Outside the Lines

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The Eight Men Out

In This Issue

A History of the Cleveland Indians Franchise

By Dave Bohmer

The Cleveland Indians ownership history here is part of a joint project between the Business of Baseball Committee and the BioProject site. As they are completed, the histories will appear in this newsletter and be posted permanently at https://sabr.org/bioproj/topic/team-ownership-histories. *If you are interested in doing a team's history, or part of a team's history, such as the St. Louis Browns years of the current Baltimore franchise, please contact Andy McCue,* agmccue44@earthlink.net, *who will be coordinating the project. Several team ownership histories are already completed or under preparation, but many still need authors.*

The histories should be as comprehensive as possible, covering the changes in ownership, the price paid, the makeup of partnerships, the division of responsibilities among the partners, the reasoning of both the buyers and the sellers, and economically significant events within the era of each ownership group. There is no need to talk about events on the field unless they have a direct impact on the bottom line or a change in ownership. It is likely that arguments with cities over stadiums and threatened (or actual) re-locations will play a role in the essays. The histories should be long enough to tell the story, but should be as tight as possible. There is no set word limit. The essays should include endnotes on sources. Heavy detail,

such as the holdings of minor partners, might well be left to those endnotes.

Research guidance will be available if needed. Over the long run, it will be necessary to keep updating these essays and the original researchers will be given first opportunity to do those updates.

The Cleveland Indians: 1900-1956 (part 2 of 2)

Part 1 was published in the Spring 2019 edition of Outside the Lines

William Daley, 1956-1966

The largest irony associated with the problems that led to Greenberg's demise was that with the sale of the club in early 1956, he was, for the first time, a part-owner of the team. The Baxter brothers, as mentioned, had never been that interested in the operations of a baseball franchise, and saw an opportunity with an early offer from William Daley, to cash in on their investment. In 1954 the directors turned down two offers from Cleveland groups to purchase the team for $3.5 million, the brothers likely feeling the offers were too low, especially coming off a pennant-winning season.[1] Whether Daley was part of either offer is unknown. In 1956, however, after another second-place finish and a decline in both attendance and profits, the Baxters were ready to sell, especially since the offer of $3,961,800 was almost $500,000 higher than the earlier ones. Daley, a native Clevelander, purchased 55 percent of the stock in the club, bringing in two minority partners – Greenberg and Ignatius A. O'Shaughnessy, of St. Paul, Minnesota.[2]

Hank Greenberg, William Daley, and Ignatius O'Shaughnessy

In spite of the change in majority ownership, in many ways the deal once again signified stability rather than change. Daley and O'Shaughnessy indicated that they would not be involved in the day-to-day operation of the club and Greenberg, while now an owner, remained the general manager, in control of all baseball decisions. Equally important, the three mainstays still around from the 1949 purchase – Medinger, Hornbeck, and Dolin – all remained investors and directors.

It helped that Daley was well ensconced in the Cleveland community. He was born in September 1892 in Ashtabula, Ohio, northeast of Cleveland, and was a graduate of Western Reserve University. When he bought the majority interest, he was president of Otis & Company, a highly regarded investment-banking house. He was also a major investor with renowned industrialist Cyrus Eaton in Republic Steel and the Chesapeake and Ohio Railroad, both headquartered in Cleveland. At a time when many growing cities were pursuing a major-league franchise, the sale seemed to ensure that the Tribe would remain an integral part of the city.[3]

The subsequent two baseball seasons would change that scenario. While the team finished second again in 1956, attendance dropped to well under a million fans for the first time since 1945. Lopez quit after the season ended, citing irreconcilable differences with Greenberg. To make matters worse, he jumped to the rival White Sox for the same salary he had earned with the Indians. The following season, 1957, the team dropped below .500 for the first time in a decade and finished in the second division. Attendance declined by another 130,000, to less than 750,000. The club still had a profit in 1956 and 1957, thanks to Dolin's depreciation accounting method that benefited a new owner like Daley. But at a directors' meeting after the 1957 season ended, Greenberg was ousted as GM by a 10-to-2 vote. Daley claimed that "this team really belongs to the people and that's what they wanted us to do." Greenberg asserted that his resignation was requested "in order to satisfy a hostile press." While he remained an investor, Greenberg would no longer be in charge of the club, even though during his tenure the Indians had finished behind only the Yankees in winning percentage, attendance, and

[1] McAuley, *The Sporting News*, December 29, 1954: 1, 4.

[2] Lebovitz, *The Sporting News*, February 22, 1956: 5.

[3] Torry, 48, 62-64.

financial results.[4] No one had any idea at the time that this was the beginning of a long drought for the franchise.

There was a brief glimmer of hope, however, after the hiring of the new general manager, Frank Lane. Lane had been general manager of the White Sox for almost a decade and had rebuilt the club, still recovering from the Black Sox scandal, into a formidable and competitive team. He had been hired away by August Busch of the Cardinals after the 1956 season, but had worn out his welcome in less than two years, partly due to overtures he had made to trade St. Louis icon Stan Musial. He jumped at the opportunity to join the Indians. He was unanimously approved by the Tribe directors, including Greenberg, and signed a three-year contract for $60,000 a year, matching the salary of his predecessor. Like Greenberg, he was given a free hand in running the club.[5] Although no one could foresee it at the time, Lane would wear out his welcome with Cleveland fans before his contract ended.

Expectations reached their high point during Lane's second season with the Indians, when the team remained in contention for the pennant through mid-August and drew almost 1.5 million fans. The resurgence of interest was not only profitable for the owners, but for Lane as well. His contract stipulated a 5-cent bonus for every person crossing the turnstiles beyond 800,000, providing him with an additional $35,000.[6] Lane had a similar clause for the 1960 season, but he would receive a much smaller bonus, largely because attendance had dropped by over a half-million, with the team finishing the season just under .500. By that time, the directors were likely pleased to have Charlie Finley woo Lane away with a $100,000 contract before they had to reach any decision on his renewal. In the three years with the Tribe, Lane had made 55 trades involving 82 players, including dealing away fan favorites like Rocky Colavito and Roger Maris. He also executed the major leagues' first swap of managers. Only two players were left on the Tribe roster who had been there when Lane began his three-year stay.[7]

Frank Lane spent lots of quality time on the phone, making 55 deals in three years with the Indians

At the same time, Lane, like Greenberg before him, represented the club at major-league meetings and advocated a rather progressive agenda that was definitely ahead of its time. He was a strong opponent of the bonus-baby rule, proposing a general draft for first-year players. He was a major supporter of the American League expanding to 10 teams. Like Veeck before him, he was a strong advocate for the visiting team receiving half of the local television revenue, essentially saying that all TV money should be split equally among the eight teams.[8] Like Bill Veeck, however, his influence with other owners was rather limited, although two of his pet projects, expansion and the draft, would be implemented during the next decade.

After his first season, in which the team still struggled with attendance and results, Lane, who was not an investor, watched from the sideline as Hank Greenberg attempted to buy out Daley's interest in the club, with support from the Baxter brothers. The brothers had still maintained a minority interest in the club. Together, the three owned 35 percent of the team. While Greenberg promised to keep the team in Cleveland, he argued that there needed to be a change in management, perhaps with the intention of returning as general manager. He had offered the other owners $450 a share, but instead Daley, Dolin, Medinger, Hornbeck, and one other director bought out Greenberg and the Baxters for $400 a share. In the

[4] Lebovitz, *The Sporting News*, October 23, 1957: 7, 14.

[5] Lebovitz, *The Sporting News,* November 23, 1957: 16; November 30, 1957: 3.

[6] Lebovitz, *The Sporting News,* August 12, 1959: 19.

[7] Lebovitz, *The Sporting News,* April 27, 1960: 3; May 4, 1960: 3; August 10, 1960: 25. The trade that brought the backlash was Rocky Colavito for Harvey Kuenn. Kuenn lasted one season with the Indians and the club paid a high price years later to bring Colavito back.

[8] *The Sporting News*, May 7, 1958: 2; May 21, 1958: 2; Lebovitz, *The Sporting News,* August 6, 1958: 1. The first two would happen in the early 1960s. The equal distribution of local TV revenue never has.

end, Greenberg made almost $400,000 by selling his interest in the Indians.[9] He subsequently joined Veeck with the White Sox for a short time and also attempted to gain the expansion franchise in Los Angeles, but the sale of his interest in the Tribe marked the beginning of the end of his involvement in baseball.

It was clear by August of 1958 that the team was going to have another poor year at the gate, prompting Daley to announce that this could be the last season in Cleveland. He indicated that both Houston and Toronto were options, but there was also mention behind the scenes that Minneapolis was in the picture as well.[10] Civic leaders responded quickly to the threatened move, promoting a "Back the Indians Night" in September that drew over 50,000 fans on a "cold and dreary night." After the game, Daley said, "This crowd will not be the decisive factor, but it certainly will have a favorable influence." The event also led to a concerted effort over the winter to sell season tickets.[11] After the season, the directors voted unanimously to keep the club in Cleveland indefinitely. Daley exclaimed, "The club is here to stay," while noting that the directors had rejected a $6 million offer from Houston and a million attendance guarantee from Minneapolis.[12] While the subject of relocation was placed on a back burner for the time being, it would be considered numerous times again over the next three decades.

While the club would remain in Cleveland "indefinitely," Frank Lane would not, departing to Kansas City for a very short, tumultuous tenure with Charlie Finley. Initially the Indians announced that they would not hire a general manager, perhaps burned out by the endless wheeling and dealing experienced under Lane. In March, Nate Dolin even announced that the organization was happy without a GM, with Walter "Hoot" Evers running player personnel and Bob Kennedy overseeing the farm system. A month later, Dolin added, "[T]he more we watched Evers work, the more we realized he filled our needs impressively. ... We thought it was time the spotlight left the front office and concentrated on the players.[13] Apparently, the directors didn't like the spotlight on the players for too long, however. Two weeks later, the club announced that Gabe Paul, at the time with the newly established Houston Colt .45s organization and previously the general manager of the Cincinnati Reds, was officially named as the new GM of the Indians. A dinner at Toots Shor's in New York between Dolin and Paul, at which Paul indicated his dissatisfaction with the Houston job and his interest in Cleveland, led to the surprise announcement.[14] It marked the beginning of a relationship for Paul that would last for almost 20 years, interrupted only by a five-year hiatus with the Yankees in the 1970s. The experiment of not having a general manager ended quickly, not to be tried again.

Paul soon became a part-owner of the club. In fact, his 20 percent interest in the team made him appear to be the partner with the most shares in the club. Daley and a group of Clevelanders remained in control of 70 percent of the stock.[15] Paul purchased his stock from two members who had played important roles with the club since it was purchased from Veeck back in 1949. Nate Dolin and George Medinger both decided to sell their interest in the club and retire from the board of directors, and Ignatius O'Shaughnessy, who came in with Daley in 1956, also decided to depart. Paul now owned 20 percent of the stock and two of his associates had another 10 percent. While Paul appeared on paper to be in control, Daley had actually recruited new investors with major ties to Cleveland, all of whom looked to him as the chairman, the man in charge. They included Thomas A. Burke, former mayor of Cleveland and former US senator, F.J. "Steve"

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[9] Lebovitz, *The Sporting News*, October 29, 1958: 7; November 26, 1958: 11; Torry, 82, Rosengren, 337-38.

[10] McAuley, *The Sporting News*, August 27, 1958: 2. Minneapolis had been mentioned as a potential site a year earlier. Lebovitz, *The Sporting News*, July 24, 1957: 10.

[11] Lebovitz, *The Sporting News*, September 17, 1958: 24.

[12] Lebovitz, *The Sporting News,* October 22, 1958: 18. Daley also prophetically added that with a good sales effort and improved team, the club could draw 1.5 million in 1959.

[13] McAuley, *The Sporting News*, March 22, 1961: 6; April 19, 1961: 5.

[14] Lebovitz, *The Sporting News*, May 3, 1961: 7. Paul had found working in Houston intolerable, indicating that he planned to quit his position. He "found it most difficult to work with 'a certain element' involved in the Houston undertaking."

[15] Schneider, 331, lists Paul as the owner of the club, although Daley essentially remained in control until he sold his stock in 1966 to Vernon Stouffer.

O'Neill of Leaseway Transportation and Vernon Stouffer of Stouffer Corporation. The last two would come to play prominent roles in the future of the Tribe. Daley also recruited other important investors from local grocery and department stores, assuring that he would maintain his control over the club, with 70 percent of the stock owned by him and his allies.[16]

Unlike most of the other directors, Gabe Paul was not a Clevelander. He had grown up in Rochester, New York, and went to work at a young age for the local minor-league club. His boss in Rochester was Warren Giles, who in the 1930s joined Larry MacPhail in the effort to rebuild the Cincinnati Reds. When MacPhail was fired abruptly in 1937, Giles was named the new general manager of the Reds and hired Paul to be the team's traveling secretary. After serving in World War II, Paul became a vice president of the team and when Giles was named the new president of the National League in 1951, Paul was promoted to general manager. He left to join Houston shortly before the Reds won the pennant in 1961, intrigued with the challenge of building a whole new team, but soon experienced major differences with majority owner Roy Hofheinz.[17] Whether Paul had intended to join Cleveland before his dinner with Dolin is unknown, but the outcome of his meeting would lead to a long and generally frustrating relationship with a ballclub that languished during his tenure, never seriously competing for the pennant.

Sick's Stadium in Seattle almost became the new home of the Indians

Part of the reason for that lack of success, at least during the period when Paul worked with Daley, was the board's decision to limit investment in the basic building blocks of a baseball team. When Daley acquired control of the Indians in 1956, the club had nine minor-league teams under its control, either through direct ownership or by an affiliation agreement. After the 1963 season, there were only four minor-league teams under such control.[18] The number of scouts working directly for the club was also cut back. Instead, Paul announced after the 1964 season that the team would become part of a scouting combine with four other clubs. He said the creation of a player draft in 1965 would reduce the need for scouts, but with losses from the previous three seasons and attendance between 550,000 and 725,000 for the previous four years, the scouting combine was an obvious means to save money.[19]

All four of those years, the team played under .500 baseball. Almost desperate, especially given the renewed threats to relocate the club, the organization undertook a more concerted effort to sell season tickets. At the same time, Paul traded two talented young players to bring back former star and idol Rocky Colavito to generate more fan interest.[20] In the short run, those two efforts

[16] Lebovitz, *The Sporting News*, December 1, 1962: 28; Schneider, 331.

[17] "Gabe Paul," Wikipedia (en.wikipedia.org/wiki/Gabe_Paul).

[18] Torry, 91.

[19] *The Sporting News*, December 19, 1964: 2.

[20] Russell Schneider, *The Sporting News*, January 23, 1965: 5; January 30, 1965: 13. Fans approved the Colavito return by an 8-to-1 ratio. More importantly, his return and a better

appeared to assure the team would remain in Cleveland.

That had not been the case during the 1963 season, however, when there were again serious threats to move the club to another city. This time, the interest by the directors was substantial enough that Daley and Paul were charged with visiting some of the prospective cities to report back on the opportunities. At least four cities, Atlanta, Dallas, Oakland, and Seattle, were expressing serious interest in the Tribe. One article even asserted that there were actually 10 to 12 interested cities. The lease for the stadium negotiated by Ellis Ryan was also expiring, which caused Mayor Ralph Locher to lead an all-out effort to save the team for Cleveland, bringing in the support of the two local newspapers and a number of civic groups. The investors in the team, however, had been faced with losses of well over $2 million over the previous four years and there had been numerous cash calls to keep the ballclub afloat.[21] Of the interested cities, Seattle was by far the most aggressive in pursuing the Indians, its only weakness being the lack of a ballpark that could accommodate more than 25,000. Daley seemed supportive of the move, and he and Paul traveled to Seattle to learn more about the opportunity. After deliberating for over 4½ hours on the proposed move, the directors voted in favor of staying in Cleveland, agreeing to a new 10-year lease on Municipal Stadium.[22] Once again, the threat of major-league baseball leaving Cleveland had been rejected. Especially with the 10-year lease, it looked as though the Indians were secure for at least another decade.

That security seemed to be cemented further by two events during the coming seasons. In the short run, what was more important was the investors' satisfaction with the 1965 season. Good ticket sales, the return of Colavito and some other trades made by Paul during the offseason helped the team finish 12 games over .500 and bring in over 900,000 fans. While nowhere close to the attendance generated during the early 1950s, it was a considerable gain over the previous four years. Equally important was the sale of the team by William Daley in August 1966 to one of the other investors, Vernon Stouffer, for $8 million. All owners would be bought out for $300 a share, totaling $5.5 million along with the assumption of a bank loan for $2.5 million. The deal was also contingent on Gabe Paul remaining as general manager for the next 10 years.[23] By the end of the 1966 season, especially with the Stouffer purchase, it clearly looked as though happier days were ahead for Cleveland. It was not the end for Daley, who provided the major capital for the expansion Seattle Pilots. When that ill-fated club was sold and moved to Milwaukee in 1970, his baseball involvement ended. He died in Cleveland a year later.

Vernon Stouffer, 1966-1972

There were plenty of reasons for high expectations with Stouffer's purchase. The son of a very successful restaurateur in Cleveland, he inherited the business and grew it into a national chain of restaurants and hotels. He was also a pioneer in the frozen-food industry and some of the products he created are still available in grocery stores. He was also an innovator in microwavable food. Less than a year after buying the Indians, Stouffer's merged with Litton Industries. At the time, Stouffer's was valued at $21.5 million. It was certainly enough that he was able to afford to purchase 80 percent of the team with $5.5 million in cash and the ability to take out a short-term loan for the other $2.5 million.[24] The club now had a wealthy owner whose company had merged with an even larger corporation. With strong ties to the city, where he had been born in August 1901, and with the apparent availability of almost unlimited cash, there

performing club brought the attendance to about 900,000 and produced a team with a winning record.

[21] Lebovitz, *The Sporting News*, June 20, 1964; 2, 8; McAuley, *The Sporting News*, September 19, 1964: 10, 26; McAuley, *The Sporting News,* September 26, 1964: 10.

[22] Schneider, *The Sporting News*, October 31, 1964: 15; Torry, 98, 101-02.

[23] Schneider, *The Sporting News*, August 27, 1966: 5. It is likely Daley agreed to the sale with the intention of taking his money and purchasing the expansion team in Seattle. While Seattle had yet to be named one of the expansion cities, it was certainly high on the list. Indeed, Daley and his group were awarded the franchise at the end of 1967. Schneider, *The Sporting News*, December 23, 1967: 32. His year in Seattle would prove disastrous and he would sell the franchise to a group headed by Bud Selig that would move the club to Milwaukee. Seattle went eight more years without a team.

[24] Vernon Stouffer," Wikipedia (en.wikipedia.org/wiki/Vernon_Stouffer).

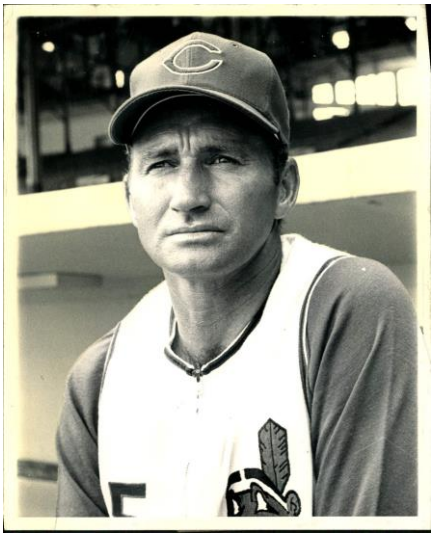
was hope that money would quickly be invested to rebuild a badly weakened organization in both scouting and the minors.

Indeed, that was the direction initially taken by the new regime. Newly hired manager Joe Adcock, at 39 the youngest manager in the majors, announced that the club was hiring six new scouts, increasing that number to 25. Hoot Evers was named a special assistant to the president and Hank Peters, who would years later play a major role in rebuilding the Indians organization, was named vice president of player personnel and minor-league operations. A minor-league club was also added, raising that number to five, and the team re-entered the Florida Instructional League, after having dropped out under Daley. Stouffer, thanks to Hank Peters' recommendation, also withdrew from the scouting combine. With some good initial player signings, it looked as if the new leadership was off to a great start and local interest grew accordingly.[25]

That early optimism soon proved unfounded. The merger with Litton Industries, a conglomerate that included the manufacturing of microwave ovens, seemed like a natural to Stouffer when he agreed to the merger, especially given his own innovations in microwavable frozen food. But Litton fell on hard times rapidly after the merger. Litton stock, which peaked at $120 near the end of 1967, lost almost half its value three months later. By 1971, the stock was trading at less than one-sixth of its peak. Making matters even worse, Stouffer had agreed in the merger deal to hold on to the Litton stock over a long period of time. The capital he supposedly had to rebuild a badly underinvested ball club was gone.[26] While the decline was gradual, by 1970, four years into his ownership, the club was at least as badly underfunded as it had been during the Daley regime.

The lack of funding created other problems that caused Stouffer to get increasingly more involved in the day-to-day operations of the Indians. Adcock's first year as manager was a bust, the team dropping well under.500 and finishing in eighth place. Alvin Dark was hired to replace him, having taken the Giants to a World Series in 1962. The result in 1968 was an immediate and surprising turnaround, with the Indians finishing in third place, their highest standing in almost a decade. While it was the last time the club finished in the first division until 1994, Stouffer decided it was the start of a bright future. He became enamored with Dark's results, rewarding the new manager by adding to his responsibilities, at Gabe Paul's expense, and even attempting to give him equity in the franchise. First, in January of 1969 Stouffer signed Dark to a five-year contract worth $300,000. Halfway through the 1969 season, the owner announced a major shift in duties. Effectively, Paul was no longer the general manager. Dark now had responsibility for player salaries and signings. He also gained more oversight of the farm system, an area Stouffer felt was not developing quickly enough. Paul was now to focus on policy rather that salary negotiations and deals. All of this was poorly communicated to Paul, Dark, and Peters, creating greater confusion and even tension between the three. Stouffer also gave more authority to his son, Jim, who knew little about baseball operations. All of this was done at a time when Dark's team was deeply ensconced in last place, 5½ games behind the fifth-place team in the newly created AL East Division.[27] It did not seem like the best time to be increasing the authority of a manager whose team was struggling.

When Stouffer took it a step further, by offering Dark an opportunity to purchase stock in the club, the backlash escalated. Major-league baseball, specifically acting Commissioner Bowie Kuhn, had problems with a manager directly purchasing stock in the club that employed him. Instead, Stouffer was forced to convert the stock to future options. Later, Dark discovered that



Alvin Dark wore many hats for the Tribe

[25] Schneider, *The Sporting News*, January 28, 1967: 31; February 11, 1967: 29; Torry, 108.

[26] Bill Madden, *Steinbrenner: The Last Lion of Baseball* (New York: Harper Collins Publishers, 2010), 5; Torry, 111.

[27] Schneider, *The Sporting News*, February 5 1969: 19; July 19, 1969: 19; August 9, 1969: 18.

managing players on a day-to-day basis, along with negotiating their salaries during the offseason, created a lot of friction between him and the players.[28] It proved to be highly contradictory to criticize a player's performance during salary negotiations and then attempt to lift his spirits during the season. With little money to offer increases, Dark was left with considerable player discontent. His problems increased in June of 1971 when Commissioner Kuhn announced an investigation into the team's contracts with at least three players. The Indians had apparently agreed to pay them performance bonuses at the end of the season, an arrangement prohibited by the major leagues.[29] Dark was fired at the end of July, but the bonus problems came to a head, with Ken Harrelson retiring and Sam McDowell, their ace pitcher, quitting the team, claiming to be a free agent. New contracts ultimately had to be negotiated with the affected players.[30] In the aftermath of his dismissal, Dark realized that Stouffer's experiment in giving the manager higher administrative duties had been a disaster for the club and for him.[31] It had essentially doomed Dark to failure, if the crisis of Stouffer's finances hadn't done so already. In the aftermath, Paul resumed the normal duties of a general manager.

That resumption of duties didn't change the club's financial situation. By the end of 1970 the club's minor-league teams had been reduced from five to four. The scouting staff was also cut back. Paul assured the directors that the 35 minor-league players released in the reduction were not major-league material. Both the trainer and the traveling secretary were terminated, their duties reassigned to one of the coaches. Jim Stouffer assured the public that the team was "trying to be more business-like. ... Our theme is quality rather than quantity." Quoting Paul, young Stouffer added "[Y]ou can cut the fat from a steak without detracting from the flavor."[32] Unfortunately for Indians fans, the flavor they tasted was that of a poor second-division team.

Even worse were the departures of two talented members of the organization. Hoot Evers left before the end of the 1970 season to take a front-office job with Detroit. Close to a year later, Hank Peters departed to become president of the National Association, the minor leagues' umbrella organization. In his parting, he let Stouffer know that if he planned to keep ownership of the Indians, he was doing the club serious damage by cutting back on the minors and on scouts.[33] On the field and financially, Cleveland's baseball team was clearly in a tailspin.

However, Vernon Stouffer felt he had found a way out of the doldrums as the season ended in 1971, coming in the form of an offer from New Orleans for the club to begin playing 30 games there upon completion of its Superdome in 1974. New Orleans investors would put $2.5 million into the club now in return for the 30-game agreement in the future. Both Stouffer and Paul jumped at the offer, especially since it would provide the club with a badly needed infusion of cash and avoid having to ask the other investors for more. It was definitely welcome news coming a week after the club's Double-A affiliate, Jacksonville, severed relations with the Indians.[34] The American League owners threw a monkeywrench into Stouffer's plans, however, voting down the New Orleans deal pending a study of its consequences. Charlie Finley, owner of the Oakland A's, led the opposition, stating, "If you move 30 games to New Orleans, you're going to alienate the people in Cleveland and make a bad situation worse. I don't want to come into Cleveland and not even be able to make carfare."[35] While not completely rejected outright, the team-sharing idea with a second city appeared to face a major uphill battle to be approved, although Stouffer was not inclined to back down on the proposal.

There was a more immediate hope for better prospects in Cleveland without losing 30 games a

[28] Schneider, *The Sporting News,* September 20, 1969: 23; December 27: 1969, 29; March 20, 1971: 44.

[29] Schneider, *The Sporting News,* June 19, 1971: 17.

[30] Schneider, *The Sporting News,* August 14, 1971: 5; August 21, 1971: 34.

[31] Torry, 116-17.

[32] Schneider, *The Sporting News*, December 12, 1970: 55; January 2, 1971: 46.

[33] Schneider, *The Sporting News,* August 1, 1970: 24; August 7, 1971: 34; Torry, 111. Prior to Peters' departure, Stouffer had ordered him to cut the annual budget for player development by 30 percent. Peters assured Stouffer that if he planned to keep the team, he was "committing suicide."

[34] Schneider, *The Sporting News*, October 2, 1971: 20; October 9, 1971: 17.

[35] Jerome Holtzman, *The Sporting News,* December 25, 1971: 32.

season. A local group of investors, supposedly led by former star Al Rosen, but actually headed by shipbuilding magnate George Steinbrenner, offered to purchase the Indians outright with cash for $8.6 million plus repayment of a $300,000 loan Stouffer had taken using the team's television contract as

George Steinbrenner almost owned the Indians

collateral. The group also included Ted Bonda and F.L. "Steve" O'Neill, who already was a part-owner. Both would soon play prominent roles with the Indians. Steinbrenner and Jim Stouffer had attended Culver Military Academy together and secretly met to hammer out the agreement, with knowledge that the purchasing group could go no higher than what was offered. When the proposed deal was presented to Vernon Stouffer on a conference call, he rejected it, exclaiming to Rosen that "you and your friends are trying to steal my team. ... I know I can get at least $10 million for it. ... I'm not selling to you."[36] While there was speculation at the time that Stouffer was intoxicated when he rejected the offer, it is also likely that the New Orleans deal caused him to value the club at more than $10 million, especially since a Washington, D.C., group had offered over $12 million to purchase the club.[37] With the rejection, it looked as though the only hope to salvage the situation was the New Orleans deal, even though it was viewed with considerable skepticism.

Ted Bonda

Just when it seemed like things couldn't get more dismal for the financially strapped ballclub, they did. Russell Means, the director of the Cleveland American Indian Center, brought a lawsuit for $9 million against Stouffer seeking to stop the use of Chief Wahoo, the cartoon caricature of a Native American that symbolized the team. A Native American himself, Means asserted "If they're going to call the team the Indians, at least they could use a proud image, not that grinning clown."[38] While the suit was eventually dismissed, it provided another headache for the struggling, underfinanced organization.

There was soon reason for hope, however. By early March of 1972 a new syndicate, headed by Nick Mileti, offered Stouffer $9.75 million to buy the club and keep it in Cleveland. While the initial offer was rejected by American League owners for being too short on cash and dependent upon a public sale of stock, which they prohibited at the time, Mileti placated the league by bringing in more partners to both increase the cash component and eliminate the need for the sale of stock.[39] The deal was approved and transacted in late March. Mileti was already deeply involved with other local endeavors, owning both the NBA Cavaliers and the AHL Barons. He also owned the Cleveland Arena and a major radio station and had begun the process of building a new basketball arena between Cleveland and Akron. He also brought in other local investors, including Alva T. "Ted" Bonda and Howard Metzenbaum, founders of Airport Parking Corporation, which they had sold in 1966 for $30 million. Shortly after the purchase, Mileti announced that the deal with New Orleans was terminated.[40] The Indians would continue to play all their home games in Cleveland. It certainly looked like renewed life for the club.

The Vernon Stouffer era had begun with high hopes that finally the team had an owner with sufficient money and a willingness to invest it in the ballclub. But the severe decline in the value of Litton Industries stock dashed those expectations. His

[36] Madden, 6-7.

[37] Torry, 125.

[38] Schneider, *The Sporting News*, February 5, 1972: 43.

[39] Schneider, *The Sporting News,* March 25, 1972: 23; and April 8, 1972: 29.

[40] Torry, 130-31.

tenure began with the intention of being an uninvolved owner, letting Gabe Paul and others run the day-to-day operations. He expressed full confidence in Paul, signing him to a 10-year contract. With Stouffer's decline in fortunes, however, Stouffer became a micromanager, getting involved in many day-to-day decisions. He emasculated Paul and gave many of the general manager's duties to Alvin Dark. He involved his son in the day-to-day operations as well, even though neither he nor his father had much baseball experience. It's not surprising that the team had the worst collective performance and the worst showing in attendance of any postwar owner. Stouffer had diminished both the scouting staff and the minor-league operations, losing two experienced and capable front-office employees in the process. In doing so, he ensured that the near future would not produce any influx of young talent. While Stouffer had turned down lucrative deals that would have moved the team elsewhere, he received little credit for keeping the team in Cleveland. Stouffer died in July 1974, less than three years after the sale. Meanwhile, sportswriters and fans received Mileti with open arms and high expectations.[41]

Nick Mileti/Ted Bonda, 1972-77

Nick Mileti was certainly good at fanning the optimism that came with his acquisition of the Indians. At 41, he was young, similar to Bill Veeck when Veeck took control of the team almost 30 years earlier. Mileti was a native Clevelander, born in April 1931. He had long hair, fitting for the time but out of character with the older, more conservative set who preceded him. He was "charming, outlandish, and the consummate promoter."[42] An attorney, alumnus of Bowling Green and Ohio State law school, he had also built his sports empire on his own devices, using both his sales skills and creativity. Given his ownership of two other teams, the most powerful radio station in Cleveland, and the arena that housed both the Cavaliers and Barons, and his plans to build a new facility to house the basketball franchise, there was good reason to harbor high expectations for the baseball club. After his first season as chief owner and president, he announced the hiring of five new scouts, doubling the number employed when he acquired the Indians. He proclaimed: "The foundation of every successful organization is its scouting system and I'm confident we will have the type of men capable of piping new vitality in the Cleveland Indians in years to come."[43] Almost no one, including the sportswriters, was aware of the soft underbelly of his empire. Mileti was heavily in debt. While he owned 51 percent of the Indians, he had invested only $500,000 of his own money in the club. The construction of the new basketball arena, while ultimately accomplished, was entangled in numerous lawsuits. Worse, the cost of its construction would double from the original estimate.[44] It would not take long before the banks that invested in the Indians deal realized that the main partner – Mileti – was like the emperor who had no clothes.


Nick Mileti

That realization came in early 1973 when it was announced that George Steinbrenner had purchased the New York Yankees and would include in his investment group both Gabe Paul and Steve O'Neill. Paul had actually helped broker the Yankees deal and already was having major conflicts with Mileti. Their Yankees investment automatically required that Paul and O'Neill divest their holdings in the Indians. Paul would also assume similar general-manager duties with Steinbrenner's new club, eventually becoming its president. While Mileti was able to find other investors to replace Paul and O'Neill, he lost the confidence of the banks, which no longer thought he was financially able to run the baseball team.[45] They quickly turned to minority partner Ted Bonda as the logical choice to head the partnership. Mileti slowly drifted to the back bench in overseeing the

[41] Both Dallas and Washington had been serious bidders for Cleveland near the end of Stouffer's tenure. See Schneider, *Encyclopedia*, 333, and Torry, 125.

[42] Torry, 126.

[43] Schneider, *The Sporting News*, December 2, 1972: 49.

[44] Torry, 126, 135-36.

[45] Jim Ogle, *The Sporting News,* January 27, 1973: 45; Torry, 136.

club. He remained president of the club for a short period, but Bonda, as chairman, was clearly in charge. No official announcement was made of the shift in control, but Mileti was bought out by the partnership in 1975.

In one way, Alva "Ted" Bonda seemed destined to be president of the Indians. He was named after Alva Bradley, who had owned the building in Cleveland where his father was employed.[46] Given his namesake's lack of success over 19 years, the name itself offered no guarantee that Bonda would have better fortunes. It wasn't for lack of trying on his part, however. The most notorious of his club's promotions came in June of 1974, known as "ten cent beer night." The promotion was not new for the Indians, having been used without incident earlier. This time, however, it was used for a game involving the Texas Rangers, and there had been bad blood between the teams when they had played in Arlington a week earlier. There were a couple of incidents earlier in the fateful game, but it wasn't until the Indians rallied to tie the score in the bottom of the ninth that things unraveled, resulting in hundreds of inebriated fans taking the field, some armed with knives or parts of stadium seats. The result was a forfeited loss for the Tribe. In the aftermath, it was agreed that any future promotion would limit the purchase of beer to two at a time, not the six that had been allowed that night. When it was tried again in July, there was no turmoil.[47] Along with Disco Demolition Night by the White Sox a few years later, the beer-night forfeit has lived on as a major failed promotion.

The more noble effort to promote the ballclub came after the 1974 season, when the team bought the contract of Frank Robinson and announced that he would become the new manager of the team. Robinson would be the major-leagues' first black manager, with a $180,000 contract, reflecting that he would continue to play. At Opening Day in 1975 both Commissioner Bowie Kuhn and Rachel Robinson, Jackie Robinson's widow, were in attendance, Rachel wishing Jackie were still alive to witness it. It became even more notable when Robinson hit a home run in his first at-bat. Most importantly for Bonda, the promotion drew a crowd of over 56,000. He was clearly pleased with the positive publicity.[48] Three years later, in 1977, however, when the club was well under.500 after two .500 seasons, Robinson became the first black manager to be fired. His dismissal stemmed in part from feuds with some of his players and, most particularly, differences with general manager Phil Seghi, who had replaced Gabe Paul. It had been Bonda, not Seghi, who had suggested and pushed to hire Robinson in the first place, making the termination that much easier for the general manager.

Frank Robinson, history-making manager

Bonda's efforts at promotion, including Robinson, did pay some dividends at the gate. In 1974, his first full year of running the club, attendance almost doubled from the previous year. Promotions such as ten cent beer night were certainly helpful, but so too was a team that remained in contention until mid-August. That improvement didn't stop Bonda from replacing the manager with Robinson. While the team improved in the win column the next two years, attendance declined, dropping by over 200,000 in 1977 from each of the previous three seasons. Between 1972 and 1977, the club had lost over $5 million but Bonda had been able to maintain solvency and the flow of cash by bringing

[46] Torry, 138.

[47] "Ten Cent Beer Night", Wikipedia (en.wikipedia.org/wiki/Ten_Cent_Beer_Night); Schneider, *The Sporting News,* June 22, 1974: 5.

[48] Schneider, *The Sporting News,* October 19, 1974: 5; November 5, 1974: 17; May 3, 1975, 3; Torry, 142.

in other partners.[49] While operations could be maintained, no improvements were made in scouting or the minors. The club still operated with only nine scouts and four minor-league teams.[50] Bonda was frequently approached by other major cities seeking a major-league team, but consistently resisted their offers, largely because of his ability to bring in new cash to keep the operation afloat. Yet he was actively looking to sell the club, likely stemming from pressure by some of his partners, who were growing impatient with the lack of improvement in the team as well as the lack of ability to show a profit. As a loyal native of Cleveland, Bonda was actively seeking someone who would commit to keeping the team in the city.

The most obvious choice, and one Bonda courted extensively, was Edward J. DeBartolo, a Youngstown, Ohio, native who had made his fortune in shopping malls. Art Modell, owner of the NFL Cleveland Browns, introduced the two men, having known and worked with DeBartolo's son, who owned the San Francisco 49ers. There was certainly strong interest, enough to produce an offer for 80 percent of the club for $10 million in 1977. The only stumbling block to completion of the deal came from the American League owners and the commissioner. Both Bowie Kuhn and a majority of the owners blocked the deal, concerned about DeBartolo's ownership of racetracks in three states. There was also a suggestion that DeBartolo had ties to organized crime, although Kuhn denied that such rumors had anything to do with the rejection. New York real-estate tycoon Donald Trump also expressed an interest in buying the Indians and Bonda even flew to New York to meet with him. Bonda ultimately rejected Trump as a legitimate buyer since he would not provide a commitment that the club would permanently remain in Cleveland. In fact, Bonda suspected Trump would move the team to New Jersey to compete directly with the Yankees and Mets.[51] When the 1977 season ended, Bonda was still actively looking for a buyer.

He would find one closer to home than either Trump or DeBartolo. F.J. "Steve" O'Neill, who had been a longtime investor in the ballclub until he joined Steinbrenner and Paul in the Yankees partnership, was persuaded to return to his hometown as the primary owner of the Indians. Art Modell was responsible for bringing O'Neill and Bonda together and even helping to broker the deal. O'Neill and his brothers were multimillionaires from their Cleveland-based trucking business and his primary motivation for buying the club was to keep the team in Cleveland. At 78, it was unlikely he harbored any thoughts of a short turnaround. Indeed, he said, "[W]hen I saw the sad situation with the team here, I wanted to help. It's that simple."[52] It's unclear whether he persuaded Paul to join him or vice-versa, although O'Neill's comment suggested that he was the driving force behind the deal. In any case, O'Neill became the majority owner. Paul was a minor investor, as were Bonda and the Blossom brothers, who were major Cleveland philanthropists. All had been part of the Mileti partnership. The total value of the transaction was $11 million, $6 million in cash and $5 million covering the assumption of debts incurred by the Bonda group. Phil Seghi would become a vice president and have "additional authority" on player personnel, while Paul would assume the position of president, with a promise to beef up the team's scouting. Once again there seemed to be reason in Cleveland to think favorably about the Indians' future, if for no other reason than that the transaction had likely saved the club from bankruptcy, at least for the short term.[53]

F.J. "Steve" O'Neill and his estate, 1978-1986

It was doubly ironic that Art Modell had brokered a deal with Steve O'Neill meant to keep the Indians in Cleveland. Perhaps the greatest irony was that less than two decades later Modell would move the beloved and popular football Browns out of Cleveland. A somewhat smaller irony, but more rapid in its development, was the battle that developed between Modell and O'Neill over the

[49] Schneider, *Encyclopedia*, 334-35.

[50] Torry, 144.

[51] Torry, 146; Schneider, *The Sporting News,* June 11, 1977: 9; On page 11, the *sporting News* article also referred to player discontent and even the possibility that the club would not be able to meet its payroll.

[52] Schneider, *The Sporting News,* February 25, 1978: 46.

[53] Schneider, *The Sporting News,* December 31, 1977: 53; February 2, 1978: 46. See also Torry, 147, and Schneider, *Encyclopedia*, 335. Art Modell was named a director but NFL rules prohibited him from being an investor due to his owning the Browns.

contract to lease Municipal Stadium. It took five years after O'Neill had purchased the team for the conflict to come to a head, but as the stadium lease was about to expire in 1983, the Tribe owner was convinced Modell had been ripping off his club. Modell had gained control over Municipal Stadium in a deal he made with the city 10 years earlier. After threatening a move to the suburbs, Modell agreed to sign a 25-year lease. He invested over $10 million in improvements, including 108 luxury loges. In return, he reached agreement with the city on rather favorable rent payments and then entered into a 10-year contract with the Indians while Mileti was still in charge during the summer of 1973. Between fees paid for the rental of the luxury loges, concessions, advertising, and parking, O'Neill believed his club had lost out on almost $3 million a year in revenue from those services. At the same time, his club, since the acquisition, was facing almost $20 million in losses. While O'Neill had deep pockets, both through his investments and his shares in the company he owned with his brothers, the cost of the stadium lease nagged at him. His contention put in motion events that eventually led to a new ballpark in Cleveland.[54]

Steve O'Neill was another owner who was native to Cleveland, born in September 1899. A Notre Dame graduate, he and his brothers had built Leaseway into one of the nation's most profitable trucking operations.[55] While O'Neill had deep pockets, it was the annual losses of the club that created his frustration. After his first season of ownership, the team was estimated to have lost almost $2 million. While fans may have been upbeat about the change at the top, they didn't show it at the gate. Attendance at the stadium dropped by 100,000 in 1978 and the investment group had to cover the losses.[56] Those losses would continue. The organization was in the red an estimated $1.2 million in 1979, even as attendance surpassed a million.[57] Another million passed through the turnstiles a year later, but even then the club lost money. That was only compounded in 1981 when the players went on strike during the season and drove attendance down by over 350,000. Even with baseball back to normal over the following two seasons, the Indians still lost almost another $8 million.[58] Deep pockets or not, O'Neill was not used to losing that kind of money and thought the lease with Modell provided a good avenue to help lower his costs and improve his revenue stream over the long run.

In the short run, however, there continued to be offers to purchase the club, some that would have moved the team, others that promised to keep them in Cleveland. The first serious offer came from Detroit resident and theater magnate James Nederlander and Los Angeles attorney Neil Papiano. With a commitment to keep the club in Cleveland, they agreed in principle to purchase 58 percent of the organization for $8.7 million, along with debt assumption of $2.27 million. Both O'Neill and Paul would maintain minority interests and the latter would remain president. The deal had progressed far enough that Nederlander supported Paul's effort to sign Dave Winfield with the promise to the player of "a multimillion-dollar Hollywood movie contract and the possibility of an acting career on the legitimate stage" and further "offered to produce benefit shows for the David Winfield Foundation for underprivileged children." Winfield rejected the offer and soon after O'Neill rejected the deal, objecting to his group having to pay $500,000 of the debt.[59] Both potential owners were surprised that O'Neill refused to accept their offer but decided to bow out. Near the end of the 1982 season, Edward D. DeBartolo again emerged as a buyer, offering $12 million for 80 percent of the club, along with the assumption of $4 million of the debt. Once again, his race-track interests, coupled with the AL owners' rejection of an earlier attempt to purchase the White Sox, squelched the offer before it was presented to the league for approval.[60] Two serious offers emerged after the next season, both coming shortly after the sudden death of Steve O'Neill. A wealthy Denver man offered $32 million for the club outright, but only if the team would move to Denver.[61] Weeks later,

[54] Torry, 148-49, 152, 154.

[55]" F.J. 'Steve' O'Neill," Wikipedia (en.wikipedia.org/wiki/Steve_O%27Neill_(owner)).

[56] Bob Sudyk, *The Sporting News,* October 14, 1978: 28.

[57] Stan Isle, *The Sporting News,* April 19, 1980: 15.

[58] Torry, 148.

[59] Sudyk, *The Sporting News,* November 15, 1980: 54; January 3, 1981: 41; January 24, 1981: 51.

[60] Terry Pluto, *The Sporting News* October 4, 1982, 27.

[61] Sheldon Ocker, *The Sporting News,* November 7, 1983: 49.

Donald Trump resurfaced as a bidder, supposedly offering $30 million for the club, but providing a commitment of only five years to keep the team in Cleveland. It was rumored that he ultimately intended to move the club to the Meadowlands in New Jersey. His offer was also viewed with skepticism given Trump's casino interests, with the expectation that the AL owners would reject the deal.[62] In the aftermath of O'Neill's death, even with the many rejections, it seemed even more likely that the club would be sold.

The most serious offer to buy the Indians once the club was transferred to O'Neill's estate came from New York attorney David LeFevre during the 1984 season. LeFevre, the grandson of Cleveland industrialist Cyrus Eaton, offered $16 million to purchase O'Neill's 53 percent interest and another $14 million to buy out the other interests. Baseball executive Tal Smith joined LeFevre in the venture, with the intention of replacing Paul as president. LeFevre, however, quickly encountered two major stumbling blocks. The first was the Municipal Stadium rental deal with Modell, an agreement LeFevre seemingly opposed even more strongly than had O'Neill. The second involved snags in concluding the deal. If he merely bought O'Neill's interests, LeFevre would be unable to take advantage of the ability to depreciate player value over five years. If he offered to purchase all of the other interests, as he seemed intent to do, he had, by Ohio law, to gain unanimous approval of all investors, including the 55 partners who held limited-liability interests. He came close to pulling it off. Three of the limited investors rejected his offer, however, causing LeFevre to back off and buy only the 5 percent of the stock owned by Gabe Paul, who was preparing to retire.[63] While an outright purchase of the club seemed to be the most attractive, the requirement to obtain 100 percent of the investors was a huge inhibitor for LeFevre. The estate of Steve O'Neill appeared to be left with a difficult challenge of trying to keep the club in Cleveland on the one hand and of dealing with Art Modell's stadium arrangement on the other.

The conflict over the Municipal Stadium lease remained an albatross for both sides, with neither showing much desire to budge. The controversy had already extracted a high price on both sides. Art Modell suffered a massive heart attack in the summer of 1983, caused in part by the stresses over the lease and the suit and countersuits it had produced. Things were not much better on the side of the Indians' board. Ted Bonda, opposing O'Neill, led an effort to make peace with Modell, with only minor changes made to the agreement. O'Neill responded by packing the board with more investors who supported his cause. Bonda found himself even more removed from the other board members. The stress was ultimately even more tragic for O'Neill. In October, on the morning of the funeral of his younger brother, Steve O'Neill's heart gave out. The ballclub that had been losing money every year since he bought it in 1977 was now left in the hands of his estate with an ownership structure that made any effort to sell it a major challenge.[64] Making matters worse, in May of 1984 the voters of Cleveland rejected a property-tax increase that would have enabled construction of a $150 million domed stadium downtown, voting it down by 2 to 1.[65] The club seemed destined to remain stuck in an antiquated stadium with an unfavorable lease, along with a poor performing team that offered little attraction to the fans.

[62] Ocker, *The Sporting News,* November 28, 1983: 59; Torry, 169.

[63] Ocker, *The Sporting News,* July 9, 1984: 28; October 22, 1984: 21; October 29 1984: 49; December 3, 1984: 46; Torry, 168-70.

[64] Torry, 156-64, discusses the controversy in great detail, including the tragic outcome.

[65] Ocker, *The Sporting News,* July 9, 1984: 28; Torry, 214-16.

Not surprisingly, the sportswriters and Indian fans were well aware of the dilemma and willing to vent their frustrations, largely directed at Gabe Paul and Phil Seghi. Led by the *Cleveland Plain Dealer*, the morning newspaper, and a local radio station, a concerted effort was begun in 1983 to clean house in the executive office. Much of the campaign was aimed at Paul and Seghi, both of whom had long been associated with the underperforming team. A Voice of the Fan column in *The Sporting News* in August of that year offered, "The solution to the myriad of problems of the Cleveland Indians is to put Gabe Paul and Phil Seghi on waivers for the purpose of giving them their unconditional release." Another column the next summer added, "With the track record these two have compiled, Cleveland fans can count on many more years with a last-place dynasty."[66] The frustration was understandable. Since Paul had returned in 1978 and Seghi's duties were expanded, the team had finished in last place or next to last every season, and the most visible demonstration was at the turnstiles, where only 750,000 fans a year on average were coming to see the games. Unknown to the sportswriters and fans, though, was the recognition by Patrick O'Neill, the nephew left in charge of the estate after Steve's death, that major changes would have to be made to the front office.

"The Jake" became the enduring legacy of the Jacobs brothers ownership

The initial catalyst for those changes was the younger O'Neill's decision to hire Peter Bavasi to replace Gabe Paul as president of the Indians. Not only was Bavasi an experienced baseball operator for someone still in his 30s, but he had also been raised in a baseball family. His father, Buzzie, had been general manager of the Brooklyn/Los Angeles Dodgers, as well as president of the Padres and Angels. The younger Bavasi had worked in the Dodgers and Padres organizations and later was named president of the expansion Toronto Blue Jays before being forced out in a power play. Immediately before taking the Cleveland job, he had been a consultant for Tampa-St. Petersburg and Indianapolis in their efforts to attract a major-league franchise. For that reason, many Cleveland sportswriters thought Bavasi had been hired to relocate the club.[67] Whether that had been his intent or had even been discussed with Pat O'Neill, it didn't happen during his two-plus years with the Tribe. Instead, he began a turnaround process that laid the foundation for the Jacobs brothers when they acquired the franchise.

Perhaps Bavasi's largest contribution to the turnaround was his effort to modernize the organization to reflect the growing complexity of the sport. He divided the operation into four components, baseball operations, revenue production, finance, and administration. Initially, Seghi was put in charge of baseball operations.

[66] *The Sporting News*, August 8, 1983, 14; "Voice of the Fan," *The Sporting News,* August 22, 1983: 6; "Voice of the Fan," June 18, 1984, 6.

[67] Schneider, *Encyclopedia*, 337.

Bavasi announced that he would focus on the farm system as the best way to build the franchise and denied rumors that the club would move.[68] Two months later, to demonstrate his seriousness about changing the direction and culture of the club, he fired Seghi and minor-league director Bob Quinn, replacing them with baseball veterans Dan O'Brien and Joe Klein. By doing so, he hoped to convince Tribe fans that a brighter future was on the way.[69] Bavasi summed up his challenges in attempting to improve the club's image and prospects, stating that it's "like taking over a restaurant with a "D" rating from the health department."[70] For good measure, he even achieved a modest improvement in the stadium contract and, in doing so, made peace with Art Modell.[71] Once again, it certainly appeared to be a new era in Cleveland.

That new start was most evident in Bavasi's second year of running the club. While the 1986 team still finished in fifth place, it was only 11½ games out of first place, the closest finish for the team in almost 30 years. The club drew almost 1.5 million fans to Municipal Stadium, within 20,000 of the attendance level reached by the last truly competitive team, in 1959. The team also had its best won-lost percentage since 1968. At least part of the team's success – along with the fan support – was attributed to Bavasi's own gung-ho attitude. As he explained to *The Sporting News*: "The players are involved in what we're trying to do. We need a rah-rah approach and the players who didn't feel that way were sent packing."[72] The club even turned a small profit from the season, something that had not happened since O'Neill purchased them almost nine years before.[73] Once again, Tribe fans were finding reason to be hopeful.

For the first time in decades, there was substance behind the optimism for better baseball in Cleveland, although Peter Bavasi would not be a part of the resurgence. The O'Neill estate finally found a local buyer who could win support of all the limited partners and thus take advantage of player depreciation. The new buyers of the Indians were Richard E. and David H. Jacobs, brothers from the Cleveland area. Born in Akron, Ohio, David in May 1921, Dick in June 1925, they moved to Cleveland and started the real-estate development business together after both finished college at Indiana. Together with a third partner, they had run a firm that owned more than 40 shopping malls in 14 states, including some in greater Cleveland. The purchase price was $35.5 million, with the two brothers buying out the other owners and assuming all debts of the organization. The brothers put up $18 million of their own money, $12 million in borrowed capital and $2.5 million in subordinated debentures. The other $3 million was a loan from the Steve O'Neill estate.[74] Dick Jacobs, who quickly emerged as both the spokesman and person most involved with the club said, "I look at it as a civic responsibility but also as a way to have a little fun. ... I think we can make some money, too." He added, "We have a management team in place and we are comfortable with their decisions. My brother and I will not be on the front lines." As for Bavasi, Jacobs said in December 1986, "He is a very important part of the team, one of the assets of this club."[75] He was not to be a long-term asset, however. A month later Bavasi announced his resignation to become president of Telerate Sports, departing the club by the end of March.[76] He didn't give his reasons for leaving, whether it was the new opportunity or because his authority in running the club might be limited. Regardless of his reasons and his short-term success, many were not disappointed with Bavasi's departure. He had raised ticket prices and closed the bleachers for night games. He also disagreed with Gabe Paul's claim that Cleveland was a "sleeping giant," keeping open the possibility of a move. In many ways, he was not regarded as being considerate of the fan.[77] His departure opened the door for the Jacobs brothers to build their own management team.

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[68] Ocker, *The Sporting News,* December 31, 1984: 61; January 7, 1985: 40.

[69] Peter Gammons, "American League Beat," *The Sporting News,* March 4, 1985: 28; Schneider, *Encyclopedia*, 339.

[70] Isle, *The Sporting News,* July 8, 1985: 7.

[71] Isle, *The Sporting News,* February 4, 1985; Torry, 175-76.

[72] Moss Klein, "American League Beat," *The Sporting News,* May 12, 1986: 25.

[73] Torry, 175.

[74] Schneider, *Encyclopedia*, 338.

[75] "American League East Beat," *The Sporting News,* December 22, 1986: 47.

[76] "American League East Beat," *The Sporting News,* February 16, 1987: 31.

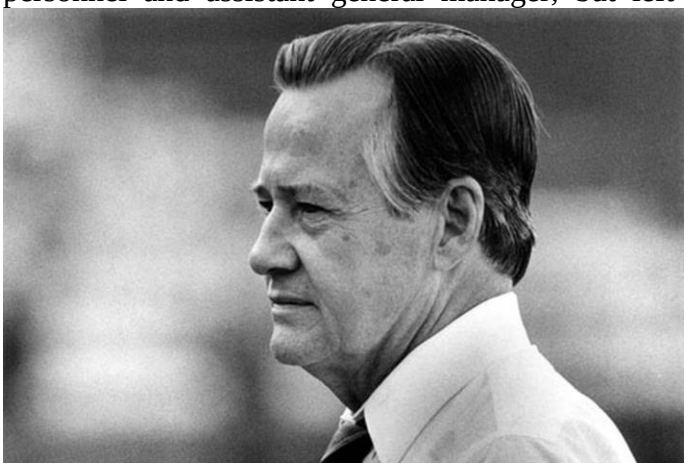
[77] Schneider, *Encyclopedia*, 337-38; "Voice of the Fan," *The Sporting News,* June 3, 1985: 8.

In many ways, the Jacobs brothers' purchase would mark an important turning point for the Indians, but at least some of that credit belongs to Steve O'Neill and his nephew Patrick. In spite of continuous losses until the last season, the family had accomplished its most important goal, keeping the Indians in Cleveland. In spite of numerous rumors, the Tribe was still around. The fight O'Neill picked with Modell had serious repercussions for both men, fatal for the 83-year-old O'Neill. At the same time, it laid the groundwork for a new ballpark in Cleveland. It convinced many, most importantly, the Jacobs brothers, that Municipal Stadium was no longer adequate to house a baseball team. In particular, the dispute convinced both old and new owners that sharing a stadium with the Browns would not work. The groundwork was laid for a new ballpark, although there would still be a long road ahead. While the years under O'Neill still provided many frustrations for Indians fans, Bavasi generated some renewed interest that would remain, even as the team continued to struggle while undertaking the rebuilding effort led by the Jacobses. Notably, attendance would never again fall below a million fans. Overall, the O'Neill group did not have different results on the field or at the gate than had the previous three ownership groups, but unlike their predecessors, they put in motion the process that would lead to future success.

Richard and David Jacobs, 1987-1999

Many Indians followers would consider the era of Jacobs ownership the most successful period in the history of the club. While the team never won a World Series during their tenure, attendance initially remained stable, always over a million fans, and ultimately grew substantially when the club became competitive. For six straight years, the team played before more than 3 million fans, at the time breaking the record for consecutive sellout games at 455. The team won its division five years in a row, from 1995 through 1999, and made it to the World Series twice. The club had never come close to achieving that level of success before Dick Jacobs bought the club. Part of what contributed to the success was the move to a new ballpark in 1994, which corresponded with the first year the club had become seriously competitive since 1959. In fact, the Jacobs's first years owning the ballclub were largely focused on two things: Constructing a stadium built only for baseball, and remaking the team's roster. Both efforts were to produce impressive results.

It took almost a year to replace Bavasi at the top of the organization, but when Dick Jacobs, who quickly became the more involved of the brothers, persuaded Hank Peters to rejoin the Indians, they found the person well suited to rebuild the club. Peters had a long history in baseball, working in scouting for the St. Louis Browns and then joining the Athletics as director of scouting and the minor-league system. In that position, he helped lay the groundwork for the successful A's of the 1970s. He joined the Indians in 1966 as director of player personnel and assistant general manager, but left



Hank Peters, architect of the Indians 1990s renaissance

when it became clear Vernon Stouffer could not sustain the commitment to talent development. He was named general manager of the Baltimore Orioles in 1975 and helped produce two pennant-winning clubs and a World Series championship in 1983. When the team faltered for two years in 1986 and 1987, he was fired by owner Edward Bennett Williams. A month later, in November 1987, Jacobs persuaded Peters to rejoin the Indians.[78] One sportswriter called the hiring "a major step toward respectability."[79] Over the long run, that would prove to be a major underestimation.

For the next four years, Peters focused on strengthening both the scouting and the minor-league organization, areas that had been profoundly neglected for decades. The results would not become evident by the time Peters retired in 1991,

[78] "Hank Peters," Wikipedia (en.wikipedia.org/wiki/Hank_Peters); Torry, 187-91.

[79] Klein, "American League Beat," *The Sporting News,* November 16, 1987: 50.

but he had instituted a strategy that would produce results both on the field and at the box office, and effect positive financial results. The number of scouts was increased from 18 to 29 by the time Peters retired and the number of minor-league clubs was raised from four to six. Peters also noted that the club had been woefully negligent in developing Latin American talent, so he oversaw establishment of a baseball school in the talent-rich Dominican Republic.[80] He also developed a plan to trade higher-paid players heading toward free agency in return for younger talent. While not all of his trades were successful, some provided the nucleus that would become the division-winning clubs of the late 1990s.[81] Much of the talent with those clubs was either traded for or signed while Peters was in charge. When he retired for good in 1991, the club was still a second-division team, finishing the 1991 season with a club record 105 losses. By then, the talent that had been developed, along with the general manager and manager, both of whom he hired, were in place to carry out Peters' long-term vision.

Perhaps the most instrumental part of that vision was general manager John Hart, who had worked under Peters in Baltimore and was recruited by him to join the Indians. Hart had been the third-base coach for the Orioles, but Peters saw his potential better utilized in the front office. Jacobs did not immediately replace Peters with Hart, however. Instead, he hired Rick Bay, athletic director at the University of Minnesota, to be the new president of the club. Hart was promoted to general manager and would be responsible for all decisions involving player personnel.[82] Both would begin their duties at the start of 1992. Bay did not last long, departing less than a year later, largely over differences with Jacobs. Upon his departure, Hart was named executive vice president of baseball and Dennis Lehman executive vice president of business, which included marketing, sales, stadium operations, media relations, and promotions.[83] Hart had already adopted the Peters philosophy of building the scouting and minor-league system, but took it a step further by signing the best of the young talent to long-term contracts, thus avoiding arbitration and, in some cases, postponing free agency. Hart explained: "We came to the conclusion a while ago that this is the only way a small-market club like ours can survive. It's basically our solution to a very bad system, because arbitration is like a gun at a team's head."[84] While the team finished in sixth place in 1993, it drew over 2 million fans for only the third time, thanks in large part to a marketing campaign built around saying farewell to Municipal Stadium. As the Indians prepared to move into a brand-new ballpark, the renewed interest in the city was best reflected in *The Sporting News*: "General Manager John Hart and the Jacobs ownership have built a foundation of exciting young talent that seems ready to contend. The city's downtown has undergone a revival that will be crowned this spring with the opening of a new stadium. As a result, Cleveland is no longer a place to avoid."[85] Hart had even managed to gain Jacobs' approval to sign free agents, announcing contracts with three significant veterans before the 1994 season began.[86] It certainly appeared that Hart was moving closer to bringing Peters' vision to full fruition.

While Hart had done much to generate new excitement in Cleveland, much of it also revolved around the anticipation of a brand-new ballpark. The park, to be called Jacobs Field after the owner bought the naming rights, had been on the wish list of local officials as far back as when Vernon Stouffer proposed a domed stadium.[87] Such a ballpark was even brought to a referendum in 1984, but its funding, a property tax, had been rejected resoundingly. In the aftermath, numerous

[80] Torry, 193.

[81] Torry, 199-200; Schneider, *Encyclopedia*, 348.

[82] Ocker, *The Sporting News,* September 30, 1991: 19.

[83] Ocker, *The Sporting News,* December 14, 1992: 31.

[84] Peter Pascarelli, "Baseball Report," *The Sporting News,* April 26, 1993: 14.

[85] Pascarelli, "Baseball Report," *The Sporting News,* December 20, 1993: 31.

[86] Pascarelli, "Baseball Report," *The Sporting News,* December 13, 1993: 35; Ocker, *The Sporting News,* February 21, 1994: 21. Hart had a prophetic comment as the season was about to commence, saying "[I]t is not about 1994. ... We have a chance to do this in '95, '96, '97, all the way through the rest of this century, and we have the chance to do it with a lot of the same players." Mark Newman and John Rawlings, *The Sporting News,* April 11, 1994: 14-15. Indeed, many of the key players were still there in 1999, in spite of the losses to free agency.

[87] David Jacobs died in September of 1992. Whether the decision to buy the naming rights for the new ballpark was made by both brothers or the surviving brother is unknown

politicians, including the governor of Ohio, mayor of Cleveland, and Cuyahoga County Commissioners, helped put together a new effort, known as the Gateway Project. Land was acquired just south of the downtown center where an open market had existed since the 1850s. Originally, a domed stadium had been envisioned to accommodate baseball, football, and basketball. Jacobs, however, well aware of the previous battles with Art Modell, argued convincingly for an outdoor, baseball-only ballpark. A separate arena would be built for the Cavaliers and a football stadium was offered to Modell as part of the project. He opted to keep the Browns in Municipal Stadium. This time, a 15-year sin tax on tobacco and alcohol would be proposed rather than an increase in the property tax, and the vote would encompass all of Cuyahoga County, including the suburbs, not just city residents. Baseball Commissioner Fay Vincent added some immediacy to the issue, stating that if a new ballpark did not pass, he would give Jacobs permission to pursue moving the team.[88] The matter was placed on the ballot in May of 1990 during the Ohio primary, which would usually generate a lower turnout. In this case, however, almost 50 percent of the eligible voters went to the polls and approved the proposal by a slim 51 percent to 49 percent. Construction started a year later with the intent of having the park ready for Opening Day of 1994.[89] Between the rebuilding of the team and the opening of the new ballpark, the 1994 season was now anticipated with keen interest.

Getting to that point came with a price, however. For the first five years they owned the club, the Jacobs brothers were estimated to have lost $14 million, even though by that time they also had the lowest payroll in the majors – $8.1 million.[90] To cut costs further, they began negotiating a new spring-training agreement to move from Arizona to Florida. They first reached a deal with the city of Homestead, Florida, only to have that agreement wiped out by a major hurricane. They then reached a temporary arrangement with Winter Haven for a year as they continued to explore other options. All seemed to work out well with the new location until three of the players were involved in a tragic boating accident that killed two of them and badly injured the third. It was one of the worst tragedies ever incurred by a major-league baseball team.[91] The accident likely affected the team's performance in 1993, as the club finished in sixth place out of seven. A year later, however, with a new ballpark as well as the Indians now playing in the five-team Central Division, the poor results of the previous year did not dampen the anticipation.

Without question, the 1994 season lived up to expectations until it ended abruptly with the players strike in August. At that point, the Indians were one game out of first in the Central Division and would have qualified for the newly created wild-card spot. While the attendance for the season did not quite match that of the year before, it would have soared past the 2 million mark had the season been completed. When baseball resumed in 1995, the club drew over 2.8 million fans, even though only 144 games were played, again due to the strike. From then through 2001, the club drew over 3 million each year, which certainly equated to significant profits for the organization, estimated at over $60 million between 1994 and 1998.[92] At the same time, the club was also incurring a rapid increase in payroll, from $18 million in 1993 to $61 million in 1997. That increase, with no foreseeable end in sight, was likely what made Jacobs decide first and then, a year and a half later, to put the club on the market.[93]

When Nick Mileti purchased the Indians in 1972, he had been prohibited from selling public stock in the club, but that ruling had been changed by Major League Baseball by 1998. Jacobs saw the public sale of stock as a means of raising cash to be used to support the rapid increase in player salaries. On June 3, 1998, the club did an initial public offering of 4 million shares of stock for $15 a share, thus raising $60 million in cash that could be used to

[88] Torry, 227.

[89] The most extensive discussion of the project can be found in Torry, 220-29. Also see "Gateway Sports and Entertainment Complex," Wikipedia (en.wikipedia.org/wiki/Gateway_Sports_and_Entertainment_Complex), and Mark Naymik, "Art Modell Was Offered a Stadium for the Cleveland Browns and Passed," Cleveland.com.

[90] Ocker, *The Sporting News,* April 27, 1992: 26.

[91] Ocker, *The Sporting News,* September 14, 1992: 23; September 28, 1992: 27; April 5, 1993: 74.

[92] Terry Pluto, *Dealing: The Cleveland Indians New Ballgame* (Cleveland: Gray and Company, Publishers, 2006), 19-20.

[93] Pluto, *Dealing,* 20.

help fund operations. Many investment analysts recommended against the purchase, but the local enthusiasm over the club's success outweighed any skepticism over the potential return. In structuring the deal, Jacobs relinquished none of his control over the team, as the stock granted no power to the shareholders. While the team continued to perform well, winning the Central Division in both seasons, the stock actually dropped in value, at one point reaching a low of $6. That changed, however, when Jacobs decided to sell the team after the 1999 season, in what was at the time a record price for a major-league team. The deal included a buyback of all the outstanding shares of stock, at a price of $22.61. Any original investors who had held on to their stock would thus receive a return of over 50 percent for an 18-month investment, by most standards a very good return.[94] Regardless of how the stock performed during those 18 months, Jacobs had the cash infusion that would help the team remain competitive as salaries escalated. Further, when the team was sold, the outside shareholders were certainly pleased with the return.

For Larry Dolan, the third time was the charm

Escalating player salaries were also a major reason why Jacobs decided to sell the club in 1999. He had never intended to pass the team on to the next generation, nor had he planned to remain as owner for the rest of his life. He reached an agreement with another local man, Larry Dolan, who purchased the club for $320 million, including buying back the outstanding stock. That price was even higher than what Fox Entertainment had paid for the Dodgers a year earlier. In effect, Jacobs was selling the club for almost 10 times what he had paid for it 13 years before and was providing a decent return for his shareholders as well. Dolan, a Cleveland area lawyer, was utilizing his personal assets and four family trusts to finance the deal. Dolan had been jilted three times before, in attempts to buy the Cleveland Browns and the Cincinnati Reds, along with an earlier offer for the Indians. This time, Dolan had a deal. A lifelong fan of the Indians, he was elated, saying, "I don't want one World Series for the Indians, I want a string of them. I want to reach the Holy Grail." He also emphasized that his brother Charles, owner of Cablevision, a major East Coast cable company, along with Madison Square Garden and two sports teams, was not a part of the deal in any way.[95] While Dolan as of 2017 had yet to achieve his goal of a World Series championship for his hometown, he was close to being the longest continuous owner of the club.

The pending sale in 1999 did result in one major loss for the team. Manager Mike Hargrove, who had been the skipper since midseason in 1991, was fired by John Hart, even though the team had once again won its division. For some time, Hart had not been convinced of Hargrove's skills as a manager. Losing in the first round of the playoffs in 1999, along with the departure of Jacobs, who had talked Hart out of terminating Hargrove earlier, was enough to result in the firing.[96] Lou Boudreau is listed as the Tribe's most successful manager, as he surpasses Hargrove in total wins for Indian teams by seven games. However, only Al Lopez and Terry Francona, of those who have skippered the team for at least four seasons, have produced better won-lost percentages than has Hargrove. Along with Jacobs, Peters, and Hart, Hargrove, too, deserves some of the credit for the golden era of the late 1990s.

Dick Jacobs stepped aside from baseball after the deal with Dolan was consummated, although his

[94] Pluto, *Dealing,* 22. See also CNN Money, "Cleveland Indians to Launch IPO," June 3, 1998 (money.cnn.com/1998/06/03/markets/q_indians/); SF Gate, "IPO by Cleveland Indians Not Exactly a Hit With Investors," June 5, 1998 (sfgate.com/business/article/IPO-by-Cleveland-Indians-Not-Exactly-a-Hit-With-3004516.php); and Sports Business Journal, "Cleveland Indians' stock Is Falling in the Standings," June 29, 1998.

[95] Sandomir, Richard, "Baseball: A. Dolan Agrees to Purchase the Indians for $320 Million," *New York Times*, November 5, 1999.

[96] Peter Schmuck, "AL Report," *The Sporting News*, September 1, 1997: 31; Mark Bonavita, "Calling 'Em As I see 'Em", *The Sporting News*, October 25, 1999: 59.

surname remained attached to the ballpark until the naming rights expired in 2008. Jacobs died a year later, in June. His legacy remains. Many fans still call the ballpark Jacobs Field. Many also look back on his tenure as the golden era for the Indians, even though the team never won a World Series. Its dominance of the Central Division during his tenure is matched by only the Atlanta Braves in the NL East. Moreover, only one organization, the Boston Red Sox, has surpassed the Indians in consecutive sellouts. Even the teams from the early to mid-1950s failed to match the continuous success both on the field and at the gate. Upon taking control of the club, Dick Jacobs had developed a long-term strategy, which was carried out and strengthened by both Hank Peters and John Hart. Those efforts resulted in a highly successful franchise by any standard. While the team has had some degree of success since, Jacobs' tenure as owner would prove to be a tough act to follow.

Larry Dolan, 2000-

The challenge facing Larry Dolan was in many ways insurmountable. Not only had Dolan paid the highest price at the time for the franchise, but also the upside was limited at best. The club was in the midst of consecutive sellouts, meaning there was no room for growth other than to raise ticket and concession prices. The team had just won five straight Central Division titles, meaning there was no place to go further in making the team more successful except by winning a World Series. Further, the payroll was escalating dramatically, largely driven by the decision to sign free agents to remain competitive, in part to replace players who had signed with other teams. It was a habit the club had avoided like the plague in the early years of Dick Jacobs, but changed when the team finally opened the new ballpark and was competitive enough to contest in their new division and lucrative enough to afford to do so.

When Dolan, another Cleveland area native born in February 1931 in suburban Cleveland Heights, took control before the 2000 season, he also inherited John Hart as president and general manager. While Hart had subscribed fully to the model for rebuilding designed by Hank Peters and Dick Jacobs, the success of the last five years had revamped his approach. As the club needed to replace players who went elsewhere through free agency and as the team drew continuous sellouts, the mode of operation changed. Without any specific announcement, the focus was now on signing free agents or trading for established players by utilizing the talent generated in the minors. The new process remained profitable for Jacobs, but produced a continuously escalating payroll that by 2001 was the third highest among the 30 clubs. It also meant that in his first two years of owning the Indians, Dolan had to pay over $25 million in luxury taxes, a large component of a $40 million loss incurred in those initial two years.[97] Further, after the team dropped to second place in 2000, the 455-game sellout streak came to an end. Attendance still remained above 3 million for the next year, but season ticket as well as loge sales were both declining significantly. John Hart had been rumored for years to be heading elsewhere to undertake new challenges, and he officially left for the Texas Rangers in November of 2001.[98] Whether Larry and Pat Dolan, Larry's son, who got involved in club operations and ultimately became its chairman, were disappointed to see him depart, there is no question that they set out to institute major changes upon his departure.

While the changes were dramatic, especially in the reduction of payroll, the front office was hardly affected. Hart had been grooming his successor, Mark Shapiro, to be his replacement and he was already designated to do so before the start of the 2001 season. At the same time, it was announced early that the club would start cutting payroll at the end of the season.[99] It was difficult enough to follow in the shoes of a general manager who had generated the results Hart had, but it became especially challenging when Shapiro's main mission was not to pay out huge salaries to improve the team but rather to slash payroll by $20 million. As Shapiro put it, "We're out of the business of collecting talent and in the business of building a team."[100] The goal was reached over the next two

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[97] Pluto, *Dealing*, 9, 144.

[98] *The Sporting News*, November 12, 2001: 19. At $2 million, he would become the highest-paid GM.

[99] Ken Rosenthal, *The Sporting News,* April 16, 2001: 18. At the time, before the 2001 season, it was announced Hart would move into a senior advisory position and Shapiro would become the general manager.

[100] Steve Herrick, *The Sporting News,* December 10, 2001: 64; February 25, 2002: 52.

years, when the team payroll was reduced by over 65 percent, dropping to $45 million.[101] Not surprisingly, the team also fell well below .500 in each of the next two seasons and attendance fell to half of what it had been in the glory years. As of 2017, attendance has not reached 3 million since 2001 and has hit the 2 million mark only three times since 2002. It was indeed a new era for Cleveland baseball, one to which the fans did not react well.

However, the Dolans did have a longer-term plan and, with the limitation of tight budget constraints established, were more than willing to empower Shapiro to execute it. The emphasis was again on rebuilding the minor-league organization and the scouting system. Along with that strategy, there was also an emphasis on trading higher-paid talent for young minor-league prospects, again similar to the early years under Jacobs. Many of those deals proved to be successful, in large part because the Dolans increased the investment in scouting and the minors by 50 percent from 1999 to 2002. In fact, between 2002 and 2005 they were one of the top three clubs in funding those operations.[102] This was a dramatic change from the last years under Jacobs and Hart when the focus was much more on winning today rather than building the organization for the tomorrow.[103] The efforts actually paid some fairly quick dividends. The team just missed a wild-card slot in 2005 and won the Central Division in 2007, just missing a World Series appearance that season after losing the AL Championship Series to the Red Sox in seven games.

The success that year and expectations for the subsequent season stimulated fan interest even more. Attendance exceeded 2 million in 2007 and 2008. However, a combination of free agency for some of the top players, coupled with injuries and slower results in player development, kept the team below .500 for the next four years. In spite of slower than hoped-for achievements, the club stuck to the game plan developed when Shapiro became general manager. Top players heading into their free-agent year were traded for young, emerging talent. Resources continued to be committed to scouting and the minors. Those plans would again prove to pay dividends.

[101] Pluto, *Dealing*, 107.

[102] Pluto, *Dealing,* 57.

[103] Pluto, *Dealing,* 50.

By that time, Shapiro had been promoted to president of baseball operations and Christopher Antonelli, who had joined the Indians organization in 1999, stepped into his slot as general manager. Perhaps one of the most impressive aspects of the Dolan ownership has been the continuity in top management. Shapiro had been groomed to replace Hart in 2001 and Antonelli had been similarly groomed to replace Shapiro when he moved up the organizational ladder in 2010. When Shapiro left in 2015 to assume a similar position with Toronto, Antonelli became president and Michael Chernoff, who joined the club as an intern right out of college in 2003, was promoted to general manager.[104] It is clear that the Dolans have been strong supporters of developing front-office management from within the organization and place a high premium on maintaining a level of stability at the top. They have also had good results in maintaining most of their staff, even when some have been offered positions elsewhere. Perhaps that is because they have also believed in staying out of the baseball side of the organization, letting their top management make the decisions on how to build the club. They have set guidelines, especially in the form of tight budgets, which in turn shape the decisions, and especially the limitations of the baseball side of the business, but within those guidelines, Shapiro, Antonelli, and Chenoff have been provided considerable latitude. As the senior vice president of finance said a decade ago, “The goal is not to overspend in a manner that puts the franchise at risk.” When the team has made a profit, the Dolans have plowed it right back into the ballclub.[105] While that philosophy has caused many Cleveland fans to consider the Dolans to be cheap, it has also maintained constancy at the top level of the organization.

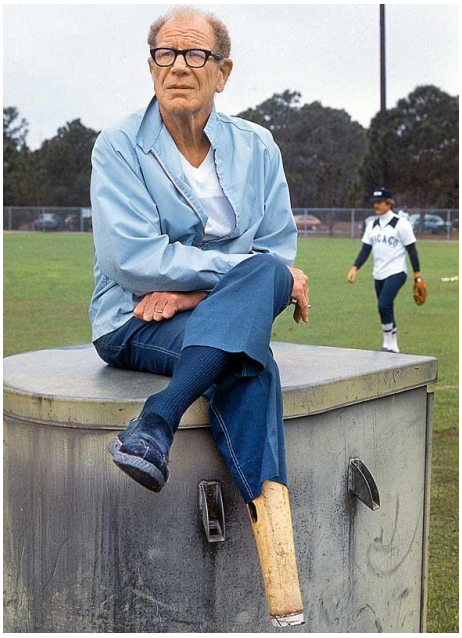
The club seemed to reach a significant turning point in 2012, brought about by an infusion of outside money as well as by the hiring of an experienced, well-regarded field manager. The money came from two separate deals, the sale of the regional sports network the Dolans had established in 2006 to carry all Indians games, and a new contract with Major League Baseball, to carry all of the games on the MLB subscription package. The sale of the regional

[104] "Christopher Antonetti," Wikipedia.(en.wikipedia.org/wiki/Chris_Antonetti); "Michael Chernoff," Wikipedia (en.wikipedia.org/wiki/Mike_Chernoff_(baseball)).

[105] Pluto, *Dealing*, 148.

network to Fox Sports Ohio netted the Dolans $230 million for the purchase, along with a 10-year contract at $40 million a year to carry all the games exclusively in the region. The new carriage agreement netted the club $7 million a year over what it had been paid by the Dolan-owned network. The MLB agreement to carry all Indians games, along with those of the other 29 teams, on a subscription TV package, was estimated to provide the club with another $25 million a year.[106] The infusion of cash into the organization enabled the baseball side of the business to sign some major free agents for the first time in over a decade.

Just before the two deals were announced, the Tribe had hired a new manager, Terry Francona. Francona had already had spent 12 years as a big-league manager, four with Philadelphia and eight with Boston. While his record with the Phillies was undistinguished, with the Red Sox he produced world champions, in 2004 and 2007, something that had not been accomplished by the organization since 1918. He was fired by the Red Sox in 2011. Francona's father had been a popular player for the Indians, so in some ways it was like coming home for the new manager. The combination of the cash infusion and Francona's arrival seemed to make a difference in the performance of the club under the Dolans. In the 13 years the family had owned the club prior to the 2013 season, the team had won the Central Division twice, and one of those was a carryover from the Jacobs/Hart era. In the five years since Francona became manager, the team has won the division twice along with achieving a wild-card slot in his first year as manager. The team has also made it to the World Series for the first time under the Dolans, losing to the Cubs in seven games in 2016. During those five years, the team achieved the best won/lost record in the American League, in spite of having a below-average payroll.[107]



Bill Veeck was the last owner to bring a title to Clevlenand

Even with that success, Cleveland fans have been slow to respond. For the first four years, including the first division title under Francona, the gate was not appreciably different from the years in which the team played below-.500 ball. Attendance averaged roughly 1.5 million a year for those four years, almost identical to the previous four. Only during the 2017 season, when the team won over 100 games for the first time since 1995, did attendance pass the 2 million mark. For that entire period, Cleveland was at the low end, the bottom five in attendance, of all 30 MLB clubs.

If the Dolans remain as owners of the Indians for one more year, they will surpass the longest tenure in the history of the club, that of the Alva Bradley syndicate. Simply by winning one pennant, they have been more successful than the Bradley group was. Another World Series appearance would match the accomplishment under Jacobs, although the team has won the Series only twice, once under Jim Dunn and again during Bill Veeck's tenure. Regardless of what transpires going forward, the Dolans have generated some decent results. More importantly, they have maintained a stable front office, largely developed from within, and have executed a philosophy of running a small-market ballclub that has generated a level of consistency, if not the incredible results both in performance and attendance that were produced by Dick Jacobs. In any case, the last three decades of Indian ownership have been a much more productive era than the three decades that preceded it. Unlike those earlier 30 years, there have been no further threats of Cleveland losing its team to another city.

Summary

If there is any conclusion to draw from those periods that have been more successful for the Tribe, it is the importance of how the ownership is

[106] Paul Hoynes, "Fox Sports Purchases STO for an Estimated $230 Million; Will Pay Indians $400 Million in Rights Fees Over Next 10 Years," Cleveland.com (cleveland.com/tribe/index.ssf/2012/12/fox_sports_purchases_sto_for_a.html).

[107] Terry Pluto, *Cleveland Plain Dealer,* November 5, 2017.

structured. Under Somers, Dunn, Veeck, Jacobs, and Dolan, there was one final person who was capable of making decisions, both for financial matters as well as for baseball operations. While both Dunn and Veeck had other investors, both were fully empowered to make decisions on all matters associated with the organization. The other three had full ownership control of the club. For all of the other major owners of the Indians, they were dependent upon the other investors in the syndicate to make final decisions, especially on the financial side. While there may have been one person able to make the baseball decisions, even they were dependent upon the investors to allocate the funds necessary to run a ballclub. The buck did not stop with Alva Bradley or Gabe Paul, even if they were engaged in all the activities associated with an owner. In essence, those in charge were handcuffed by the investors, even when they were supposedly possessing full authority. It's not surprising that some of the best front-office talent during these eras, such as Hank Peters, decided to go elsewhere. It is also not surprising that the organization produced the best results when one person had ultimate control over the direction of the club. That has led not only to the best outcomes on the field, but also, not surprisingly, to the best results in bringing fans to the ballpark.

There are a couple of interesting ironies when one looks at the history of the Indians. The team has won the fewest World Series of any original American League franchise. The only two wins came on the only two occasions when the club was owned by an outsider, someone who did not reside or originate in Cleveland. Both Dunn and Veeck were either adopted or native Chicagoans. During the only period in which the club was in serious jeopardy of being moved to another city, the various owners – Daley, Stouffer, Mileti, Bonda, and O'Neill, were all native to either Cleveland or Northeastern Ohio. During the tenure of both Jacobs and Dolan, the club has seemed again to be well ensconced in Cleveland, with no threats of a move, in spite of the fact that in recent years the club has languished behind most other teams in attendance. For now, the Indians seem to be a stable, well-run organization.

Recently Published Research

This column highlights recently published articles on topics that may interest members of the Business of Baseball Committee. If you are aware of a source that publishes articles of interest to the readership, please alert me so that I can monitor it.

Anderson, Shaun M., and Matthew M. Martin, "The African American Community and Professional Baseball: Examining Major League Baseball's Corporate Social-Responsibility Efforts as a Relationship-Management Strategy," *International Journal of Sport Communication*, 12, no. 3 (September 2019): 397-418

In 1989, former Major League Baseball (MLB) player John Young created the Reviving Baseball in Inner Cities (RBI) program as a way to increase the number of African Americans becoming involved with the game of baseball. Along with this program, MLB created the Urban Youth Academy (UYA) in 2006 as a way to not only teach the game but also provide life skills to youth and adults. However, MLB continues to struggle in developing relationships and increasing involvement of African Americans. Therefore, the purpose of this study was to understand why African Americans are not interested or involved in MLB. Corporate social responsibility and relationship management theory were used as the frameworks for this study. Eleven RBI and UYA program managers were interviewed to determine the challenges they face in getting African Americans involved in the game. Results from this study indicated four themes regarding MLB program managers' challenges: inconsistency in measuring success, lack of parental involvement, and lack of trust. A discussion, implications, and future directions are addressed.

Arth, Zachary W., Darrin J. Griffin & Andrew C. Billings, "(Inter)National Pastime: Depicting

Nationality in Local and National Major League Baseball Broadcasts," *International Journal of Sport Communicatio*n, 12, no. 3 (September 2019): 354- 370

This study examined Major League Baseball (MLB) broadcasters' descriptions of players through the lens of self-categorization theory. Two core variables were assessed: nationality (American or non-American) and broadcast type (local or national). Broadcaster language in 30 games from the 2016 MLB season was analyzed. Two forms of examination revealed that American players were more frequently described as successful due to their intelligence, whereas non-American players were more likely to be depicted as failing due to an ascribed lack of strength and were discussed more in terms of emotionality. Local broadcasters were more likely to highlight differences between American and non-American players.

Bradbury, John Charles, "Monitoring and Employee Shirking: Evidence From MLB Umpires,"*Journal of Sports Economics*, 20, no. 6 (August 2019): 850-872

Neoclassical principal–agent theory predicts stricter monitoring should reduce employee shirking; however, recent analyses indicate social aspects of principal–agent relationships may result in "crowding out" of disciplinary effects. Asymmetric implementation of an automated pitch-tracking system in baseball allows for the comparison of monitored and unmonitored umpires to identify shirking in light of incentives. Estimates identify some reduced shirking with monitoring; however, overall, umpires appeared to be quite sensitive to league directives absent technological monitoring. Extreme sensitivity to MLB mandates when unmonitored by the new technology indicates that preexisting monitoring (which included human oversight and efficiency wages) was effective at limiting shirking.

Brave, Scott A., and Kevin A. Roberts, "The Competitive Effects of Performance-Enhancing Drugs: MLB in the Posttesting Era," *Journal of Sports Economics*, 20, no. 6 (August 2019): 747-781

Using estimates of Major League Baseball (MLB) financials from *Forbes*, we conduct a cost–benefit analysis of performance-enhancing drug (PED) testing. Player PED suspensions are shown to have lowered franchise values by statistically and economically significant margins through negative impacts on teams' nongate revenues and expected future profit growth. Testing, however, also increased competitive balance through reductions in player costs which compressed the distribution of team wins per dollar. Finally, we estimate the number of PED suspensions per season which balances the costs and benefits of testing at the league and team levels and compare it to MLB's current policy.

Feuillet, Antoine, Nicolas Scelles, and Christophe Durand, "A Winner's Curse in the Bidding Process for Broadcasting Rights in Football? The Cases of the French and UK Markets," *Sport in Society*, 22, no. 7 (2019): 1198-1224

The winner's curse is a well-known phenomenon in the auction theory. The main aim of this article is to verify its existence in football broadcasting rights. The underlying objective is to assess whether some indices of this situation are verified and can cause a winner's curse. The methodology is based on the application of Andreff (2014)'s six indices and a seventh index (disappointment) to the domestic markets for broadcasting rights of the French and English football leagues. These two markets have seen an increase in the number of packages offered to broadcasters, with the possibility of several 'winners'. The article shows that the winner of the major packages in the auction is not cursed. The curse is more likely to happen for the second mover. As such, the article suggests a practical recommendation for broadcasters interested in football rights: win the best package or keep away.

Frost, Lionel, Luc Borrowman, and Abdel K. Halabi, "Stadiums and Scheduling: Measuring Deadweight Losses in the Victorian Football League, 1920-70" *Australian Economic History Review*, 59, no. 2 (July 2019): 181-201

Over a 50 year period, Australian Rules football's major league, the Victorian Football League, did not always use its largest and best-equipped stadium for regular season games between its most popular teams or schedule those teams to play twice in a regular season. We calculate deadweight losses from the use of capital goods (stadiums) and effects of match scheduling in this professional sports league. Such analysis has not been attempted previously because of the absence of a

counterfactual. The welfare losses were significant but not sufficient to threaten the survival of a distance-protected cartel.

Greenfield, Steve, "New Competitions and Contracts: Sports Entrepreneurs and Litigation from a Historical Perspective," *International Journal of the History of Sport*, 35, no. 7-8 (2018): 727-744

Entrepreneurial activities in professional sport often involve the disruption of the existing structures and relationships. A prime example is the revolution in sports broadcasting that has increased in commercial importance as the subscription-based model has developed. Governing bodies across several sports have faced challenges based on an entrepreneur identifying a new competition or even a new game format linked to a broadcasting opportunity. If these new ventures cannot or will not be accommodated a legal dispute may arise to determine what rights exist and which body can exercise them. Cricket and rugby union offer contrasting examples; in the former the dispute between the international authorities and World Series Cricket led to an acrimonious dispute and litigation in the High Court. Rugby union managed to successfully incorporate the move from amateurism to professionalism in collaboration with News Corporation despite the threat posed by the new rugby league competition. On an individual level, legal disputes have arisen as sporting talent has sought new commercial opportunities that requires release from existing contractual arrangements. This piece first considers the original relationship of sport and law articulated, by Edward Grayson. It then adapts the framework proposed by Stephen Hardy and analyses how the law has interacted with these elements and what principles, if any, can be identified in the relationship with sports entrepreneurship.

Hoon Lee, Young, Yongdai Kim, and Sara Kim, "A Bias-Corrected Estimator of Competitive Balance in Sports Leagues," *Journal of Sports Economics*, 20, no. 4 (May 2019): 479-508

The ratio of the actual standard deviation (ASD) to the *idealized* standard deviation of win percentages (RSD) is the conventional measure of competitive balance (CB). RSD is designed to control for the effect of season length on the sample standard deviation of win percentages (ASD). Theoretically, the RSD should be greater than 1, but empirical values below 1 have been found in previous studies. This article employs a mathematical statistics approach to evaluate the statistical properties of RSD and ASD. In doing so, this study finds that RSD is constructed by an invalid normalization approach and that ASD is biased. It also presents a bias-corrected standard deviation (BCSD) as a new estimator of the standard deviation of true win probabilities. Results from the simulations confirm the following: (i) ASD is prone to underestimate CB levels when the number of games is small, (ii) the RSD values become unreasonably large when the number of games is large, and (iii) BCSD performs well with respect to mean bias and root mean squared errors. According to empirical analysis of the English Premier League (EPL) and the Korea Baseball Organization (KBO), BCSD shows that the KBO was more competitively balanced than the EPL between 2000 and 2015, while the RSD implies that the two leagues were roughly equal.

Humphreys, Brad R., and Thomas J. Miceli, "The Peculiar Preferences of Sports Fans: Toward a Preference-Based Motivation for the Uncertainty of Outcome Hypothesis," *Journal of Sports Economics*, 20, no. 6 (August 2019): 782- 796

The uncertainty of outcome hypothesis (UOH) informs economic models of fan attendance decisions, team revenue generation, and league outcomes. Despite this importance, little attention has been paid to the role of consumer preferences in motivating the UOH. We develop consumer choice models that generate predictions consistent with the UOH. These models contain utility functions with diminishing marginal utility in team success, or Leontief preferences for success, and assume that league decisions are based on maximization of aggregate welfare. The most general specification shows that when the population contains both partisan and nonpartisan fans, perfect uncertainty of outcome is optimal.

Mares, Dennis and Emily Blackburn, "Major League Baseball and Crime: Opportunity, Spatial Patterns, and Team Rivalry at St. Louis Cardinal Games," *Journal of Sports Economics*, 20, no. 7 (October 2019): 875-902

Hosting professional sports teams is often seen as a financial benefit for cities. In the following analysis, we provide evidence that sports teams also carry costs. The analysis, the first examining a Major

League Baseball team, finds significant increases in a variety of crimes during home game days of the St. Louis Cardinals. Adjusting for attendance and game length, this study finds that larcenies, motor vehicle thefts, minor assaults, disorderly conduct, and destruction of property increase in volume during game days. Increases concentrate especially around the immediate stadium area, but some are also observable in citywide levels of crime. Additionally, this study examines differences between the time of day a game is played and games played against its historic rival, the Chicago Cubs.

Niven, David, "The Effect of Economic Vulnerability on Protest Participation in the National Football League," *Social Science Quarterly*, 100, no. 4 (June 2019): 997-1008

What distinguishes between National Football League (NFL) players who participated in protests during the National Anthem and those who did not? Does the finding of a personal vulnerability constraint in high-risk activism apply to this relatively elite population?

Protest participation during 2017 was determined for every NFL player, along with several variables pertaining to their performance, compensation, and the political atmosphere of their team.

Bivariate and multivariate tests both reveal that protest participation was far greater among players with large guaranteed contracts and among players who were well regarded for their performance.

Economic vulnerability ranges widely within the NFL such that players hold contracts offering guaranteed payments of anywhere between $92 million and nothing at all. The data here suggest that the personal vulnerability constraint documented in protest participation research also applies to this unique population of high-profile people engaged in a most high-profile protest. Documenting the existence of these constraints helps offer a more systematic foundation to our understanding of political activism behavior among athletes.

Peñalver, André, "Brewing Up Baseball in Seattle: A Story of Labor, Beer, and the All-American Pastime," *Columbia: The Magazine of Northwest History*, 33, no. 2 (Summer 2019): by 4-12

No abstract available

Porter, Dilwyn, "Opportunistic, Parasitic, Strategic, Symbiotic: Entrepreneurship and the Business of Sport," *International Journal of the History of Sport* 35, no. 7-8 (2018): 641-658

Stephen Hardy's tripartite sports product (1986), as subsequently refined by George Sage (2004) and recently reconfigured by Wray Vamplew (2018), remains the starting point for any study of entrepreneurship in and around sport. Recent work in business history, especially Daniel Wadhwani and Christina Lubinski's advocacy of 'new entrepreneurial history' (2017), also has implications for sports historians. These perspectives are crucial for identifying and exploring some key characteristics of entrepreneurship, here defined as an essentially creative process during which opportunities are enacted and developed rather than discovered and exploited. Emphasis is placed on innovation and on how new combinations are effected. A provisional taxonomy of new combinations is developed and three principal categories – parasitic, strategic, and symbiotic – are suggested, each relating to the tripartite sports product in a different way. These abstract formulations are illustrated by examples drawn mainly form the business history of late-nineteenth and early twentieth-century sport.

Porter, Dilwyn, and Wray Vamplew, "Entrepreneurship, Sport, and History: An Overview," *International Journal of the History of Sport* 35, no. 7-8 (2018): 626-640

Entrepreneurs and what they do have long been assigned a central role in explaining economic change and growth. Classical and neoclassical economists viewed the economy as a self-regulating mechanism, understating the role of human agency or regarding it as irrelevant, but their successors – especially since Joseph Schumpeter's *Theory of Economic Development* was first published in English in 1934 – have taken a different view. Shcumpeter characterized entrepreneurs as agents of 'creative destruction' whose innovative activities were essential to economic development. They became the focus of scholarly attention, attracting not only economists but also sociologists, psychologists, and management theorists as well as economic and business historians. Moreover, the idea of entrepreneurship clearly had practical applications, facilitating its entry into popular

discourse. Entrepreneurs came to be seen as heroic figures who made things happen, and entrepreneurship was 'celebrated for its creative dimension, its ability to make the world anew.' The emergence later of 'social entrepreneurship' as a sub-category simply underlined the importance of the original idea.

Slater, Kelsey, "Interview With Andrew Zimbalist, Professor of Economics, Smith College," *International Journal of Sport Communication* 12, no. 2 (June 2019): 159-166

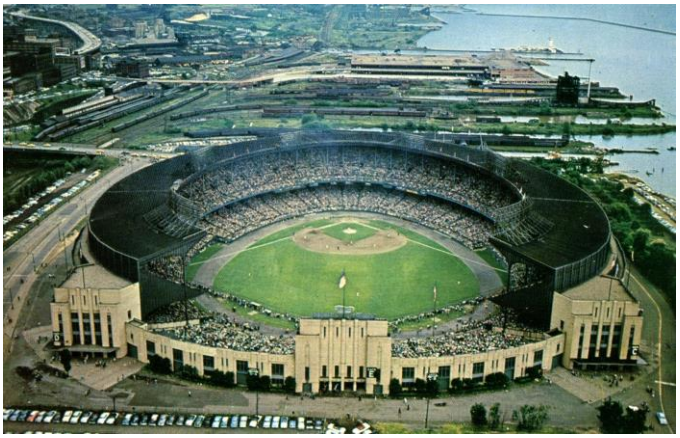
Andrew Zimbalist is a leading analyst of the economic issues surrounding cites' and nations' staging of mega events including the Olympic Games and FIFA (soccer) World Cup tournaments. He has written numerous books on the intersection of sport and economics, including *Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup*. He has consulted on Olympic-bid projects, most notably the 2012 New York City bid, and he also provided a critical examination of the 2024 Boston bid, which was ultimately withdrawn after heavy criticism from the local community.

van Holm, Eric Joseph, "Minor Stadiums, Major Effects? Patterns and Sources of Redevelopment Surrounding Minor League Baseball Stadiums," *Urban Studies*, 56, no. 4 (March 2019): 672-688

Minor league baseball stadiums are a popular redevelopment anchor in mid-sized to small American cities seeking to revitalise their downtowns. This paper uses a panel study of 16 minor league baseball stadiums built around the time of the 2000 census to understand how they affect immediately adjacent census tracts on measures of residential development one decade later. Regressions show that census tracts near new stadiums have larger increases in their median home prices and new housing construction relative to similar areas in the rest of their cities. However, when compared with a sample of tracts in cities that did not build any stadiums, the significant difference in median housing prices disappears, leaving the effect on new housing construction along with an increase in vacancy rates. Taken together, the findings indicate minor league baseball stadiums can revitalise a city's downtown, but also act to concentrate redevelopment rather than create growth.

Zema, Phillip, "Should Athletes Be Paid?" *Sport, Ethics and Philosophy*, 13, no. 2 (2019): 198-212

The National Collegiate Athletic Association (NCAA) currently prohibits student-athletes from receiving compensation from many non-school-affiliated sources, including sports agents, advertising agencies, and merchandizers. Moreover, student-athletes are prohibited from receiving compensation for media appearances, endorsing products, and autographs. Athletes and schools that violate these rules are subject to various punishments, such as fines, suspensions, and forfeiture of games. This paper challenges this NCAA policy. Accordingly, although colleges and universities often compensate student-athletes with free tuition, room, board, and other expenses, I argue that some prohibitions against athletes receiving compensation from non-school-affiliated sources are: (1) arbitrary and unfair to student-athletes; (2) such policies moreover are non-beneficial to student-athletes since we lack good reason to think the reception or pursuit of outside compensations will harm the student-athlete; (3) no foreseeable detrimental effects to higher education arise if student-athletes are allowed to pursue or receive various compensations; and (4) the integrity of college sports will not be compromised if certain forms of compensation are permitted. I take (1)–(4) as good reasons for doing away with the NCAA's current policies. Ultimately, while I do not think colleges or universities should compensate student-athletes beyond what they already provide (e.g. free tuition, room, and board), I think student-athletes should be allowed to pursue an assortment of economic-related activities currently prohibited by the NCAA.



Cleveland Municipal Stadium

A Brief Review of David Kronheim's Annual MiLB Attendance Report

By Mitchell Manoff

In the Spring edition of "Outside the Lines" I had the pleasure to review David Kronheim's Major League Attendance Report for 2018. I now have the pleasure of reviewing his 2017 and 2018 Minor League Attendance Reports. These lengthy reports (189 and 203 pages respectively) are well researched, rich in detail, and enjoyable reads. In addition, his website www.numbertamer.com is frequently updated.

Minor League teams rarely outdraw even the poorest MLB teams. It last occurred in 2004 when the Montreal Expos, who played part of their season in Puerto Rico, were outdrawn by the Sacramento River Cats. It was a more frequent occurrence when the Pacific Coast League (PCL) ruled the west before MLB expanded into their larger markets. The PCL considered themselves a third major league, played a longer season, represented larger population centers and had large stadiums. The attendance history of the St. Louis Browns provides an interesting study. Virtually every year from 1926 to 1953, when they departed for Baltimore, they were outdrawn by a minor league team, and often by many teams. Only during their pennant-winning year of 1944, 1945, and 1952, under the master marketer Bill Veeck, did they avoid being passed by at least one minor league team. This despite the fact that the Browns' had the advantage of hosting the best draw in all of sports, the New York Yankees, eleven times each season.

Among other gems in the report are an analysis of how new stadiums and winning championships affects attendance in the following year. In the major leagues, unless a championship team falls apart or is dismantled, attendance tends to be very good in the following year. This championship bump does not apply to minor league teams. In fact, each year from 2014- 2016, a minimum of 60% of minor league championship teams experienced an attendance decline in the following year. Some individual teams fell as much as 33%. New parks are almost always a boost to attendance during the first year. These gains endure for the next couple of years, though the rate is more modest.

Newer facilities, better food, local publicity, and better parking are all incentives to go to the ballpark. The new ballpark's attendance increases by about 25% with significantly higher concession income during the year that a new stadium opens. One of the improvements in the minor and major League business models is the public/private stadium partnership. While controversial, this provides more funding to create a more substantial product. The ballpark is becoming a central piece of urban renewal, frequently with retail, commercial and residential components.

Probably the most interesting section was "Rise, Fall and Rebirth of the Minor Leagues." These statistics, along with the population trends, business model changes, and changes in leisure time activities provide a fascinating glimpse of mid-size American cities over the past 75 years. One example is comparing the 100th largest city in the 1950 census, Allentown, PA. (population 106,156) and the 99th largest city in the same census, Phoenix, AZ. (106,818) through their minor league teams.

Allentown has a rich baseball history going back to 1884 and drew approximately 100,000 fans in 1950. That proved to be their high-water mark and after a few teams came and went they were without a team from 1960 to 1997. Allentown proved to be a solid baseball town and in 2011 the Class AAA Lehigh Valley Ironpigs (located in Allentown) led all minor leagues in attendance. Their parent club, the Phillies, also led MLB in attendance that year. This was the first time a major league team and one of its affiliates were attendance leaders in the same year. Both teams repeated the feat in 2012. What makes this rebirth even more remarkable is that Allentown, decimated by the loss of its manufacturing base, saw its population increase by only 15,000 from 1950 to 2017, dropping from the 99th, to the 231st largest city.

Phoenix is a very different story. Since 1950 it has grown to become the nation's fifth largest city in 2017. In 1950 a grand total of 126,327 fans passed through the turnstiles to see the Phoenix Firebirds. In 1998, the Arizona Diamondbacks became a major league team and drew 3,610,290 in their inaugural season. During their last year as a minor league city, the Firebirds, drew 209,698. Clearly a beneficiary of the growth of the Sunbelt, Phoenix

now claims major league franchises in all four major team sports.

While both Allentown and Phoenix fared well as baseball towns, albeit at different levels, the same cannot be said for hundreds of other baseball towns. Kronheim lists 448 minor league teams at the peak in 1949 and a low of 147 in 1962, before a resurgence that continues to this day. While television has been cited as a major reason for the demise of the minors, the story is a bit more complicated. Broadly speaking, the 68% decline in the number of minor league teams and resulting attendance decline from 39,640,443 to 9,766,505 was affected by a number of other factors, including:

1. Over expansion after World War II to towns that couldn't support teams
2. Poor business models, essentially providing a ball game in a rickety ballpark, and nothing else. Promotions, and amenities aimed at attracting spectators beyond the hardcore fanbase were rare.
3. Changes in American's leisure time habits, impacted by the automobile, increases in income, decreases in work hours, technology, and competition from alternative forms of leisure.

Kronheim has a section titled "Minor League attendance in cities that joined the Majors." In it he looks at the attendance record for cities before and after they obtained MLB franchises. Not all of the new major league teams were doing well as minor league cities. For example, Houston drew 120,104 in their last year as a minor league town (1961), down from a high of 401,383 in 1949. In 1968, the year before they acquired the AL expansion Pilots, Seattle drew 16,294, down from an all-time high of 548,308, also in 1949.

Kronheim's well researched reports provide a look not just at minor league attendance, but at the changes in American life since the Second World War. And his work is neither static (his website is regularly updated) nor distant, as he is very accessible to the SABR community and welcomes questions and comments. His contact information can be found on his website. Three cheers for David Kronheim and www.numbertamer.com.

Shoeless Joe Jackson

Team Ownership Histories Project -- A subset of Bioproject and the Business of Baseball Committee

By Andy McCue

The project (https://sabr.org/bioproj/topic/team-ownership-histories) continues to grow and evolve. In the past year, we've more than doubled the number of essays posted and added a new dimension.

The new dimension is courtesy of Charlie Bevis, who has done five essays on defunct 19th Century teams (Boston of the Union Association, Boston of the 1890 Players League and the 1891 American Association, Worcester, Troy and Providence of the National League). This has inspired John Zinn to step in to do Brooklyn of the Players League. Charlie's idea and work have opened up the possibility of doing other 19th Century franchises as well as the Federal League and Negro Leagues owners and we'll be seeking volunteers for those slots.

Charlie's essays join earlier essays on the Mets (Leslie Heaphy), the Boston Braves (Bob LeMoine), the Red Sox and Yankees (Dan Levitt and Mark Armour), the Indians (Dave Bohmer), the Dodgers (Andy McCue), the New York Giants (Bill Lamb) and the Diamondbacks (Clayton Trutor). In the past year, we've added the San Francisco Giants (Rob Garratt), Miami Marlins (Steve Keeney), Phillies (Rich Westcott), Blue Jays (Allen Tait), Mariners (Steve Friedman), St. Louis Browns (Greg Erion), both versions of the Washington Senators (Andy Sharp), and the Royals (Dan Levitt).

Working on drafts are Mike Haupert (Cubs), Brian Erts (Reds to '68), Steve West (Rangers), Nick Waddell and Jeff Samoray (Tigers), Mark Stangl (Cardinals), John Bauer (Padres), Ed Edmonds (Reds from '68), Ken Carrano (White Sox), Joe Marren (Expos) and Gary Olson (Twins).

That leaves the Milwaukee Braves, Atlanta Braves, Milwaukee Brewers, Washington Nationals, Colorado Rockies, Los Angeles Angels, Houston Astros, Philadelphia/Kansas City/Oakland Athletics, Baltimore Orioles, and Pittsburgh Pirates.

Anyone interested in the un-assigned teams or those of defunct franchises should contact Andy McCue at agmccue44@earthlink.net..

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A Call for Submissions

The Business of Baseball Committee has more than 700 registered members. We are sure many of you are doing research that would be of interest to your fellow SABR members. Please consider sharing your work in the newsletter, which is especially well suited to preliminary versions of work you may wish to publish elsewhere. *Outside the Lines* is an excellent outlet for the publication of your research on any topic of baseball that occurs "outside" the playing field. Submissions can be directed to Mike Haupert at mhaupert@uwlax.edu.

100 Years Ago

How Cheap was Charles Comiskey? Salaries and the Black Sox

By Michael Haupert

This article was presented at the SABR Black Sox Scandal Centennial Symposium, Chicago, September 27-29, 2019 conference

The story of the infamous Chicago Black Sox is well known, but less well understood. Ground breaking research over the past two decades has largely debunked many of the myths that grew out of Eliot Asinof's highly entertaining, if factually challenged, book and subsequent movie, *Eight Men Out*. Despite the vast quantity of documents and research, the financial side of the story still remains murky in its details. Not so much the bribes that were, or were not, paid or received, but rather the salaries that were paid, the profits that were earned, and the role they played in the decision of the fateful eight to agree to throw the World Series.

On this, the 100th anniversary of the infamous Black Sox scandal, we can take stock of all that we have learned and debunked about the scandal that forever changed MLB. While many facts are now clear, thanks to the tireless work of SABR's Black Sox Committee as a whole and its members individually (see the suggested reading list at the end of this article), the explanation of why the players acted in the way that they did (or did not, in the case of Buck Weaver) may never be known.

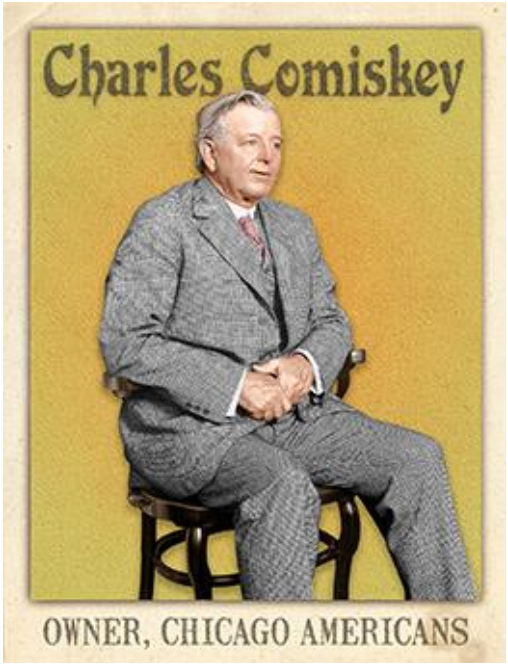
One theory for why the players conspired to throw the World Series is that White Sox owner Charles Comiskey was a cheapskate. While the myth that Comiskey stiffed Eddie Cicotte out of a bonus has been discredited, his reputation as a skinflint is still strong. And for good reason. However, when put into perspective, Comiskey treated his players better than most owners. So while he was cheap relative to today's standards, he was relatively generous for his day.

The focus of this essay will be on that theory. My ongoing work collecting and collating player salaries from the transaction card database at the National Baseball Library in Cooperstown has yielded hundreds of salary observations from the 1919 season. While the task of collecting these salaries is still a work in progress, sufficient data have been collected to allow for a solid preliminary analysis of team payrolls in 1919. The conclusion that can reasonably be drawn is that Charlie Comiskey was indeed cheap, but no cheaper than any other MLB owner.

There are two issues worth examining. First, the bonus issue. The story, perpetuated by a scene from the movie *Eight Men Out*, is that Eddie Cicotte had a clause in his contract promising him a bonus for winning 30 games, and that Comiskey conspired to keep him off the mound at the end of the season in order to prevent him from cashing in. There are two problems with this story, making it easy to discredit. The first is the research done by others

before me that shows that Cicotte was not denied a chance to win his 30th game. But even more damning evidence comes from Cicotte's contract, which does not contain any bonus clause whatsoever. Bonus clauses were not common in 1919, so the fact that Cicotte did not have one is certainly not unusual. Out of 226 AL contracts that I have examined, only 19 had a bonus clause.

The transaction card files yield information on the salary and bonus clauses in thousands of player contracts, dating from 1911 into the 1980s. By focusing on the 1919 season we can get a good idea of how well paid the White Sox were relative to other teams. For the purposes of this essay, I am focusing only on the American League, as my work on the National League is incomplete at this time. The salary files are not complete – either because there are missing data or because I have not yet found the contracts for some players. Both issues can be explained briefly.



The transaction card files were obtained by the Hall of Fame library from the American and National League offices of the president when the individual leagues were dissolved and brought under the umbrella of MLB following the 1999 season. That reorganization is the provenance of the files. The files themselves are a set of thousands of index cards. The index cards are organized alphabetically by player name for the American League, and by year and team for the National League. The cards contain all of the non-standard information that appeared on each player's contract. All players signed a current form of the standard player contract, which was then forwarded to the league president's office for approval. The league recorded all of the non-standard information in each contract on index cards that it kept on file. This non-standard information included all of the information that was filled into the blanks on the standard player contract: date, team and player name, and salary amount. It also included any added clauses – e.g. bonus or penalty clauses, and noted any clauses deleted or amended from the standard player contract. The most common instances of such amendments were the elimination of the ten-day clause, which gave the team the right to vacate the contract and all obligations therein with a ten day notice to the player.

Contract cards exist for many more players than ever appeared in a major league uniform, because players were often signed to contracts that were not fulfilled. Sometimes this occurred because players retired or were drafted, but more often it occurred because they did not make the major league club out of spring training, and never did appear in a MLB game.

Unfortunately, contract cards do not appear to exist for every player who did appear in a MLB game. At this point it is impossible to say for certain, because I have not yet cataloged every one of the cards, but because they are stored alphabetically, unless some serious alphabetization errors have occurred, players are missing. For example, I have been unable to locate a contract card for Oscar Stanage, who appeared in a total of 1096 games for the Reds and Tigers in a 14 year career spanning the years 1906 to 1925. Of particular interest for this study is the fact that he appeared in 38 games as a backup catcher and first baseman for the Detroit Tigers in 1919. I have searched all through the "S" boxes for Oscar Stanage, and come up empty. Alphabetization errors are not uncommon (e.g. it would not be unusual to find Stanage misfiled behind Stapleton), and not difficult to overcome if they are misfiled near where they should be, as the Stanage - Stapleton example would suggest. But if there are cards misfiled under the first letter, for example if Stanage was filed under "O" it would be harder to find. All of this is in explanation for the lack of complete payroll information for the 1919 season. Baseball-reference.com lists 282 players as having appeared on AL rosters in 1919. I have been able to find contracts for 226 of these players (80%). However, the players for whom I have found contracts represent a disproportionate share of the playing time (Table 1), indicating that the bulk of the

missing players are fringe players who were on the roster for short periods of time. The point here is in defending the team payroll data that I have put together as quite reliable, if not completely accurate. Only New York contracts account for 100% of the roster in 1919, but only Philadelphia contracts account for less than 92% of team innings pitched or plate appearances.

Table 1: Contracts as percentage of PA and IP by team

	PA	IP
Boston	99%	100%
Chicago	97%	100%
Cleveland	100%	98%
Detroit	97%	92%
New York	100%	100%
Philadelphia	89%	89%
St. Louis	98%	98%
Washington	93%	96%

As mentioned earlier, bonus clauses were rare. Barely 8% of the contract cards I have seen for 1919 have bonus clauses, and only one of them played for the White Sox. Lefty Williams, not Eddie Cicotte, had a bonus clause in his contract that would reward him for winning 15 games ($375), and an additional bonus of $500 if he won 20 games. Williams was 23-11 in 1919, thus earning both bonuses. Without access to the White Sox financial records, we can only assume that Comiskey paid the bonus, though Williams's implication in the 1919 fix would certainly seem to have warranted a second thought by Comiskey. 1919 was actually an outlier for Comiskey when it came to paying bonuses. While contract cards do not exist for every player for every year, none of those in my database contain bonus clauses for a White Sox player from 1911 (the contract database begins in 1911) through 1918. The first recorded bonus allotted by Comiskey after 1919 was in 1921, when he included a $600 season ending roster bonus in the contract of the immortal Hal Bubser. Hal did not appear on the White Sox roster until 1922, so he certainly did not earn that 1921 bonus. It wasn't until the 1930s that Comiskey routinely began to insert bounus clauses in player contracts.

The second financial myth I wish to address is that Comiskey drove his players to consort with gamblers because of his penurious nature. The White Sox were a very well paid team (Table 2). In fact, they were the best paid team in the American League. A caveat to the data in Table 2: they are a work in progress. They still need to be adjusted for days on the roster for the many players who came and went during the season. So while these final totals will change, the relative team order is unlikely to be affected.

While Comiskey's Sox were well paid relative to other teams, that does not mean that Comiskey was generous. Today, it is not uncommon for payroll to exceed 60% of total revenues. In 1919 owners were not so generous – one of the many benefits of the reserve clause. While we don't have team accounting records for the White Sox for 1919, we do have them for the Yankees, and we know that they paid their players just under 33% of their revenues. This is quite generous compared to the data presented to Congress during the Cellar Anti Monopoly hearings in 1951. Those data are for selected years only. In 1929 MLB teams reported revenues of $11.4 million and player salaries of only $3 million, a measly 26.3%. So while Charlie was cheap, he was no cheaper than any of his contemporaries, all of whom routinely used the reserve clause to exploit player labor for their own profits.

Table 2: 1919 AL Payrolls

	Team Payroll	Avg player
Chicago	$111,397	$3,713
Cleveland	101,142	$3,612
Boston	$100,640	$3,355
New York	$100,408	$3,347
Washington	$85,230	$3,157
Detroit	$83,365	$3,789
St. Louis	$77,935	$2,783
Philadelphia	$57,340	$2,124
AVG	$89,682	$3,235

The White Sox 1919 payroll was disproportionately allocated, with the top three players earning $29,333 (26%) of the total payroll (Table 3). Not only was Charlie not cheap overall, he was quite generous on an individual basis. White Sox players were among the highest paid at their positions, leading the league at second base (Collins), and catcher (Schalk). Buck Weaver was the second

highest paid third baseman, behind only Home Run Baker ($12,000), and Shoeless Joe Jackson was fifth among outfielders, behind Cobb, Speaker, Ruth, and Harry Hooper. Depending on whether one considers Ruth an outfielder or a pitcher, it was either Ruth ($10,000) or Walter Johnson ($9500) who led all AL pitchers in salary, and Eddie Cicotte, the highest paid hurler for the Sox, was either the 7th or 8th best paid pitcher. Red Faber and Erskine Mayer also cracked the top 15. Overall, Eddie Collins was second only to Ty Cobb's $20,000 salary in all of MLB (Table 4).

Table 3: White Sox Player Salaries 1919

Pos	Name	Salary
C	Ray Schalk	$8,094
1B	Chick Gandil	$4000
2B	Eddie Collins	$15,000
SS	Swede Risberg	$3,250
3B	Buck Weaver	$7,250
OF	Nemo Leibold	$3,000
OF	Joe Jackson	$6,000
OF	Happy Felsch	$4,287
3B	Fred McMullin	$3,000
OF	Shano Collins	$3,000
C	Byrd Lynn	$2,100
OF	Eddie Murphy	$3,000
C	Joe Jenkins	$2,100
IF	Hervey McClellan	$1,500
P	Eddie Cicotte	$5,115
P	Lefty Williams	$3,000
P	Red Faber	$4,571
P	Grover Lowdermilk*	$3,300
P	Dickey Kerr	$2,400
P	Dave Danforth	$3,000
P	Bill James*	$2,700
P	Frank Shellenback	$2,500
P	Erskine Mayer	$4,200
P	Roy Wilkinson	$2,700
P	John Sullivan	$2,550
P	Win Noyes	$2,100
P	Tom McGuire	N/A
P	Charlie Robertson	$1,500
P	Joe Benz	$3,000
P	Pat Ragan	$3,000
P	Reb Russell	$3,000

* played on multiple teams

Table 4: Baseball's Biggest Paychecks 1919

name	tm	tot
Ty Cobb	Det	$20,000
Eddie Collins	ChA	$15,000
Tris Speaker	Cle	$13,125
Frank Baker	NYA	$11,583
Babe Ruth	BosA	$10,000
Buck Herzog	BosN/ChN	$10,000
Grover Alexander	ChN	$9,975
Walter Johnson	Wash	$9,500
Harry Hooper	BosA	$9,000
Carl Mays	BosA/NYA	$8,000

It is worth comparing baseball salaries to those earned by other entertainers and average Americans in order to put them into perspective. The average MLB salary in 1919 was $3423. The average Sox player earned $3713. As we already know, the Sox were an above average team both on the field and in payroll.

Mary Pickford

Another segment of the entertainment industry that was subject to a reserve clause was the movie industry. Unlike baseball, Hollywood first breached the reserve clause with the founding of United Artists Studio in February of 1919. Salaries for top actors easily eclipsed those of the top earning ballplayers. Mary Pickford, one of the founders of United Artists and the queen of the silver screen, was earning $10,000 per week. Hollywood's queen was the king of entertainers. The average annual US manufacturing wage in 1919 was $860. This is a reasonable wage with which to compare ballplayers, since most of them had little education, and often worked work blue collar jobs when they no longer played baseball. Even that sounds generous compared to the average Negro League ballplayer, who was bringing in

$304.50. Race based wage data are scarce before WWII, but what little we do know suggests the average African American worker was bringing home $554 in 1919, so a Negro League salary, earned over a six month season, was pretty good pay relative to other African Americans. Despite the reserve clause, being a ballplayer was a good job. The pay was much better than what an average American earned, and it only required six months work to earn it.

Ballplayers, regardless of their race, were well paid. White ballplayers did especially well, earning more than four times the average annual US manufacturing wage. And the White Sox were the best paid of those ballplayers, but not nearly as well paid as their rival entertainers in Hollywood. All of which does little to help us explain why eight well paid ballplayers would risk their livelihoods to throw a World Series, which, had they won, would have netted full shares of $5207, more than doubling the salaries of Cicotte and Williams, and nearly doubling Shoeless Joe's salary. Whatever the motivation, being underpaid seems a weak explanation. The White Sox were not underpaid relative to other ballplayers. And if it was a general gripe of ballplayers, who were certainly underpaid as a profession (relative to the revenues they generated), why didn't they try to throw the World Series earlier and more often? The payroll gripes were neither unique to the White Sox in 1919, nor were they unvoiced in prior years. The 1919 World Series, after 100 years, is still intriguing, both for reasons we know, and may never know.

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Seeking Volunteers for MLB Team Employee Directory Project

SABR's Business of Baseball Committee is seeking volunteers to help with a new project: building a historical database of Major League Baseball team employees. This is an exciting initiative that should give us a new lens into major-league front and back offices, from team owners to ticket sales.

To accomplish this project, we need volunteers to enter data from information sources, principally team media guides, into a spreadsheet. You do not need to have any of the sources — if you have interest in a particular team (or year), we will provide you the sources electronically. If you do have a source with the relevant information and would be willing to enter it into a spreadsheet, that would be terrific as well. We have a sample spreadsheet we will send showing the information we would like to include.

We currently have the following media guides we can share electronically, thanks to Sean Lahman:

- All teams from 2011 to 2019
- Baltimore, 1954–2010
- Detroit, 1961–82 and 2008
- Boston, 1941–2010
- Arizona, 1998–2006, 2008-09
- Miami, 2009–10
- Minnesota, 1961-64, 1967
- Several other teams for 2010

For all teams, we have access to hard copies of roughly three-fourths of the years between 1985 and 2009. We will upload photos of the relevant few pages from each guide if there is a specific team you'd like to work on. If you have a source or team directory not listed here and would like to contribute, please let us know.

We are also looking for a volunteer to help oversee this project and coordinate the process. If you are interested in this position, please let us know.

As we build the database we will be able to see the evolution of baseball employment over time and also create a record of the individuals who staffed them. This should be a valuable addition to our baseball knowledge. Please let us know if you might be willing to take on a few years of your favorite team or year.

Please contact Dan Levitt at dan@daniel-levitt.com with any questions, or to request a team or year to work on.

The Chicago White Stockings of 1876: Baseball's Most Profitable Club

By Bruce Allardice

Buried in the archives of the Chicago History Museum is a fivebox archive of the records of the old Chicago White Stockings Baseball team.[108] Included in that archive is the "cash book" (financial ledger) for the year 1876, the first year of the new National League (NL). Since only limited financial records of baseball clubs for this era have previously been published,[109] this ledger provides

[108] Chicago Cubs Records, 1873-1966, Chicago History Museum. Box 4 contains the 1875-1876 financial ledger, termed the "cash book." The club correspondence for 1876, in box 2, supplements the ledger.

[109] Only for the Boston Club, as taken from the Wright *Note and Account Books*, NYPL. The Boston club made a reasonable profit for the years 1873-82. See Gerald Scully, The Market Structure of Sports (Chicago, U. of Chicago Press, 1995), 8-9. The *New York Clipper*, Dec. 11, 1875 gives a brief view of Chicago's 1875 financials, with the club making a $3,170 profit that year. The *Chicago Tribune*, Nov. 21, 1875

hitherto unexplored insights into the finances of early baseball teams.

The attendance and revenue figures for all the home games can be found in Table 1.[110] A few general observations:

1) The ticket mix included tickets at three price levels, the normal 50 cent admission, the 75 cent grandstand or reserved admission, and a special 25 cent ticket for "boys." The average per ticket revenue was 53 cents, with the home team White Stockings keeping 2/3 of that (35 cents) and the visiting team 1/3.[111]

2) 72% of the tickets sold were 50 cent general admission, 20% grandstand, and 8% "boys." Grandstand tickets provided 28% of total ticket revenue, general admission 68%, and boys 4%.

3) In the above chart, net revenue is gross ticket revenue less the visiting club's 1/3 share, and less umpire costs.

4) Highs and lows. The biggest attendance came at the July 4th Holiday game against rival Hartford, with over 10,000. The lowest was 634 on July 25th against Cincinnati, only 6% of the July 4th gate.

5) Just as today, who the opponent was impacted ticket sales. Attendance in contests against their closest contenders, St. Louis and Hartford, averaged over 3,700 per game, while games against lowly Philadelphia averaged 1,103. Generally, the better the opponent, the bigger the ticket sales.

6) Chicago sold "season" tickets, for $15 each. It is unclear from the records whether the game ticket revenue or attendance figures included the season tickets. If not, and with "almost all" of the 200 season tickets sold prior to the season, the club's revenue could potentially increase by $3,000.[112]

Home vs. Road Revenue

One of the oddities of this first season of the NL was that two teams (the light-drawing New York and Philadelphia clubs) failed to complete their final road trips. These clubs were expelled from the league following the season. For Chicago, the consequence of this was that they played all 35 scheduled road games, but only 31 home games. Chicago owner William Hulbert took no joy in the financial problems of fellow NL clubs. As author Neil Macdonald observes, "Unlike the railroad owner, whose business could boom if his chief competitors went under, in baseball a club owner could go bust if his chief competitors collapsed."[113]

The White Stockings reported $11,622.09 in road trip revenue (the visiting team's 1/3 share of ticket sales). If this figure applied only to NL games, this would mean that the White Stockings earned a little more than $300 per road game.

The White Stockings ledgers yield complete financial details for nearly all road games. Financial details exist for Chicago's first road trip, April 25th to May 8th.[114] These numbers confirm the above $300 estimate. Chicago received $608.68 for two games in Louisville, $943.45 for two in Cincinnati, and $1062.84 for three games (one rained out) in St. Louis, for a total of $2614.97 ($373 per game). Exhibition games against amateur clubs in Columbus, Ohio and Indianapolis netted another $437.75. Less trip expenses[115] of $953.49, the entire trip netted $2098.63.

For the first 18 road games, Chicago's ticket receipts totaled $7,269.09, or $404 per game. This includes the May 30th game in Boston, where they received a season-high $1682.[116]

MANY Exhibitions

Present-day clubs play a full "Spring Training" preseason, but this exhibition season consists of 21-33 games (2019 figures), averaging about 1/3 of the 81 home games each club plays. Exhaustive research into 1876 newspapers shows that the White Stockings played substantially more exhibition

gives a detailed breakdown of the Chicago club's revenues against selected opponents for 1874 and 1875.

[110] From the ledger. The total attendance from the ledger (66,049) is slightly larger than the total attendance given in the Baseball Almanac (65,441).

[111] At the end of the 1876 season the 1/3 (33%) rule was slightly modified to guarantee the visiting team 15 cents of the turnstile (not ticket sold) count. See the *Chicago Tribune*, Dec. 10, 1876.

[112] See the *Chicago Tribune*, March 5, March 12, 1876 for reports on season ticket sales.

[113] Neil Macdonald, The League That Lasted: 1876 and the Founding of the National League (Jefferson NC, McFarland, 2004), 185.

[114] Ledger, page 14.

[115] Hotel bills, railroad tickets, umpires, carriages, telegrams, etc.

[116] The *Chicago Tribune*, May 31, 1876, reported a paid crowd of 14,000 for this game.

games (50) than they did regular season home games (31). In 1876 the White Stockings, like most clubs, scheduled a significant number of exhibition games. While these games were not counted in league records, they were an important source of income.

Prior to the 1876 NL season, the White Stockings played two practice games against local Chicago amateurs. They played 34 non-NL games during the season, with the club winning all but two of these. Fourteen post-season games were played, most notably a five game series against the St. Louis NL club for what was billed as the "championship of the west."

The in-season games were possible because teams had great latitude in the scheduling of games, and often built in time for profitable contests against nearby semi-pro clubs. Since the pennant-winning White Stockings were the NL's best draw, they had no trouble scheduling exhibitions. On the minus side, since the club had only two reserve players, the regulars wore themselves out playing the barnstorming games.

For 42 of the 50 games, the ledgers and correspondence include information on how much money the White Stockings earned. Contemporary newspaper accounts of these exhibition games usually gave the score, but rarely mentioned attendance. A few reports did suggest a fairly healthy attendance—and thus income. For example, the May 24th game at New Haven, against a professional non-league team, drew about 2,000 fans, while 4,000 were reported to have attended a Sept. 2nd game at Syracuse and a June 19th game at London. These attendance reports showed higher attendance than the ticket sales of the average NL game. The ticket prices for these exhibition games appear to have been the NL standard of 50 cents.[117]

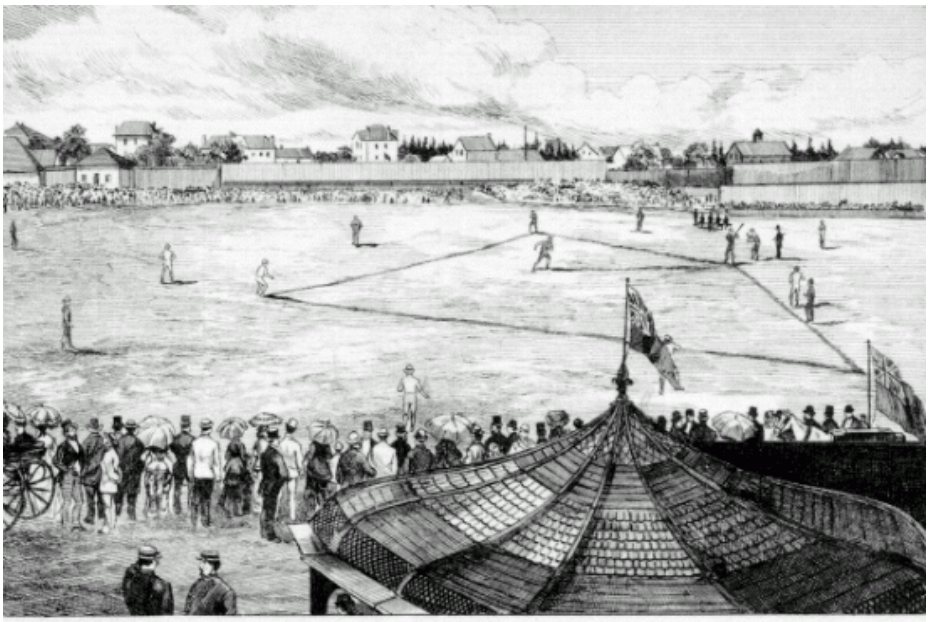
Table 1 Chicago White Stockings Daily Ticket Revenue and Attendance

YEAR	MONTH	DAY	CLUB1 NAME	Grandstand .75	General .50	Boys .25	Total Attendence	Gross Revenue	Net Revenue	Other
1876	May	10	Cinc	431	2544	196	3171	1644.75	1132.08	
1876	May	11	Cinc	748	1302	93	2143	860.25	576	
1876	May	13	Lou	403	1894	248	2545	1311.25	903.3	Sat
1876	May	16	Lou	151	782	55	988	518	357.93	
1876	May	19	St L	846	3584	500	4930	2551.5	1867.5	
1876	May	20	St L	735	3293	293	4321	2271	1471.5	Sat
1876	June	20	Mut	199	1017	85	1301	679	469.25	
1876	June	22	Mut	307	1229	89	1625	868.5	604.75	
1876	June	24	Mut	475	1471	156	2102	1130.75	793.42	Sat
1876	June	27	Ath	159	708	85	952	494.55	342.95	
1876	June	29	Ath	190	1037	95	1322	684.75	472.35	
1876	July	1	Ath	179	783	74	1036	544.25	352.5	Sat
1876	July	4	Hart	1994	7286	1041	10321	5398.75	3690.32	Holiday
1876	July	6	Hart	821	1879	290	2990	1627.75	1153.59	
1876	July	8	Hart	841	1981	249	3071	1683.5	1129.92	Sat
1876	July	11	Bost	254	976	120	1350	708.5	493.5	
1876	July	13	Bost	247	900	82	1229	655.75	457.25	
1876	July	15	Bost	432	1144	144	1720	932	615.12	Sat
1876	July	18	Lou	173	731	63	967	511	355.09	
1876	July	20	Lou	190	664	74	928	493	344.5	
1876	July	22	Lou	270	767	68	1105	603	424.5	Sat
1876	July	25	Cinc	127	566	60	753	393.25	272.75	
1876	July	27	Cinc	95	496	43	634	330	227.9	
1876	July	29	Cinc	139	637	47	823	434.5	325.6	Sat
1876	Aug	22	St L	641	2283	205	3129	1673.5	1169.09	
1876	Aug	25	St L	603	2040	221	2864	1527.5	1068.59	
1876	Aug	26	St L	836	2370	313	3519	1882.75	1254.5	Sat
1876	Sep	22	Bost	121	696	41	858	449	309.45	
1876	Sep	23	Bost	197	794	74	1065	563.25	391.92	
1876	Sep	26	Hart	193	860	53	1106	588	386.58	
1876	Sep	27	Hart	235	905	41	1181	639	455.58	
Total				13232	47619	5198	66049	34652.55	23869.28	

[117] Cf. advertisements in the *Providence Evening Press*, May 30, 1876; *The Daily Milwaukee News*, Oct. 10, 1876; *Detroit*

Reports of the Sept. 28th game in Milwaukee, against the local West Ends club, provide a sample of the financial deal that a winning NL team could demand. The West Ends gave their distinguished visitors 60% of the gate receipts, and paid for all the pre-game advertising.[118] According to a Milwaukee newspaper, the game drew "at least 1800."[119] The Detroit newspapers reported a slightly different, but nonetheless lucrative, deal to induce the White Stockings to play an exhibition against the Aetnas of Detroit: "To induce the Chicago nine…. to visit this city, the home club has been obliged to guarantee a large sum…"[120]

For most exhibition games, the White Stockings received a healthy advance guarantee ($100+), and/or 50% or more of the ticket revenue, since the major league club would be the primary "draw" for fans. The receipts averaged $166 per game for the 42 games for which they are recorded. If this average is applied to the remaining eight exhibition games, the club made about $8,300 from barnstorming—almost as much as they earned from their NL road games.



LONDON, ONT:—INTERNATIONAL BASE-BALL MATCH BETWEEN THE TECUMSEH CLUB, AND THE MUTUALS (PROFESSIONAL) OF CHICAGO.
FROM A SKETCH BY J. C. MCARTHUR.

To compare the dominant 1876 White Stockings to the Cincinnati Reds of 1869-70, Chicago's 1876 won-loss record of 52-14 for NL games should be updated to add their 45-5 record in non-NL games. The combined 97 season wins exceeds that of the 1869 Reds, and their 84% winning percentage compares favorably to Boston's 71-8 league record in 1875. The Chicago business model of playing almost as many exhibition games as league games, shows that the NL more closely resembled the 1877 International League model (with the majority of games being non-championship) than often thought.

Holiday Gate vs. Weekday

The NL rules forbade playing league games on Sundays. This rule reflected NL founder William Hulbert's determination to make the NL more "respectable" in the eyes of the public.

The ledger figures suggest that the ban cost Chicago, and by extension the NL, much needed revenue. The nine Saturday home games significantly outdrew (by 33%) the weekday games. In every series with a Saturday game, the Saturday game outdrew its weekday counterparts. There's no reason to believe that Sunday games wouldn't have drawn as well (or better) than the Saturday games. Saturday games averaged 2249, while non-holiday weekday games averaged 1689, for a difference of 560.

For example, if the White Stockings had played nine Sunday contests in lieu of nine weekday games, and each one simply attracted a Saturday sized crowd, attendance would have jumped by 5,040 (7.6%). In fact, the Sunday ban was one reason that a competing major league (the AA) was founded in 1882.

Umpire Costs

An 1876 Chicago newspaper summed up the prevailing economics of major league umpires:

"At present, the clubs jointly pay the umpire's car fare, hotel bills, and other expenses, and give him from $10 to $20 for his work or his time…. It would probably be a fair medium to fix the sum of $25 per game as an average for the year."[121]

Free Press, Aug. 29, 1876; *Bloomington Pantagraph*, Aug. 12, 1876.

[118] Macdonald, The League That Lasted, 202.

[119] *Milwaukee Daily News*, Sept. 29, 1876.

[120] *Detroit Free Press*, Aug. 29, 1876.

[121] *Chicago Tribune*, May 14, 1876.

The figures from the White Stocking's ledger confirm the newspaper's estimate. The accounts show that the umpire was paid at the end of a club-to-club series (generally three games), the pay shared equally by the home and visiting clubs. The pay and reimbursements averaged from $17 to $23 per game. To cite one example, well-regarded umpire Michael J. Walsh was paid $52 for a 3-game series.

Fake News (on Attendance)

A recent poll showed that 78% of the American people doubt the trustworthiness of newspaper reporting. A review of 1876 newspaper reports on attendance show that the citizenry of 1876 had at least as much reason to doubt what they read in the newspapers. Accounts of the games routinely exaggerated crowd numbers.

For example, the May 10th *Chicago Tribune* asserted that "5,000 or 6,000" people waited for tickets outside the ballpark, but the actual ticket count was only 3,171. On Sept. 24th the same paper found "fully 2,000 "present in the seats" (actual tickets sold, 1,065). The *Tribune's* Chicago rival, the *Inter-Ocean*, was no more accurate. It's May 20th issue counted "at least 7,000 persons" in the ballpark (actual count, 4,930). These exaggerations remind historians of the ever-present danger of using newspaper reports as primary sources.

What attendance did a MLB team have to get in 1876 to make a profit? Put another way, what was the break-even point in attendance?

The break-even point for ticket sales depends on other sources of revenue and total costs. In 1876 (and today) some clubs had higher payrolls than others. Some clubs had revenue streams, such as rental of their grounds, that were independent of ticket sales.

In 1876 the major club revenue streams included 2/3 of home game ticket sales, plus 1/3 of road game ticket sales. A poor-drawing club such as Philadelphia impacted not only their own bottom line, but also the receipts of visiting clubs.

At the end of the 1876 season, the *New York Clipper* estimated that only half of the clubs made a profit that year.[122] That gives a starting, ballpark (pun intended) figure for a break-even point, since the average club drew 33,305 attendees.[123]

This starter figure can be compared against the numbers developed for the White Stockings. As is shown elsewhere, average ticket revenue for the White Stockings was 53 cents, with net revenue (1/3 of ticket revenue to the visiting team) averaging 35 cents. Thus, a club drawing 33,000 fans (about 1,000 per home game) would net $11,550 in home game ticket revenue. Assuming, as a rough estimate, that a team would draw as well on the road as at home, road game ticket revenue would then average ½ of home revenue, and the club would earn $17,325 in combined home/road revenue. A reasonable estimate of the average player salary in 1876 is $1,700.[124] With an 11-man roster (total expense $18,700), and with salaries generally estimated to be 2/3 of club expenses, the club would have $28,050 in expenses.[125] Thus, a club averaging 1,000 tickets per game couldn't make a profit on league game ticket revenue alone. As historian John Thorn has observed, in the first four NL seasons, the majority of NL clubs LOST money.[126]


GRAND EXHIBITION
OF
BASE BALL
Tuesday, Aug. 29th, 1876.
WHITE STOCKINGS, of Chicago,
(Professional) versus
ÆTNAS, of Detroit.
Game called at 3 p. m. Admission, 50 cents. Ladies, 25 cents.
N. B.- The stand will be reserved for ladies and their escorts.
au27-2ta

However, clubs had alternate revenue streams, including exhibition game revenue and renting out

[122] *New York Clipper*, Oct. 28, 1876.

[123] Per Baseball Almanac.

[124] Robert F. Burk, Never Just a Game: Players, Owners, and American Baseball to 1920 (Chapel Hill, UNC Press, 2001), 243.

[125] The 2/3rds estimate is from Scully, The Market Structure of Sports, 11, and followed in Harold Seymour, Baseball: The Early Years (New York & Oxford, Oxford U. Press, 1960), 68. The $28,050 yearly expense conforms to Seymour's estimates of typical club expenses.

[126] John Thorn, Baseball in the Garden of Eden (New York, Simon & Schuster, 2011), 173.

their ball park. Additional funds were raised through stock sales, loans, and assessments on current stockholders. The White Stocking ledgers show that the club used all of these. The ledgers especially emphasize how crucial exhibition games were to the bottom line.

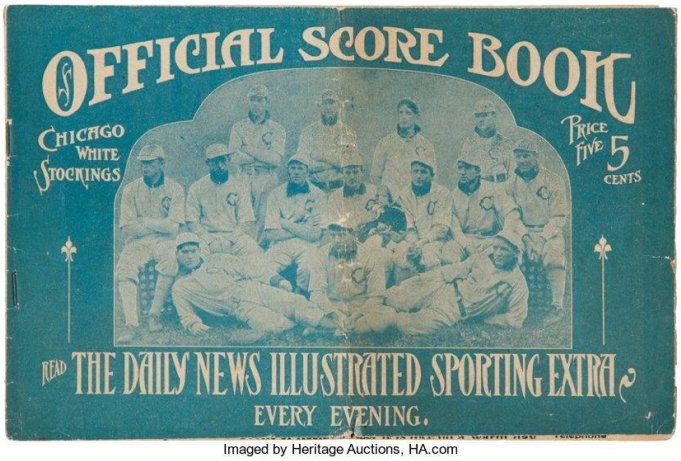
At 2,000 attendees per game, plus a healthy exhibition game schedule, a winning club could make a profit, as the White Stockings proved in 1876. It is difficult to tell from the ledgers precisely how much profit the club made, as the club paid off an old loan, paid out stock dividends of $5,277, carried out a corporate reorganization,[127] and assessed its stockholders $6,600. The club made $44,000 in home game, road game and exhibition game revenue. Since expenses (including salaries) are listed in the ledger as $30,000, this all suggests that Chicago made a profit of about $14,000 that year. The club paid the 1876 rent ($2,400) for its grounds in 1875, which by some accounting standards should be charged to 1876 expenses and thus reduce the actual 1876 profit to $11,600. The ledgers indicate the club had $30,000 more cash at the end of the year, than at the beginning.[128]

The new, more business-oriented National League proved a success for better-run, big market clubs such as Chicago. Compared to the era of the National Association (1871-75), Chicago's profits boomed. And Chicago's relatively secure financial base led to a decade (1876-85) in which they won the pennant five times. On and off the field, this decade proved to be the Golden Age of Chicago baseball.

Table 2: White Stockings Exhibition Game Income

Date	Opponent	Income	Attend/Notes
20Apr	Local Chicago Nine	$231.30	
22Apr	Chicago Franklins	$129.70	
1May	Columbus, OH	$287.75	Ch W 5-0
3May	Indianapolis	$150.00	Several hundred
15May	Northwestern U.		At home
17May	Elgin, IL		In Elgin
18May	Milwaukee		
24May	New Haven, CT	$200.00	About 2000
26May	New Haven, CT	$106.00	Ch W 16-2
29May	Providence, RI	$123.35	≈ 500. Ch W 12-2
31May	Providence, RI	$100.00	
2Jun	Lowell, MA	$123.60	
5Jun	Fall Rivers, Boston	$65.50	
9Jun	Reading, PA	$100.00	
12Jun	Wilmington, DE	$75.00	4-inn rain-out loss
19Jun	London, Ont		3000. Ch W 16-6
21Jun	Milwaukee		>1800. Ch W 11-1
28Jun	Rockford		Ch W 29-6
31Jul	Indianapolis	$483.75	> 2000. Ch W 8-7
4Aug	Indianapolis	$343.87	3000. Ch W 5-4
9Aug	Columbus, OH	$150.00	
11Aug	Springfield, OH	$144.75	
14Aug	Bloomington, IL	$194.70	Ch W 30-2
28Aug	Jackson, MI	$150.00	500. Ch W 17-3
29Aug	Detroit	$233.50	Ch W 10-3
30Aug	London, Ont	$216.38	≈ 3000. 25 cent tix
31Aug	Rochester, NY	$150.00	
1Sep	Auburn, NY	$150.00	
2Sep	Syracuse	$412.62	4000
4Sep	Ilion, NY	$100.00	
14Sep	New Haven, CT	$106.34	
18Sep	Boston Exhibition	$ 57.15	
20Sep	Syracuse	$167.73	Syracuse W 2-0
21Sep	Toledo, OH	$100.00	
25Sep	Boston Exhibition	$50.00	Charity game
28Sep	Milwaukee	$200.00	> 1800
29Sep	Janesville, WI	$150.00	
2Oct	Clinton, IA	$150.00	≈ 1500
3Oct	Marshalltown, IA	$200.00	Ch W 35-7
5Oct	St. Louis	$383.10	4000
7Oct	St. Louis	$146.35	
9Oct	St. Louis		In Ch
10Oct	St. Louis		In Ch. 500
11Oct	St. Louis	$200.00	In Milw. 1000
14Oct	St. Paul, MN	$250.00	Ch W 19-1
16Oct	Minneapolis	$292.02	Ch W 26-1
17Oct	St. Paul, MN	$105.75	
18Oct	Minneapolis	$141.75	Ch W 25-2
19Oct	Stillwater, MN	$100.00	
21Oct	Milwaukee	$32.25	Ch W 11-10

[127] For more on the reorganization, see the *Chicago Daily Inter Ocean*, July 31, 1876.
[128] Ledger, pages 17, 45.



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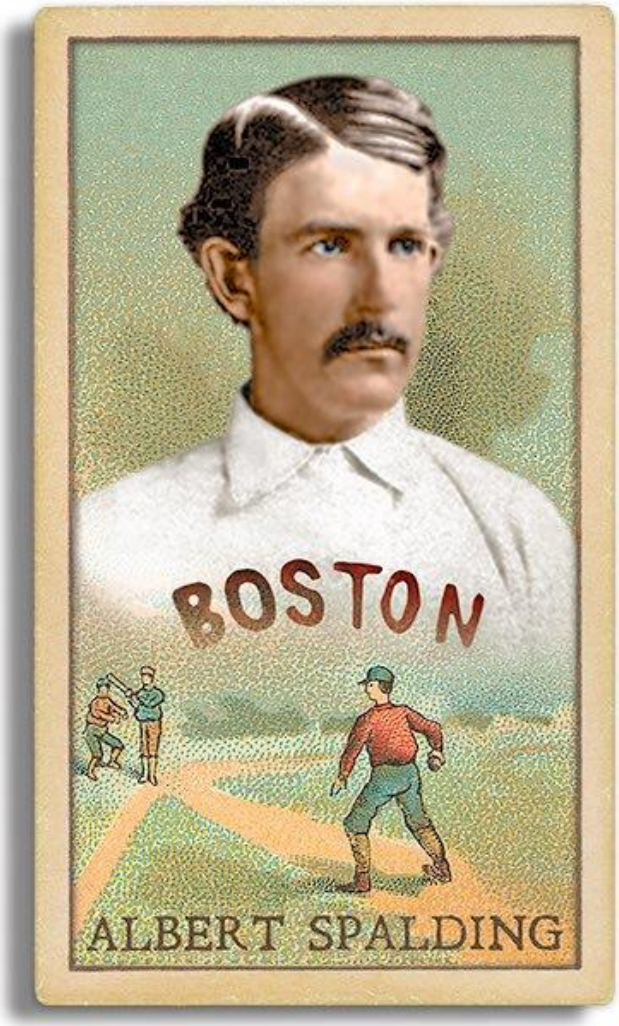

Contributors

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The committee's website is at http://research.sabr.org/business/. You should stay in touch with the site as we improve the look and add content.