### The View from Japan, by Yoshihiro Koda

For this issue, I will analyze Japanese baseball along the lines of the Business of Baseball Committee survey.

The 12 teams in the two Japanese major leagues can also be divided into large, medium and small market clubs. Using average attendance as the most important factor in classifying teams, the large-market teams include the Yomiuri Giants (Central League), Chunichi Dragons (CL), Fukuoka Daiei Hawks (Pacific League) and Yokohama Baystars (CL). Medium-market clubs include the CL's Hanshin Tigers, Yakult Swallows and Hiroshima Carp, as well as the PL's Orix Bluewave. The small markets are represented by four PL teams: the Seibu Lions, Nippon Ham Fighters, Kintetsu Buffaloes and Chiba Lotte Marines.

Tokyo's Yomiuri Giants are the main reason the Central League dominates the list of large-market clubs. The Giants are Japan's most popular team, with all of their home and road games broadcast nationwide on both television and radio. As a result, fans are more familiar with the Central League's clubs and players.

Japanese clubs are concentrated in the largest metropolitan areas. Fully half of the 12 teams play in metropolitan Tokyo: the Giants, Swallows and Fighters downtown, the Baystars in nearby Yokohama, the Lions in Tokorozawa and the Marines in Chiba. Three more play in or near Osaka, Japan's second-largest metropolitan area: the Buffaloes downtown, the Tigers in Nishinomiya and the Bluewave in Kobe. Only three teams play in smaller markets: the Dragons in Nagoya, the Carp in Hiroshima and the Hawks in Fukuoka. These clubs can monopolize the baseball fans in their area, but must still perform well to attract fans.

The Hanshin Tigers benefit as the only Central League club in Osaka -- they are the only local club which can play the Giants -- but their weak performance on the field keeps the Tigers from realizing their potential. The Hiroshima Carp draw well as the only Central League club in their area, but are hampered by playing in a smaller market.

Several other markets could support a new or relocated team -- most notably Sapporo, which is the capital of Hokkaido, Japan's largest and most northern local autonomy. I have heard that a volunteer group is working to bring a baseball club to town. A professional football club established itself in Sapporo several years ago, but the football league had been looking to expand. I've never heard that the Japanese baseball leagues are looking to expand, which means that if Sapporo wants a club, it will have to attract one of the existing clubs.

Although I haven't heard of any clubs wanting to move, Sapporo might be able to attract one of the Tokyo or Osaka teams. In New York and Chicago, the local major league teams never play home games on the same day, but such practices are common in Tokyo and Osaka. Sometimes at the same time the Giants are playing a road game against the Swallows at Jingu Stadium, the Fighters are playing a home game at Tokyo Dome, only a few miles away. This can't help attendance, and may ultimately give one of the local teams a reason to relocate.

### The Farm Report: The Business of the Minor Leagues, compiled by Anthony Salazar

**Changes at the Game.** The National Association of Professional Baseball Leagues (NAPBL) has announced the minor league/ major league affiliation changes. There will be 28 new affiliations going into the 1999 season. This includes 4 teams in the AAA; 8 in AA; and 16 in Single-A. More news from NAPBL: ten teams have changed their name. Some as a result in affiliation changes, other due to expansion, while a few needed a new image. Look for the Golden Spikes, RiverBats and the Curve at a ballpark near you!

**A Juicy Deal for the Minors.** Minor league baseball scored a major coup by securing a major sponsorship deal with Veryfine Products, Inc., makers of fruit juices as well as other beverages distributed nationwide. Veryfine will provide promotional programs at over a hundred ballparks during the 1999 season, including ticket giveaways and other promotions. Look for the "Buy One, Get One Free" promotion, which features ticket offers on juice bottles. With two proofs of purchase, fans can buy one ticket, and get another free. Merchandise and baseball gear will also be offered on specially-marked bottles.

**The Grizzlies Get a Den.** The Fresno Grizzlies have finally secured funds to build a new stadium. The AAA-PCL team had been playing at Fresno State University's Beiden Field during their 1998 inaugural year. The agreement reached with the Fresno County Board of Supervisors calls for a loan of \$7.5 million for the construction that will cost roughly \$31.5 million. The loan, with a fixed interest rate at 5.8%, will be paid back to the county for the next 15 years.

The county concluded that building the stadium was a sound investment in their future. Analysts reported that the revenue put into the community because of the Grizzlies could reach up to \$4 million a year. The city of Fresno, meanwhile, awarded the team a \$8.5 million grant to help offset the costs of the construction. The decision came in response to a proposed plan to create the new stadium to hold multi-purpose events that include: soccer, football, concerts and other events deemed appropriate. The balance of the construction costs will be picked up by the team's owner the Diamond Group, which gave the city and county a 30-year commitment to remain in Fresno. The 13,600-seat stadium is set to open in April 2000.

**New Homes for All.** Speaking of new stadiums, since 1985, 81 new parks have been built for minor league teams. Six others are currently under construction: Altoona, PA; Myrtle Beach, SC; Niles, OH; Louisville, KY; Memphis, TN; and Round Rock, TX.

**The Express in Texas.** The new team in Round Rock, TX are the Express, after its Hall of Fame owner, Nolan Ryan. Round Rock, a community outside of Austin, will be home to the Express, which had been purchased as the Jackson (MS) Generals of the AA Texas League, and relocated. The city purchased a 95-acre parcel adjacent to the 439 acres on which the Old Settlers Park in Palm Valley stood. The stadium, which will be owned by the city, will hold approximately 9000 fans. As with other communities, the stadium will also be home to a number of other multi-purpose events. Payment of the construction will come in the form of team lease payments and local hotel-motel taxes.

#### 1998 Minor League Attendance Figures: The Best and Worst

		Avg Att	Stad Cap %*	Comments
AAA PCL	New Orleans Zephyrs	7216	72	won AAA title
	Omaha Royals	5573	25	now called Golden Spikes
IL	Pawtucket Red Sox	6606	94	stadium undergoing major refurbishing new stadium under construction
	Louisville Redbirds	5692	17	
AA EL	Trenton Thunder	6441	100+	had average record won division
	New Britain Rock Cats	2559	41	
SL	W. Tenn Diamond Jaxx	4483	75	new club in 1998 won division
	Knoxville Smokies	1769	41	
Texas	San Antonio Missions	5539	89	last in division new stadium in 1998
	Jackson Generals	1580	30	
A Cal.	Lancaster JetHawks	3402	76	3rd in division last in division
	Bakersfield Blaze	1115	24	
Car.	Frederick Keys	4310	78	last in division 1st in division
	Winston-Sal. Warthogs	2278	36	
Mid- west	Kane County Cougars	6876	100+	under .500 record 1st in division
	Rockford Cubbies	1080	24	

SAL	Delmarva Shorebirds Charleston (WV) Alley Cats	4168 1285	80 24	1st in division big drop in '98 attendance
FLA	Daytona Cubs three tied w/ worst record	1058	80 7	under .500 record
NY-P	Hudson Val. Renegades Watertown Indians	4163 740	96 23	had better '97 attendance lost 329 fans from '97 figures
North-west	Boise Hawks Portland Rockies	4013 4847	89 21	kept roughly same numbers as '97 plays in monstrous stadium!
<b>Rookie</b>				
App.	Princeton Devil Rays Pulaski Rangers	1537 259	70 15	slight decrease from 97 big drop in '98 figures
Pioneer	Billings Mustangs Medicine Hat Blue Jays	2514 911	60 30	slight decrease from '97 big drop in '98 figures

\*The figures were computed by dividing the total attendance by the number of home games and the stadium capacity.

*Anthony Salazar is a freelance baseball writer who has written on the Triple-A World Series, Latinos in Baseball and other topics in Minor League Baseball.*

### New Members

Alex Boyd, 1093 Roseway Ave., SE, Warren, OH 44484, [themick@netdotcom.com](mailto:themick@netdotcom.com)

Roy Flemming, Dept. of Political Science, Texas A&M University, College Station, TX, 77843-4848,  
[roy@polisci.tamu.edu](mailto:roy@polisci.tamu.edu)

John Gottko, 1813 Aimwell Blvd., Vidalia, GA 30474, [gottko@jazz.cybermedia.net](mailto:gottko@jazz.cybermedia.net)

Dale Schneider, 7300 Netherlands Lane, Plano, TX 75025, [daleschneider@worldnet.att.net](mailto:daleschneider@worldnet.att.net)

Mark Sommer, 1266 Teaneck Road, Apt. 10A, Teaneck, NJ 07666

Tim Vrana, 11238 Junco Court, Columbus, IN 47203, [102124.2715@compuserve.com](mailto:102124.2715@compuserve.com)

Galen A. Wiser, 920 Sherman Street, Wayne, NE 68787, [gwisser@midlands.net](mailto:gwisser@midlands.net)

### New Addresses

Michael Bauer, 4420 W. 194th St. #208, Cleveland, OH 44135, [lbauer@ibm.net](mailto:lbauer@ibm.net)

### New E-Mail Addresses

Jim Blenko, [j-blenko@uchicago.edu](mailto:j-blenko@uchicago.edu)

Greg Gajus, [greg.gajus@turner.com](mailto:greg.gajus@turner.com)

Tal Smith, [taltse@aol.com](mailto:taltse@aol.com)

Jerry Wachs, [gnw4@aol.com](mailto:gnw4@aol.com)