



## *The Hempstead Regency*

The beneficiaries of the Brush will were his widow Elsie and daughters Eleanor and Natalie, each of whom was bequeathed a one-third share of the Brush estate. The estate holdings included the clothing business in Indianapolis and real property, but its principal asset was majority ownership of the New York Giants. The year before Brush's death, Helene Britton had blazed the trail of female stewardship of a major league ball club, inheriting control of the National League St. Louis Cardinals upon the death of her bachelor uncle, Stanley Robison. Thereafter, Mrs. Britton took an active role in the management of Cardinals' affairs. But the Brush family women had no interest in running the Giants. Nor would a man as tradition-minded as John T. Brush have wanted them to.

The terms of the Brush will entrusted disposition of estate assets, including the Giants, to co-executors Harry Hempstead and Ashley Lloyd. Immediately after the Brush funeral, Hempstead quelled rampant speculation about an imminent sale of the ball club.



The New York Giants would remain in the possession of the Brush family, he informed the press.<sup>1</sup> Then, as foreordained by his late father-in-law, Hempstead took over superintendence of the Giants, installed as

Harry Hempstead inherited the Giants corporation chairman and club president at the January 1913 NEC board meeting. A quiet, honorable man of sound but cautious judgment, Hempstead would administer the franchise capably, but with a constant eye upon what was in the best interest of the Brush heirs. Regrettably, his risk-averse temperament and lack of vision proved costly. In January 1919 and over the dissent of his wife Eleanor, Hempstead relinquished a controlling interest in the New York Giants franchise to a syndicate headed by Manhattan stock trader Charles A. Stoneham. In so doing, Hempstead deprived the family of the financial windfall that attended

baseball club ownership during the Roaring Twenties.

Franchise regent Harry Newton Hempstead was born in Philadelphia on June 25, 1868. He was the youngest of six children born to the head of a customs brokerage firm, and grew up in comfortable circumstance.<sup>2</sup> Although Lafayette College-educated to be a chemist, Harry began his working life as an executive in a New York City freight hauling company. Thereafter, he met and began courting Eleanor Gordon Brush, the daughter of [then] Cincinnati Reds owner John T. Brush. The couple married in October 1894, some four months after John T. had taken 24-year-old stage actress Elsie Lombard as his second wife.<sup>3</sup> In 1898, the Hempsteads relocated to Meadville, Pennsylvania where Harry assumed the presidency of the Garfield Chewing Gum Company. Four years later, Hempstead's acceptance of day-to-day oversight of the When Store operation in Indianapolis freed his father-in-law to remove himself to New York and focus his attentions on the fortunes of the Giants.

Although no stranger to the game – Harry Hempstead had played outfield for prep school and college nines in his younger days<sup>4</sup> and was a ten-year member of the New York Giants' corporate board – the successor of the renowned John T. Brush was a blank to most baseball fans. The *Cincinnati Enquirer* informed readers that the new Giants boss was “a young man of engaging personality and quiet business temperament ... [who had been] a careful and quiet student of the game for many years.”<sup>5</sup> The New York faithful were reassured by news that John McGraw would continue as Giants manager, signed to a new \$30,000 per year contract.<sup>6</sup> And Hempstead would continue the Brush policy of giving McGraw free reign over game strategy and personnel moves. But unlike his predecessor, Hempstead did not seek McGraw's advice on larger matters, like franchise direction and business outlook. Here, Hempstead relied on the counsel of minority owner/treasurer Ashley Lloyd and club secretary John B. Foster.<sup>7</sup>

An early order of business for the fledgling administration was reciprocating a kindness extended two seasons before by the American League New York Highlanders. When the junior circuit rival lost their leasehold on Hilltop Park at the close of the 1912 season, Hempstead promptly

made the Polo Grounds available. For the next decade, the renamed New York Yankees would call the Polo Grounds home – while depositing \$50,000 per annum rent into Brush family coffers. The accommodation also ushered in an era of cordial relations between the two New York clubs that would last the duration of the Hempstead regime.

The new club order began successfully, with the Giants winning a third-consecutive National League pennant in 1913, only to lose a third-consecutive World Series to an American League foe, in this instance, the Philadelphia Athletics. But trouble in the form of the upstart Federal League soon emerged. Although Hempstead would usually be a listener rather than a talker at NL owners' conclaves, he was prompt to sound the alarm about the outlaw league, the peril posed by the Federals driven home to Hempstead when its backers inadvertently solicited him to invest in their Indianapolis franchise.<sup>8</sup> To reduce player receptivity to Federal League inducements, Hempstead persuaded fellow NL magnates to concede certain contract-related demands recently made by the players, a strategy subsequently rewarded by the loyalty of Christy Mathewson and other Giants stalwarts when the FL came calling.

While generally perceived as a genial, mild-mannered man, Hempstead had a cold, clear eye when it came to business – as his fellow club owners and league officials would discover in early 1915. With the financially-strapped International League franchise in Jersey City likely to be bankrupted by competition from the FL champion Indianapolis club just relocated to Newark, the leaders of Organized Baseball proposed to save the Jersey City club by moving it to the Bronx for the

1915 season. Such a placement, however, required the permission of the New York Giants, which held territorial rights over the borough. But Harry Hempstead would not grant it. In his view, another professional baseball club playing in New York City was not in the best interests of the Brush family. Notwithstanding pointed criticism by American League president Ban Johnson, International League boss Ed Barrow, and *The Sporting News*, Hempstead would not yield. The Jersey City club stayed put.<sup>9</sup> Months later, the Federal League got a similar dose of Harry Hempstead, the steely businessman. The Federals' plan to place a team in Manhattan was quietly but neatly thwarted by the Giants boss. In a move



*Hempstead played an important role in staving off the Feds*

reminiscent of Andrew Freedman in his heyday, Hempstead dispatched agents to scoop up the East Side Manhattan building lots that had been designated as the site of the FL club's ballpark, thereby depriving the would-be interlopers a place to play.<sup>10</sup>

The rational, business-first side of Hempstead was next put on display after the Federal League expired after the 1915 season. Although Organized Baseball had emerged triumphant in the battle with the Federals, a fearful toll on the game's wellbeing had been extracted, in Hempstead's opinion. Citing calculations made by NL officials, Hempstead observed that the minors had contracted from 49 leagues in 1913 to 26 presently, while more than 5,000 former players had lost their place in professional ranks, all of which Hempstead attributed to the havoc caused by the conflict with the outlaw circuit. "The man who thinks wars are good for baseball has never had anything to do with a club in a time of war," he declared.<sup>11</sup> That outlook propelled the "affable and likeable" Giants president to "the center of one group of good souls"

who urged reconciliation with Federal League backers during a post-war parley of NL/AL/FL principals.<sup>12</sup>

One such backer was Harry F. Sinclair, the swashbuckling oil tycoon who had owned the FL Newark Peppers. In the winter of 1915-1916, Sinclair set his sights on acquisition of the New



*Harry Sinclair*

York Giants. Soon, rumors abounded. When queried on the subject, Hempstead – ever the businessman – revealed that “while he had received no definite offer for the club, he would sell [the Giants] if the offer was alluring” Moreover, “he was open to proposals.”<sup>13</sup> But a prospective sale foundered when Sinclair declined to meet the reported Hempstead asking price of \$2 million for the New York club, an amount that Sinclair deemed “beyond all reason.”<sup>14</sup> For the time being, therefore, the

franchise would remain in the hands of the Brush family.

Unlike his predecessor, Hempstead was not fixated on baseball. During his tenure as Giants president, he continued oversight of Brush family business operations in Indianapolis, served as a trustee of his alma mater, Lafayette College,<sup>15</sup> and enjoyed winter sporting activities in Lake Placid. But tending to the Giants was never too far from his mind. The 1917 season brought a second National League pennant to the Hempstead administration, but things had not gone agreeably. Manager McGraw had become resentful of his diminished role in franchise operations, and relations between him and Hempstead grew more distant. The Giants roster also contained personality-types, particularly contrary second baseman Buck Herzog, not to the club president’s liking. When Herzog refused to accompany the club on a late-season trip to Boston, Hempstead suspended him. Buck was reinstated in time to play in the World Series, but the results were another Giants disappointment: a loss to the Chicago White Sox in six games.

A more long-term concern of Hempstead was the effect that American entry into World War I was having on baseball. Although the 1917 season had not been seriously affected by the war effort, 1918 would prove a different matter. Player ranks were thinned by the call to military service or to work in defense industries, the regular season abbreviated, and the Fall Classic hurriedly completed by September 11. All the while, attendance at Giants games plummeted. The gate for 1918 home games was only 256,618, barely half that of the previous season and more than 400,000 below the inaugural 1913 campaign of the Hempstead administration. The major leagues as a whole had fared no better in 1918, each circuit losing more than one million patrons from the previous year. Drastic measures were needed to restore the game to good health. To that end, Hempstead and new Boston Red Sox owner Harry Frazee proposed the installation of former US President William Howard Taft as an all-powerful one-man executive-in-charge of the major leagues.<sup>16</sup> While respectfully received, the Hempstead-Frazee proposal went nowhere.

Professional baseball was on the verge of a golden era. The game would enjoy immense popularity in the 1920s, with ballpark attendance skyrocketing and club investors reaping the rewards. But Harry Hempstead did not see this. In January 1919, Hempstead saw only hard times ahead, with baseball being no place for the Brush family women and their money. His determination to sell the ball club, however, created a split in family ranks. Elsie Brush trusted Hempstead’s judgment and would do as he advised, while daughter Natalie, although now a young adult, would do what her mother told her. Eleanor Hempstead was another matter. A private woman who shunned the limelight, she had inherited her father’s business acumen and was fiercely protective of his legacy.<sup>17</sup> To Harry’s chagrin, Eleanor would not sell her interest in the club. Nor would minority club owner Ashley Lloyd part with his Giants holdings. Still, Hempstead managed to cobble together a block of club stock sufficient to constitute a majority interest in the New York Giants franchise.

On January 14, 1919, Hempstead released a public statement announcing that “with many regrets,” the Brush family had sold the New York Giants. The new club owners were a syndicate headed by Manhattan stock trader Charles A. Stoneham.

Giants manager John McGraw and New York City magistrate Francis X. McQuade were small-stake syndicate members and would become club officers, as well. The sale price was generally reported as \$1 million.<sup>18</sup> Although Eleanor Hempstead and Ashley Lloyd would retain their stakes in the club into the mid-1920s,<sup>19</sup> the guard at the Polo Grounds had changed.

### Endnotes

1. As reported in the *Denver Daily News* and *Trenton Evening Times*, December 2, 1912, and elsewhere.
2. More detail on the early life of Harry Hempstead is provided in his BioProject profile at [www.sabr.org/person/9790a1ac](http://www.sabr.org/person/9790a1ac).
3. Elsie Lombard Brush, Eleanor Brush Hempstead, and Harry Hempstead were contemporaries, all in their early-40s when John T. Brush died in November 1912.
4. The *Cincinnati Post*, December 10, 1912, stated that a promising baseball career had been short-circuited when Hempstead suffered an eye injury during his college years.
5. *Cincinnati Enquirer*, December 12, 1912.
6. As reported in *Sporting Life*, January 11, 1913.
7. Hempstead's attitude was a bitter disappointment to McGraw, who had long aspired to ascend to a front office position. In his 1923 memoir, McGraw recalled club boss John T. Brush fondly. Harry Hempstead went unmentioned.
8. An investment prospectus was delivered to Hempstead at his Indianapolis business address, prompting the Giants club president to exclaim, "What do you think of that for gall?" *New York Times*, January 23, 1914.
9. As noted in *Sporting Life*, February 20, 1915. The Jersey City Skeeters toughed out the 1915 season, only to finish last in International League standings and go broke by season's end.
10. As reported in *Sporting Life*, August 15, 1915.
11. *Sporting Life*, January 1, 1916.
12. *Ibid.*
13. According to the *New York Times*, December 17, 1915.
14. As per the *New York Times*, January 13, 1916. See also, *The Sporting News*, January 20, 1916.
15. At the direction of club president Hempstead, New York Giants players were oft-times dispatched to tutor the Leopards nine. In October 1916, an exhibition game between the Giants and the Lafayette varsity drew a crowd of 1,500 to the Easton, Pennsylvania campus. The Giants won, 9-0.
16. As reported in the *New York Times*, November 24, 1918.
17. Some 60 years after-the-fact, half-sister Natalie revealed that Eleanor had burned their father's papers after his death, lest they fall into the hands of an unsympathetic biographer. See Johnson, 47.
18. See e.g., the *Chicago Tribune* and *New York Times*, January 15, 1919. Later, Giants historians raised the franchise purchase price to \$1.3 million. See Schott, Tom and Nick Peters, *The Giants Encyclopedia* (Champaign, Illinois: Sports Publishing, Inc., 1999), 90.
19. In June 1924, Eleanor Brush Hempstead sold her stock in the Giants to one-time St. Louis Cardinals part-owner Warren "Fuzzy" Anderson. See the *New York Times*, June 13, 1924.

Her price was in the \$200,000 range, as reported in the *Washington (DC) Evening Times*, June 12, 1924. Ashley Lloyd was no longer a voice in the running of the club but was still a substantial New York Giants stockholder at the time of his death in January 1925.

### *The Stoneham syndicate and a second golden age of New York Giants baseball*

In the early 1920s, the New York Yankees began the assembly of a professional sports dynasty, with many pundits rating the 1927 Yanks the best ballclub in major leagues history. Yet during the first half of the decade, the New York Giants outdid their local rival. Piloted by John McGraw and with a lineup featuring future Hall of Famers Frankie Frisch, George "High Pockets" Kelly, Dave Bancroft, and Ross Youngs, the Giants captured four consecutive National League pennants (1921-1924) and two World Series crowns, both taken at the expense of the Yankees. Remarkably, these feats were accomplished despite a fractious and oftentimes dysfunctional front office. At the center of the turmoil was one of baseball's more improbable figures: club president Charles A. Stoneham.



Charles Stoneham

Short, stout, and jowly, Good Time Charlie Stoneham embodied a Jazz Age stereotype – cutthroat businessman by day, boozy bon vivant by night. Even before he took over the Giants in January 1919, Stoneham was a familiar name to the readers of New York City tabloids. Beginning with the well-publicized suicide of a mistress in 1905,<sup>1</sup> Stoneham’s messy personal and business life was periodically in the news. Thereafter, the Giants principal owner had to contend with federal indictments, civil lawsuits, hostile fellow magnates, and troubles with booze, gambling, and yet more women. But during his 16-year tenure as club president, the Giants achieved more success than the club had had under any prior regime.

Charles Abraham Stoneham was a man of modest origins. Born in Jersey City on July 5, 1876, he was the older of two sons born to a Civil War veteran-turned-bookkeeper and his Irish immigrant wife. By the mid-1890s, Charlie was employed as a board boy by a mining stock brokerage. Adept with numbers and innately shrewd, he quickly advanced in the profession. By 1903, he was senior partner of his own Manhattan brokerage firm. And by 1908, he was being sued for fraud by firm clients.<sup>2</sup> Undaunted by bothersome litigation, Stoneham expanded his stock trading operations, becoming active on the New York Curb Exchange, a frenetic, unregulated open-air marketplace for the purchase and sale of stocks that did not qualify for registration on respectable exchanges. Many curb exchange firms were actually bucket shops, establishments wherein the customer was sold what purported to be a derivative interest in a stock or commodity future, but no transfer or delivery actually accompanied the transaction. Rather, the order went into the “bucket,” with the customer, in effect, betting against the broker on the stock’s rise or fall.<sup>3</sup> The potential for fraud here was enormous and many jurisdictions, including New York, made operation of a bucket shop (as opposed to a facially licit, if risky, curb exchange brokerage) a criminal offense. Still, bucket shops flourished

For a compulsive gambler like Charles Stoneham – he was a regular at race tracks, casinos, and other gaming haunts – stock speculation/bucketeering converted his pleasure in endeavors of chance into a livelihood, and he prospered spectacularly. In time, Charles A. Stoneham & Company would expand operations to Boston, Providence, Chicago, Detroit,

and elsewhere, in addition to maintaining the home office in New York City’s financial district. By the advent of World War I, Stoneham was rich, so well-off that he could afford to lose \$70,000 to Arnold Rothstein’s Partridge Club playing roulette one evening – over the telephone!<sup>4</sup> But gambling was hardly Stoneham’s only vice. He was also a heavy drinker and fond of the opposite sex. With second wife Hannah safely stashed in their Jersey City home,<sup>5</sup> Stoneham nightly prowled the Manhattan demimonde, usually with drink in hand and often with a chorus girl mistress on his arm.

As rumor that the New York Giants were for sale became public during the winter of 1918-1919, candy manufacturer George Loft and Broadway showman George M. Cohan were identified as the most likely club buyers. Surprise therefore greeted Harry Hempstead’s January announcement that a majority interest in the franchise had been sold to a syndicate headed by Charles A. Stoneham, a stranger to Giants fans who did not follow newspaper gossip or the financial pages. Joining the Stoneham syndicate as much-junior partners were Giants manager John McGraw and Manhattan magistrate Frank McQuade, both of whom shared Irish-Catholic ancestry, connection to Tammany Hall, and a love of baseball, horseracing, and midtown night life with Charlie Stoneham.<sup>6</sup> At the ensuing meeting of the Giants corporate board, Stoneham, holder of 1,166 syndicate shares, was appointed club president. McGraw and McQuade, holders of 70 shares each (purchased from Stoneham for \$50,000), assumed the posts of vice-president and treasurer, respectively.<sup>7</sup>

Like John T. Brush, Stoneham had total faith in manager McGraw, leaving roster decisions and game strategy entirely to Little Napoleon. Stoneham was also liberal with his checkbook, bankrolling the improvements sought by McGraw. Otherwise, Stoneham withdrew, avoiding locker room contact with Giants personnel and observing game action from a window in his distant Polo Grounds office. From there, Stoneham enjoyed the play of four consecutive NL pennant-winners and the resurgence of the faithful at the ballpark turnstiles. Between 1920 and 1924, the Giants averaged better than 900,000 fans per season for home games, swelling the club treasury. Only the Yankees, Polo Grounds tenants through 1922, drew better.

Through this great run of club success, Stoneham tried to avoid the limelight. But he seemed unable to escape press and public attention. The January 1922 financial collapse of E. D. Dier & Company, a brokerage firm in which Stoneham was a silent principal, generated a bevy of civil lawsuits against him.<sup>8</sup> Then, trouble erupted in club management ranks, culminating in a rumored fist fight between Stoneham and McGraw, the latter being given to fisticuffs when intoxicated.<sup>9</sup> By October, Stoneham was believed to be entertaining a buy-out offer from erstwhile Giants president Harry Hempstead and one-time New York Highlanders front man Joseph Gordon.<sup>10</sup> Believing that they had a first option on Stoneham's stock in the Giants, McGraw and McQuade raged at such reports and threatened legal action. Evasive non-denials by Stoneham only inflamed the situation, prompting the club president to retreat to Havana until the furor abated.<sup>11</sup> In the end, Stoneham held on to his Giants stock, permitting an uneasy truce to descend upon the franchise's front office.

A problem far graver than difficulty with his baseball junior partners soon confronted Stoneham: the implosion of E. M. Fuller & Company, a notorious Manhattan bucket shop. Summoned to testify before bankruptcy commissioners, Stoneham was unable to provide a plausible explanation for the \$147,000 that he had passed to Manhattan Sheriff (and Tammany powerbroker) Thomas F. Foley via Fuller accounts. Stoneham's claim that the money was a personal loan to Foley subsequently formed the gravamen of a perjury indictment obtained by federal prosecutors.<sup>12</sup>

Stoneham's denial of the charge and his resolution to go to trial placed baseball's governing hierarchy in a bind. Although fellow club owners were clamoring for Stoneham's ouster as Giants president, National League president John M. Heydler felt powerless to act. "I have neither the inclination nor the right to discuss Mr. Stoneham's affairs outside of baseball," Heydler insisted. "As [NL] president, I have only to do with Mr. Stoneham as a club owner and league member," adding, on that account, that he had found Stoneham to be "a good sportsman, fair and straight in all his league dealings ... and reasonable in his official dealings with my office."<sup>13</sup> The silence of Commissioner Kenesaw Mountain Landis bespoke

a similar disinclination to institute action against Stoneham, at least for the time being.<sup>14</sup>

The troubles facing Stoneham expanded exponentially when a superseding federal indictment was unsealed in January 1924. Deeper investigation into Stoneham's involvement in the Fuller operation had yielded fraud, theft, and related criminal charges against him. Stoneham now faced a lengthy prison sentence, if convicted. Worse yet for Organized Baseball, the new indictment also charged others associated with the New York Giants: brother Horace A. Stoneham and reputed brother-in-law Ross F. Robertson,<sup>15</sup> both members of the Giants' corporate board, and Stoneham attorney Leo F. Bondy, legal counsel to the Giants. After a trial punctuated by acrimonious wrangling between the trial judge and prosecutors, and post-verdict allegations of jury tampering, Stoneham and the others were acquitted.<sup>16</sup> Stoneham's legal problems, however, were far from over. Civil judgments obtained against him by defrauded investors plagued him, while ceaseless attorney's fees taxed the Stoneham bank account.<sup>17</sup> Although the Giants continued to draw well at the gate,<sup>18</sup> Stoneham needed money and sought to enhance the revenue derived from his leasehold on the Polo Grounds by renting the ballpark to boxing promoter Tex Rickard, a summer opera company, professional soccer teams, and college football, with mixed financial returns. Whatever his money troubles, Stoneham no longer gave thought to selling the Giants, now intended as a legacy for son Horace, then getting his feet wet in club management.<sup>19</sup> But the pressure on the Stoneham treasury meant that manager McGraw would no longer have unfettered access to the club owner's checkbook.

No sooner had Stoneham finally put his brokerage-related headaches behind him than he was confronted with an ugly internal fracas in the Giants ownership syndicate. The Stoneham-McGraw-McQuade triumvirate had long been a troubled one, and replacement of McQuade as club treasurer during a May 1928 National Exhibition Company meeting precipitated a very public falling out. Shortly thereafter, McQuade filed suit to regain his corporate office, alleging, among other things, that Stoneham had used NEC funds to finance personal ventures. Stoneham admitted making use of the money, but maintained that he had long ago repaid

the corporate treasury, with interest. Stoneham then counter-sued, accusing McQuade of padding the Polo Grounds free pass list with a multitude of McQuade cronies, and of threatening Stoneham with physical harm when Stoneham complained. The McQuade-Stoneham suit dragged on for years before a \$42,827 judgment obtained at trial by McQuade was vacated by New York's highest appellate court, and his lawsuit dismissed.<sup>20</sup>

While the intra-management lawsuit played out, the 30-year tenure of manager John McGraw came to an end. Frustrated by his recent inability to win a pennant and perhaps suffering the early effects of the stomach cancer that would claim his life, McGraw resigned midway through the 1932 season. His successor, star first baseman Bill Terry, quickly succeeded where McGraw had not, leading the Giants to the 1933 NL crown. The Giants then assumed the mantle of baseball champions for the first time in more than a decade, defeating the Washington Senators in a five-game World Series.

The reign of club owner Charles A. Stoneham was also approaching its end, hastened by the onset of Bright's Disease (kidney failure). As Stoneham's health declined, son Horace took on a more substantial role in the Giants front office. In late-December 1935, Charles journeyed to Hot Springs,



Bill Terry succeeded the legendary John McGraw as Giants manager in 1932

Arkansas, but its medicinal waters did not restore his wellbeing. Lapsing into a three-day coma, Stoneham died there on January 6, 1936. He was 59. Following a hasty and very private funeral, the deceased was laid to rest in

Holy Name Cemetery in Jersey

City. Three days later, the Stoneham will was filed for probate by executor Leo Bondy. According to its terms, the estate would be divided equally among wife Hannah and the two Stoneham children, Mary and Horace.<sup>21</sup>

Some three months later, the shroud placed over the Stoneham funeral became understandable. Charles Stoneham had had another "wife" and family

ensconced in Westchester County. In April 1936, a former showgirl named Margaret Leonard filed a court petition seeking support and maintenance for herself and children Russell Stoneham, age 16, and Jane Stoneham, age 12. Whether the long-suffering Hannah Stoneham or her son Horace were previously aware of Charles' second family is unknown, but neither ever publicly acknowledged it.<sup>22</sup> The existence of the second family, however, was no secret to executor Bondy or Charles' brother Horace A. Stoneham. Both men served as trustees of a fund that Charles had set up for the benefit of children Russell and Jane.<sup>23</sup> Fortunately for baseball, the new Mrs. Stoneham laid no claim upon New York Giants stock, and stewardship of the club passed to son Horace.

In terms of moral character, Charles A. Stoneham – shady stock speculator, ethically-challenged businessman, criminal court defendant, serial philanderer, and quasi-bigamist – was easily the worst person ever associated with Giants ownership. But in purely baseball terms – five NL pennants and three World Series titles in a 16-season span – the Charles Stoneham years were the most successful in New York Giants history.

### Endnotes

1. For more on the Charles Stoneham-Olivia Gray affair, see Bill Lamb, "Suicide at the Imperial Hotel," *The Inside Game*, Vol. XIV, No. 1, February 2014, 26-29.
2. See "Broker Stoneham Sued by Farmer," *New York Times*, January 16, 1908.
3. The United States Supreme Court defined a bucket shop as "an establishment, nominally for the transaction of a stock exchange business ... but really [a place] for the registration of bets and wagers, usually for small amounts, on the rise or fall of the prices of stocks, grain, oil, etc.. there being no transfer of the stock or commodities nominally dealt in." *Gatewood v. North Carolina*, 203 U.S. 531, 536 (1906).
4. According to Pietrusza, David, *Rothstein: The Life, Times and Murder of the Criminal Genius Who Fixed the 1919 World Series* (New York: Carroll & Graf, 2003), 129.
5. Stoneham had married Johannah (Hannah) McGoldrick, the mother of his sons Charles A., Jr. and Horace, in 1900. Stoneham's first wife Alice had died in 1898, shortly after giving birth to daughter Mary.
6. Ownership of the New York Giants was not the only joint Stoneham-McGraw venture. In October 1919, the two purchased a Havana racetrack, the Cuban-American Jockey Club.
7. The financial arrangements between ownership syndicate members was later set forth in the decision rendered by the New York Court of Appeals in *McQuade v. Stoneham*, 189 N.E. 234, 263 N.Y. 323 (1934)

8. The allegations of one of these suits, initiated by a Virginia lumber dealer, were published in the *New York Times*, June 20, 1922.

9. A drunken McGraw had fractured the skull of Broadway actor John C. Slavin in August 1920, an unsavory incident that somehow resulted in McGraw being charged with violating the Volstead Act (rather than atrocious assault). Represented by William J. Fallon, the brilliant but unscrupulous star of the NYC criminal defense bar, McGraw was acquitted at trial. For more detail, see Alexander, Charles C., *John McGraw* (New York: Penguin Books, 1989), 221-224.

10. Gordon had been one of the principals of the Metropolitan Exhibition Company, the original corporate alter ego of the New York Giants. The Hempstead-Gordon overture to Stoneham was first reported in the *New York Sun*, October 14, 1922, and pursued thereafter by other baseball news outlets. See e.g., the *New York Times*, October 26, 1922, and *The Sporting News*, November 2, 1922.

11. As reported in *The Sporting News*, November 23, 1922.

12. See the *New York Times*, September 1, 1923. Stoneham's affiliation with Tammany Hall had long insulated him from investigation by local and state authorities, but conferred no immunity from Republican federal prosecutors in New York appointed by the Harding and Coolidge administrations.

13. *Ibid.* See also, the *Boston Herald* and *New York Times*, September 2, 1923, for similar remarks by Heydler and an unnamed NL official who observed that as long as Stoneham maintained his innocence on the charges, the league would take no action against him. Stoneham's voluntary resignation was the only available resolution of the problem at that point.

14. Landis's refusal to act upon the Stoneham situation was reported in the *Boston Herald*, September 5, 1923, and elsewhere. For a cogent overview of baseball's predicament, see "Stoneham Faces Crisis in Career," *New York Times*, September 9, 1923.

15. At the time, news accounts regularly identified business associate Robertson as Charles Stoneham's brother-in-law. See e.g., the *Boston Herald*, January 12, 1924, and the *New York Times*, January 15, 1924. But genealogical inquiry has failed to substantiate any marital connection between the Canadian-born Robertson and the Stoneham family.

16. As reported in the *New York Times* and *Springfield* (Massachusetts) *Republican*, February 28, 1925, and elsewhere. The charges against Bondy and a Fuller firm cashier had been dismissed mid-trial by the court on evidence insufficiency grounds.

17. These civil judgments (such as \$2,095 awarded to Robert Harford, and \$4,782 to Dr. John Duncan) rarely exceeded nuisance amounts for a man of Stoneham's wealth. But the cost of continually having to defend himself in court was not trivial, and press coverage of the litigation did little to restore Stoneham's reputation.

18. From 1925 through 1932, the New York Giants were the National League's second-best home draw, with attendance figures topped only by the Chicago Cubs. The major leagues' biggest draw, however, was the Babe Ruth-led New York Yankees, playing a long fly ball away from the Polo Grounds in newly constructed Yankee Stadium.

19. When Eleanor Brush sold her Giants stock to Fuzzy Anderson in 1924, it was rumored that the stock sale was merely a prelude to acquisition of the Giants by Anderson's

friend, circus master John Ringling. See the *Rockford* (Illinois) *Register-Gazette*, June 24, 1924. Nothing ever came of that or subsequent reports of an impending Stoneham buy-out.

20. See again, *McQuade v. Stoneham*, above. See also, "Award of \$42,827 Is Lost by M'Quade," *New York Time*, January 18, 1934.

21. As reported in the *New York Times*, January 11, 1936.

22. A check of the 1930 US Census reveals Charles A. Stoneham living in two separate places: in Jersey City with wife Johannah Stoneham, and in Westchester County, New York with wife Margaret Stoneham and children Russell and Jane Stoneham.

23. As revealed when Margaret Leonard/Stoneham filed suit to have Horace A. Stoneham and Bondy removed from their trustee positions. See the *New York Times*, April 16, 1936. See also, Murphy, Robert E., *After Many a Summer: The Passing of the Giants, the Dodgers and a Golden Age in New York Baseball* (New York: Union Square Press, 2006), 32-33.

### *Horace Stoneham and relocation of the franchise to San Francisco*

In January 1936, boyish Horace Stoneham inherited stewardship of the New York Giants from his late father. Over the ensuing two decades, Horace would devote himself single-mindedly to the club's success. Then, confronted with poor financial prospects, a declining fan base, and a decaying ballpark, he decided upon a course once unimaginable – relocation of New York's most venerable sports team to the West Coast. Gotham sportswriters and legions of local Giants fans never forgave him, and thereafter took delight in Stoneham's many travails as owner of the San Francisco Giants. Guided by a traditionalist unable or unwilling to adapt to changing times, the club was in serious financial trouble by the time that Horace took his leave of the game in early 1976. Although many in baseball liked the genial Horace Stoneham, few expressed regret at his departure.

Born in Jersey City on April 27, 1903,<sup>1</sup> Horace Charles Stoneham was the younger son of enterprising stock speculator Charles A. Stoneham and his second wife, the former Johannah McGoldrick. Horace never knew his older brother Charles A., Jr., who died as a four-year-old in a tragic drowning accident, but had the childhood company of his half-sister Mary and domestic help engaged by the Stonehams. Following his attendance at local parochial schools, Horace was enrolled at Loyola Academy in Manhattan, where he compensated for underperformance in the classroom by excelling on the school's ice hockey and baseball teams. After further academic

grooming in prep schools – he eventually graduated from the Pawling School in upstate New York – Horace matriculated to Fordham University in the Bronx. He lasted four days.<sup>2</sup> His father then dispatched Horace to California for a sobering encounter with pick and shovel in the copper mines. The experience, surprisingly, agreed with Stoneham, fostering the ambition to enter engineering school. Sadly, as Horace later recalled, “I wasn’t smart enough,” and the following year he headed to Giants spring camp in Florida, where a long apprenticeship in club operations commenced.<sup>3</sup> While learning the ropes, Horace met and began courtship of a young dancer named Valleda Pyke. The couple was married in 1924 and soon had two children, Mary Valleda (born 1925) and Charles Horace, called “Pete” (1927).

1936, Horace was ready to take over and his succession as franchise boss was a smooth one. When he formally installed in office as New York Giants president, the 32-year-old was reported to be the youngest chief executive in major leagues history.<sup>4</sup> The ballclub whose fortunes the youthful Stoneham would now oversee was a veteran one, studded with future Hall of Famers like Bill Terry, Carl Hubbell, Mel Ott, and Travis Jackson. Emulating his father’s example, Horace gave manager Terry a wide berth, avoiding the club locker room and watching game action from the same distant clubhouse window that Charles Stoneham had used. The immediate results were gratifying – at least until World Series time. The Giants captured the NL pennant in 1936 and 1937, only to lose the Fall Classic each year to the Yankees.



*Horace Stoneham with Jacob Ruppert at game one of the 1937 World Series*

Charles A. Stoneham always maintained that he had purchased the Giants in order to pass the club on to his son. But before Horace inherited, he would be thoroughly schooled in all aspects of franchise operation. He worked in the ticket office, assisted the grounds crew, learned the intricacies of handling travel accommodations, and was given responsibility for scheduling non-baseball events at the Polo Grounds. When his father’s health began to fail, Horace assumed more front office responsibilities. Thus when Charles died in January

Although Terry hung up his first baseman’s glove after the 1936 season, he remained as manager through the 1941 season. When Ott succeeded him as club skipper, Stoneham assumed a higher profile, becoming, in effect, the Giants general manager, as well as being club president. During the 1940s, the Giants were also-rans in National League standings, as the St. Louis Cardinals and Brooklyn Dodgers vied for the league pennant most seasons. Like many other franchises, however, the Giants benefitted from the post-World War II spike in fan attendance. From 1946 through 1951, more than 1 million patrons passed through Polo Grounds turnstiles each season. The

revenues generated by a robust gate were important to Horace Stoneham for, unlike a coming generation of club owners, he was not some multi-millionaire dabbling in baseball. The New York Giants represented Stoneham’s almost exclusive source of income.

A frequent criticism of the Stoneham regime was that it was suffused with nepotism, a practice started by Horace’s father. Although he had left the baseball side of the Giants operation entirely to vice-president-manager John McGraw and his

managerial successor Bill Terry, Charles Stoneham found club employment for various family members. He had hired footloose son Horace, first assigning him to menial tasks and then to the Giants front office. Charles also bestowed incomes upon his brother Horace A. Stoneham and reputed brother-in-law Ross F. Robertson via membership on the franchise's corporate board. As club president, Horace maintained this tradition. His cousin, another Charles A. Stoneham, was appointed a Giants scout and later became farm system director. Nephew Charles Stoneham "Chub" Feeny was recruited for the Giants front office immediately after his law school graduation, while son Pete Stoneham was made a junior club executive while still in his late-20s, just as Horace had been.

Worse yet to some observers, Horace often formed emotional attachments to veteran Giants players, treating them akin to family members and, as a result, was reluctant to part with their services even when their usefulness to the club had waned.<sup>5</sup> In mid-season 1948, however, the Stoneham sentimentality was little in evidence. With the (37-38) Giants stuck mid-pack in NL standings, Stoneham abruptly fired 23-year club member Mel Ott as manager, replacing him with stormy Leo Durocher. The move so upset Horace's daughter Mary Valleda that she "didn't speak to [Stoneham] for a month."<sup>6</sup> But the team rallied under Durocher's direction, and the Giants would be a pennant contender for most of Lippy Leo's eight-season managerial tour.

Belying his later reputation as a hidebound traditionalist, Stoneham pursued innovation, at least for a time. Beginning in the late-1930s, he invested heavily in developing a minor league farm system for the Giants. With Cleveland Indians boss Bill Veeck, Stoneham was in the vanguard of placing spring training in Arizona, removing the Giants from their longtime camp in Florida to Scottsdale in 1947. That same year, Horace was one of the first baseball club owners to embrace television, signing a contract for the telecast of Giants home games with the local NBC station (then called WRCA-TV). Far more important, Stoneham quickly embraced integration – once Brooklyn and Jackie Robinson had breached the color barrier. By 1949, the Giants lineup featured former Negro League standouts Monte Irvin and Hank Thompson, with

the incomparable Willie Mays soon to join them.<sup>7</sup> Stoneham was also fast to explore the foreign player market, and soon modest talents like Ray Noble (Cuba), Ruben Gomez (Puerto Rico), Ramon Monzant (Venezuela), Ozzie Virgil (Dominican Republic), Valmy Thomas (Virgin Islands), and Andre Rodgers (Bahamas) were accorded spots on the New York Giants roster (with Latin greats like Orlando Cepeda and Juan Marichal, plus the Alou brothers and Jose Pagan to follow after the club arrived in San Francisco). But the event which cemented Horace Stoneham's place in baseball annals was the relocation of the storied New York franchise.

Although the Giants had experienced some recent success – winning National League pennants in 1951 and 1954, and the World Series in the latter year – the club was now playing a decided third fiddle to the Yankees and Dodgers with New York-area baseball fans. In 1956, only 629,179 patrons attended Giants games at the Polo Grounds, little more than half the number of only two seasons earlier, and a fraction of the Yankees (1,491,784) and Dodgers (1,213,562) gate. The Giants' 1911 ballpark was falling into disrepair and the north Manhattan neighborhood where the Polo Grounds sat had changed for the worse, much to the discomfort of fans coming in from the Westchester and New Jersey suburbs. Meanwhile, after 50 years of stability, major league franchises were on the move – the Boston Braves to Milwaukee in 1953; the St. Louis Browns to Baltimore in 1954; the Philadelphia Athletics to Kansas City in 1955. And soon rumors of relocation attached to the New York Giants.

In years past, Stoneham had publicly denied any intention of moving the Giants.<sup>8</sup> But that changed as the club's situation worsened in the mid-1950s. Decreased ball park attendance – whether the product of declining talent on the field, the decaying state of the Polo Grounds, parking problems, competition from nightly trotting races at nearby Roosevelt Raceway, and/or television – precipitated problems meeting payroll. Meanwhile, the abandonment by city officials of proposals for the construction of a new sports stadium on Manhattan's west side may have crushed whatever hope Horace held for a Giants renaissance in New York. Whatever the underlying reasons, he came to the conclusion that New York "could not support

three baseball teams.”<sup>9</sup> Testifying in July 1957 before a Congressional subcommittee probing the relocation of baseball franchises, Stoneham declared that “if our club doesn’t make an immediate move, it is faced with the problem of diminishing income and may lose the opportunity to move later.”<sup>10</sup> Stoneham set his immediate sights on Minneapolis, where the Giants maintained an American Association farm club. But another prospective transfer location thereafter emerged: San Francisco. Aggressively, albeit discreetly, promoted by Bay Area officials acquainted with Horace, and with a Giants-friendly fan base derived from a decade of Arizona spring training baseball already in place, San Francisco was soon designated the new hometown of the Giants.<sup>11</sup> Years later, Stoneham dismissed the widely-held notion that he had served as cats’ paw for Brooklyn boss Walter O’Malley, intent on moving the Dodgers to Los Angeles and needing a relocation partner to saddle with San Francisco, the less-desirable West Coast venue. Said Horace: “If Brooklyn had picked San Francisco first, I would not have gone to Los Angeles. San Francisco was the place I preferred. Believe me when I say, San Francisco first, Los Angeles never.”<sup>12</sup>

### Endnotes

1. Reference works that cite Newark as Horace’s birthplace are incorrect. At the turn of the century, the Stoneham family resided in Jersey City, and Charles’ children, including Horace, were born there, not Newark.
2. Or so Horace told sportswriter John Kieran. See “A Presidential Party,” *New York Times*, January 20, 1936.
3. See Robert Shaplen, “The Lonely, Loyal Mr. Stoneham,” *Sports Illustrated*, May 5, 1958, 75.
4. See John Drebing, “Giants Transfer Is Held Unlikely,” *New York Times*, January 8, 1936, and “Reorganization of the Giants Makes Horace C. Stoneham President of the Club,” *New York Times*, January 16, 1936. See also, Shaplen, 75.
5. Shaplen, 76. See also, Art Spander, “Game Was Stoneham’s Passion and Blind Spot,” *The Sporting News*, January 22, 1990, and Robert E. Murphy, “The Real Villain of Baseball,” *New York Times*, June 24, 2007.
6. Shaplen, 77.
7. The Giants also signed Negro League great and future Hall of Famer Ray Dandridge, but the aging third baseman never got a shot with the Giants. His time in the organization was spent with their Triple A affiliate in Minneapolis.
8. See e.g., “Talk of Giants Moving to West Coast Idle Gossip, Says Stoneham,” *New York Times*, November 6, 1954. Stoneham assured fans that “the Giants are not planning to vacate the Polo Grounds.”
9. Joe King, “Now It’s Certain: Giants Will Move After This Year,” *The Sporting News*, July 24, 1957.

10. Jack Walsh, “Three’s a Crowd in NY, Says Stoneham,” *The Sporting News*, July 24, 1957.

11. During his Congressional testimony, Stoneham stated that he “would recommend” franchise relocation to the Giants corporate board. See “Baseball Is His Life: Horace Charles Stoneham,” *New York Times*, July 18, 1957. But given that Horace and his sister Mary Stoneham Aufderher (formerly Feeny) controlled 60 percent of the Giants stock, such a recommendation would be tantamount to a command.

12. Quoted in Spander, *The Sporting News*, January 22, 1990.



### 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.*

Mills, Brian M., “Policy Changes in Major League Baseball: Improved Agent Behavior and Ancillary Productivity Outcomes,” *Economic Inquiry*, vol 55, no. 2 (April 2017), pp 1104-1118

Offense in Major League Baseball (MLB) has decreased substantially since 2006, often attributed to increased testing and punitive action for use of performance enhancing drugs. However, there has been concurrent policy change affecting behavior of other league agents that may have also affected game play. I therefore examine the effect of these agents, MLB umpires, on offensive production in baseball. Estimates reveal that a substantial portion of the offensive reduction from 2008 through 2014 can be attributed to changes in the size of the strike zone. Implications are further discussed in the context of firm production relevant outcomes as they relate to the labor force and supervisor performance expectations.

López-González, Hibai, Constantino Stavros, and Aaron CT Smith, “Broadcasting Sport: Analogue Markets and Digital Rights,” *International Communication Gazette*, 79, no. 2 (March 2017), pp 175-189

The future of sport broadcasting is uniquely positioned between the analogue paradigm of long-standing television broadcast networks and the digital prototype of agile new entrants. Juxtaposed between the two, sport consumers are being marshalled into digital enclosures for efficient commodification. In this article, we map the collision and the disorderly consequences of this juxtaposition between the analogue and the digital markets. We consider the current development of digital media rights through a series of brief illustrative examples in key sports and markets and then look ahead to explore what the future of sport broadcasting might become and posit the impact of digital technologies on the business models of broadcasters, sport content owners, and consumers.

Propheter, Geoffrey, "Subsidies and Stadia' Opulence," *Journal of Sports Economics*, 18, no. 1 (January 2017), pp 3–18

Quirk and Fort's gold plating hypothesis stipulates that subsidies are partly capitalized into stadia' opulence. If the gold plating hypothesis is true, it would indicate that subsidies contribute to their own existence, as owners and major league executives argue subsidies are necessary to meet leagues' increasing facility design standards. This study tests the gold plating hypothesis using a pooled cross section of stadia from the five major leagues. The findings confirm that subsidies increase stadia' opulence. As evaluated at leagues' mean stadia acreage, the marginal opulence of an additional US\$1 million construction subsidy ranges from US\$188,490 to US\$501,420 depending on the league.

Krautmann, Anthony C., Risk-Averse Team Owners and Players' Salaries in Major League Baseball, *Journal of Sports Economics*, 18, no. 1 (January 2017), 19–33

This article looks at the role an owner's attitude toward risk plays in his salary bids for free agents in Major League Baseball. We show that risk-averse owners will pay a premium for consistency on the field. Our empirical results are consistent with the hypothesis that a free agent's contract terms are negatively related to the degree of variability in his performance. To the extent that our results carry over to all players, this suggests a heretofore unrecognized factor affecting the market for talent in professional sports.

Hirshon, Nicholas, "One More Miracle: The Groundbreaking Media Campaign of John "Mets" Lindsay," *American Journalism*, 34, no. 1 (Winter 2017), pp 2-25

John Lindsay, the mayor of New York City from 1966 to 1973, developed an innovative media strategy for his underdog reelection campaign in 1969. A Yale graduate with a patrician image, Lindsay sought to win over middle-class voters by associating with the New York Mets during the baseball team's unlikely march to the World Series. When the "Miracle Mets" clinched the pennant, Lindsay ventured into the delirious clubhouse and received a champagne shower from the players. Lindsay called the celebration "a nonpolitical event," but newspaper photographs of the post-game revelry have been credited for Lindsay's subsequent victory at the polls. Lindsay's association with the Mets exemplifies an understudied period when politicians such as Richard Nixon, Robert F. Kennedy, and George McGovern used athletes as surrogates.

Gross, Alexander and Charles Link, "Does Option Theory Hold for Major League Baseball Contracts?," *Economic Inquiry*, 55, no. 1 (January 2017), pp 425-433

We test whether option theory indicated by the Black-Scholes formula is consistent with contract negotiations between teams and players in Major League Baseball (MLB). Teams use contract options in order to obtain the right to buy a player's services for an extra year when negotiating multiple year contracts. These options are similar to European call options, and should reduce the risk of buying volatile assets (players with high variation in performance). In this paper, we model the decision to buy an option (include an option year in the contract) and whether to exercise the option (pay the option salary in the option year versus buying out the option). The results indicate that the behavior of MLB teams is consistent with standard option theory both in terms of buying and exercising options. The sample is the complete population of free agent hitters who signed new contracts between the years 2003 and 2011. We were unable to find any published literature that has addressed this issue. (*JEL ZO, H3*)

Howard, Josh, "A Good Baseball Club is a Splendid Advertisement for a Town' Baseball and

the New South in Clifton Forge, Virginia,” Virginia Magazine of History and Biography, 124, no. 3 (Fall 2016) pp 186-215

NO ABSTRACT AVAILABLE



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

By Andy McCue

The Team Ownership Histories project aims to produce a complete history of every franchise's owners and major financial milestones. They will include profiles of owners, managing general partners and other large players. They will discuss both abortive and successful campaigns for new stadiums and possible franchise moves, whether completed or not, and their reasons. They need not include any information about a team's performance on the field except for how it affects the team's financial standing. General information on financial health is desirable, if obtainable.

Full attendance data for any franchise can be supplied and finished team histories are available as a loose model. If you are interested, there is a list below of the taken and available franchises. Please contact me at [agmccue44@earthlink.net](mailto:agmccue44@earthlink.net).

The project to write complete ownership histories for every existing major league franchise is making progress.

Two teams, the Dodgers and the Arizona Diamondbacks, are ready to be published.

Three teams, the Boston Braves, the New York Giants and the New York Yankees are with the copy editor and should be available for publishing soon.

One team, the Boston Red Sox, is in the revision process.

Once we have all six of these finished, we will begin to establish a website to publish these stories, tied in with both the Business of Baseball Website and the BioProject website.

Franchises still available:

Milwaukee Brewers  
Milwaukee Braves or  
Atlanta Braves (or both together)  
Florida/Miami Marlins  
Montreal Expos or  
Washington Nationals (or both together)  
San Diego Padres  
Philadelphia Phillies  
Pittsburgh Pirates  
Cincinnati Reds from '68 to the present  
Colorado Rockies  
Los Angeles/California/Anaheim/Los Angeles Angels  
Houston Colt .45s/Astros  
Toronto Blue Jays  
Washington Senators (1961-1971)  
Kansas City Royals  
Tampa Bay Devil Rays/Rays



### *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 Hauptert at [mhauptert@uwlax.edu](mailto:mhauptert@uwlax.edu).

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## Major League Baseball's Collective Bargaining Agreement

By Douglas J. Gladstone

*Reprinted with permission from: Entertainment, Arts and Sports Law Journal, Spring 2017, Vol.28, No.1, published by the New York State Bar Association, One Elk Street, Albany, New York 12207.*

Major League Baseball's new Collective Bargaining Agreement, which was negotiated in November by MLB and the Major League Baseball Players Association, was ratified by the owners 29 to one in December. Both sides were positively giddy about the new five-year agreement, which runs through 2021.

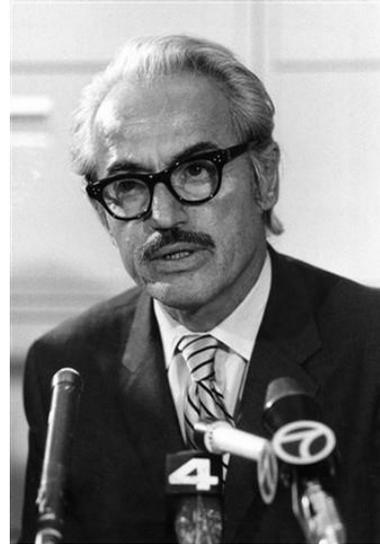
Some of the details of the new accord include raising the minimum salary to \$555,000 by 2019, the owners kicking in \$200 million per year to fund the pension and welfare benefits of today's players, and the fact that ballplayers who participate in special events in London, Asia and the Dominican Republic will each get \$15,000 to \$100,000. Good for today's players. They deserve what they can get.

However, there are about 500 MLB veterans who are not singing the CBA's praises. Instead, they more than likely will feel that they are being shafted, and that today's players are unappreciative, greedy mercenaries with short memories who are getting rich off the sacrifices that were made on their behalf more than four decades ago. That is because these retired players, all of whom played between 1947 and 1979, when it was required for them to accrue four years of service credit to be pension eligible, are not vested in the game's pension plan.

The players' pension fund was established in April 1947. In to qualify for a pension a player had to be on an active major league roster, and had to accrue five years of service credit. In 1969, that threshold was lowered to four years. Eleven years later, during the 1980 Memorial Day Weekend, a threatened player walkout was averted when the League and the Union agreed that players would be eligible for health benefits after only one day of service and a pension after 43 game days—roughly one quarter of a season.

The problem? The agreement was never made retroactive.

When contacted at his Manhattan apartment in 2009, the late Marvin Miller, the brilliant labor economist who was the first executive director of the MLBPA, grudgingly admitted he had made a mistake.<sup>1</sup> It would take MLB and the MLBPA another 18 months—more than three decades after 1980—to partially remedy that mistake.



*Marvin Miller was a savior for the MLBPA, but he was not perfect*

On April 21, 2011, the League and Union announced that these pre-1980, non-vested players would each receive up to \$10,000 in nonqualified retirement payments for having played the game they love. That was before taxes were deducted.

Based on a formula that must have been calculated by an actuary, for every quarter of service a player had accrued, he would get \$625. Four quarters (one year) totaled \$2,500. To receive the maximum \$10,000 amount, one needed to accrue 16 quarters. Very few players came remotely close to having accrued 16 quarters of service.

David Clyde, the former Texas Ranger and Cleveland Indians pitcher, came up 37 days shy of a pension. Rich Hinton, who pitched over parts of six seasons, had three and three quarters years of service credit. Don Dillard was the closest to actually being vested, and he came up just 17 days short. New York Mets outfielder George "The Stork" Theodore and Detroit Tigers relief pitcher Steve Grilli, each of whom is credited with two and a quarter years of service, have each received gross checks of \$5,625 for the past five years. After taxes, the men receive \$3,800 apiece.

According to the IRS, the difference between the nonqualified retirement payments they receive and a pension is that the current pension limitation is \$210,000. Pensions can also be passed on to a widowed spouse or other designated beneficiary. The recipients of these nonqualified retirement payments cannot do that.

In addition, retired players who receive baseball pensions are covered by the MLB health insurance plan. However, the recipients of these nonqualified retirement payments are not.

MLB is a more than \$9 billion industry, fueled in large part by the \$12.4 billion in licensing fees that Fox, TBS and ESPN are paying to broadcast games. MLBPA either cannot (or will not) advocate for these 500 veteran players for fear that either the league will turn them down or there will be less money to divvy up among current dues-paying members. This is especially sad, since men like Grilli, Clyde and Carmen Fanzone, the versatile utility player for the Chicago Cubs and Boston Red Sox, endured work stoppages and went out on picket lines so that free agency could happen for today's players.



*The multi-talented Carmen Fanzone fell through MLB's pension cracks*

Current MLBPA Executive Director Tony Clark—the first former player to be elected to the position—has surrounded himself with an all-star roster of former players, including Hall of Famer Dave Winfield, outfielder Jeffrey Hammonds and pitcher Steve Rogers—who should be more willing to advocate for the retired players, regardless of whether they have any responsibility to do so. Under the National Labor Relations Act, people who are no longer dues paying members of a union are not owed “the duty of fair representation.”

There is no real legal solution to this problem, as the former players were not vested. Yet that does not mean that all should be lost.

Ronald Dean, a Fellow of the College of Labor and Employment Lawyers and a Charter Fellow of the American College of Employee Benefits Counsel, says that under the Employees Retirement Income Security Act (ERISA) of 1974, “it is perfectly permissible to make an amendment retroactive even if it then vests those who were previously unvested.”<sup>2</sup> Even MLB Commissioner Rob Manfred, who was in charge of labor relations for the League when the 2011 agreement was brokered, concedes that this can be done. “The players’ plan can be amended only in collective bargaining.”<sup>3</sup>

Therefore the (base)ball would seem to be squarely in the court of the MLBPA. If the Union really wants to do right by these men, it has to be willing to make it happen. There is ample precedent to improve on the April 2011 agreement.

In 1997, perhaps to help recognize the 50th anniversary of Jackie Robinson breaking the color barrier, MLB created a payment plan for about 85 black players who did not play in the majors long enough to qualify for a pension, or who did not have the opportunity to play in the majors at all. To be eligible for their payments, the black players had to either have played in the Negro Leagues for at least one season before 1948, or played a combined four years in the Negro Leagues and the major leagues before 1979. Later that same year, in October 1997, MLB also gave payments to a group of non-black players who retired before 1947, the year the pension plan began. Therefore, men like Dolph Camilli, the 1941 National League Most Valuable Player, started drawing quarterly payments of \$2,500.

Significantly, neither the pre-1947 players, nor the veterans of the Negro Leagues paid Union dues, while men like Grilli, Fanzone and Clyde obviously did. The price tag associated with this magnanimous gesture amounted to annual payments of between \$7,500 and \$10,000 per player.

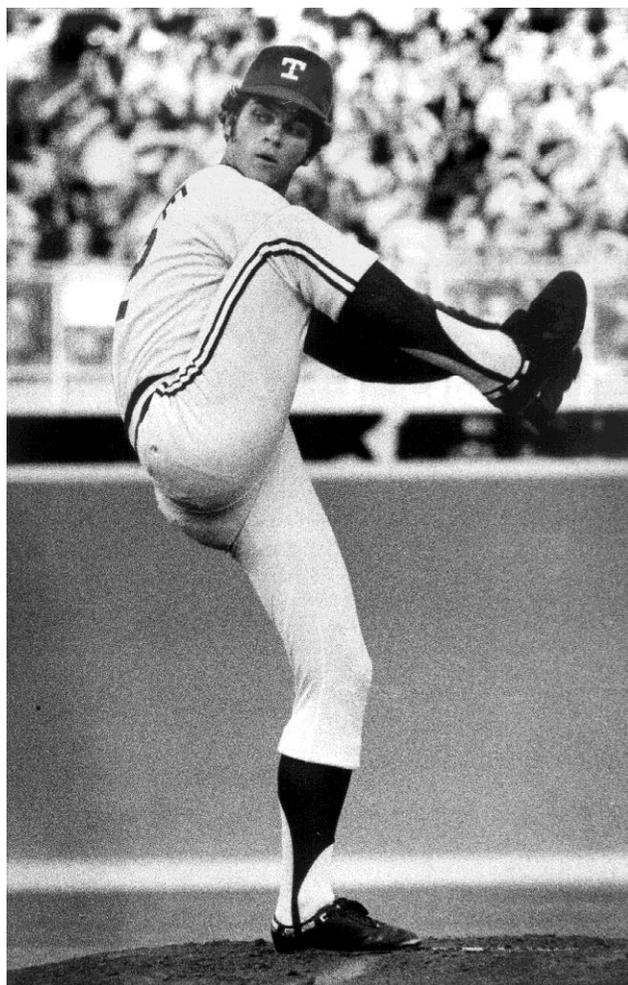
In 2004 MLB agreed to pay monies to more of these veterans of the Negro Leagues on the grounds that baseball had not been totally integrated until 1959, when the Boston Red Sox became the last team to field a black player, Pumpsie Green. The terms of the agreement were not exactly the same as with the 1997 group of ex-Negro Leaguers. Players who never played in the major leagues were given the option of electing to choose a \$375 per month

pension (\$4,500 a year) for life or \$10,000 a year for four years.

I am not an attorney, yet it seems to me that men who did not have any contractual employment relationship with MLB should not be getting more money than those who did have a contractual employment relationship with the League.

Did institutional racism by and large preclude the majority of these Negro League veterans from playing in the big leagues? Absolutely. However, African American players like Billy Harrell, the late infielder from Albany, New York, made it to “The Show” during parts of the six seasons he played with the Indians and Red Sox from 1955 through 1961. Why, then, should a Negro League veteran who never played at the major league level earn more than an African American, like Harrell, or a Caucasian, like Clyde, who did?

When elected to the Hall of Fame, Bud Selig, commenting about his time as Commissioner, said



David Clyde came up 37 days shy of an MLB pension

he regretted not speaking up more or doing more when he learned of the use of performance enhancement drugs in the game. Previously, in a July 7, 1996 *New York Times* article about the pre-1947 players, he observed that their situation was “categorically unfair. . . . In the next labor contract, there should be a provision”<sup>4</sup> for them.

Heywood Campbell Broun, the founder of the American Newspaper Guild, once wrote “sports do not build character. They reveal it.”<sup>5</sup> One can draw conclusions about what that says about the folks who are running the MLBPA these days.

1. November 11, 2009 phone call between author and interviewee.
2. November 15, 2009 email to the author.
3. November 19, 2009 email to the author.
4. Dave Anderson, *Sports of the Times; 77 Worthy Old-Timers Are Only Receiving a Major League Snub*, New York Times, July 7, 1996.
5. John L. Lewis et al., *Heywood Broun: As He Seemed to Us* (New York: Random House for the Newspaper Guild of New York, 1940).

#### *Contributors*

**Bill Lamb** grew up in North Jersey and was a boyhood New York Giants fan. He retired in 2007 after spending more than 30 years as a state/county prosecutor in New Jersey. He now resides with family in Meredith, New Hampshire. A SABR member since 1993, Lamb is the editor of *The Inside Game*, the newsletter of the Deadball Era Committee, and a regular contributor to the BioProject. He is also the author of *Black Sox in the Courtroom: The Grand Jury, Criminal Trial and Civil Litigation* (McFarland, 2013)

**Douglas J. Gladstone** is a lifelong baseball fan and the author of two books as well as a freelance magazine writer. His most recent story, on actress Jacqueline Scott, will be published in the August issue of *Missouri Life Magazine* to coincide with the 50th anniversary of the finale of *The Fugitive* television show.

*Outside the Lines* is published semi-annually, each spring and fall. Contributions should be sent to Mike Hauptert at [mhauptert@uwlax.edu](mailto:mhauptert@uwlax.edu).

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