

Table 10. Summary of Player-Management Agreements, 1968-73

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1968	10,000	4.1 million	adoption of formal grievance procedure
1969		5.45 million	
1970	12,000 (1970) 13,000 (1972)		players larger share of playoff revenues
1972		5.5 million	
1973	15,000 (1973) 16,000 (1975)	6.15 million to 6.45 million in 1975	salary arbitration for players with 3 years experience

Collective Bargaining

Agreements: 1968-1970; 1970-1973; 1973-1976; 1976-1980; 1980-1985 (including partial renegotiation of free agent compensation in 1981); 1985-1990; 1990-1995; 1995-2003; 2003-2006 (the current CBA expires December 2006)

Five Strikes: 1972 13 days, early April, 86 games missed; over pension, but renegotiation of CBA loomed 1980 8 days, early April, no games missed; over free agent compensation 1981 50 days, June and July, 712 games missed; over free agent compensation 1985 2 days in early August, 0 games missed; over salary arbitration 1994-95 232 days Aug-March; 920 games plus post-season; salary cap and revenue sharing **Three**

Lockouts: 1973 17 days Feb., 0 games missed; over salary arbitration 1976 17 days March, 0 games missed; over free agency 1990 32 days, Feb-March; 0 games missed; over salary arbitration, salary cap

A CASE FOR ACTION?

Lords of the Realm and the Hollow Victory of the Players Union

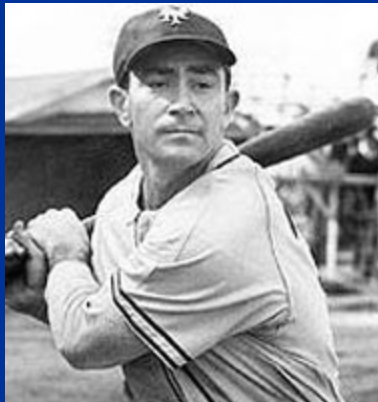
Table 12. Summary of Player-Management Agreements, 1976-90

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1976	18,000 (1976) 21,000 (1979)	8.3 million	free agency for 6-year veterans
1980	30,000 (1980) 35,000 (1982)	15.5 million	no agreement reached on free agency compensation
1981	40,000		minor concessions by players on free agency compensation
1985	60,000	33 million (1985) 39 million (1989)	
1990	68,000 (1990) 100,000 (1994)	55 million	expanded number of players eligible for salary arbitration

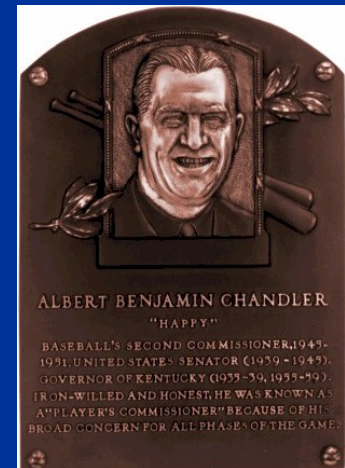
Postwar beginnings of empowerment and the Players' Pension;

Pension; Chandler replaces Landis, the cartel enforcer: Chandler to owners: "You don't own the game...the game belongs to the American people." Chandler starts players pension plan, with \$1 million from All-Star and World Series broadcast revenues; in 1946

Robert Murphy of the CIO tries to organize an American Baseball Guild; "murphy money" (\$25 per week during spring training), pension plan, and \$5,000 minimum salary, and player representatives on owners' council are all owners' efforts to block Murphy; but then pension plan becomes reoccurring point of contention.



Danny Gardella, who jumped to the Mexican League in 1946

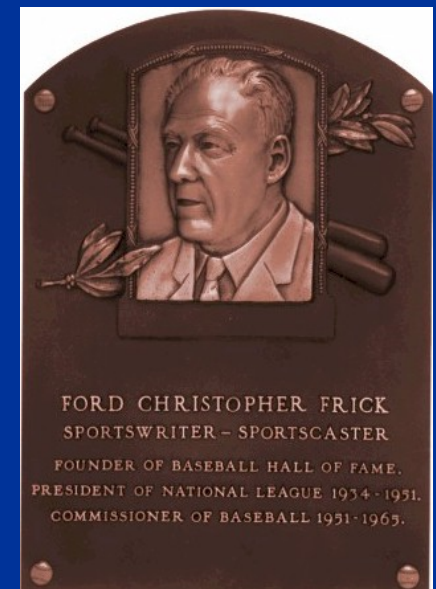




“All we want from Lewis is legal advice. If Lewis were to so much as hint that he was interested in a union, out he goes.” Ralph Kiner, 1953.



Formation of the MLBPA (1954): In 1953 new commissioner Ford Frick (appointed in 1951 when the owners dismissed Chandler) blocks full accounting on pension plan; in response players hire J. Norman Lewis as their legal representative (while promising no union is in works); but owners bar Lewis from talks and in 1954 players form Major League Baseball Players Association (MLBPA); Lewis continues to press for more pension contributions, but in 1959 players fire Lewis to mollify angry owners.





Show “The plantation”

Growing Dissatisfaction: In 1959 Judge Robert Cannon, really the owners man, becomes players’ legal advisor; in 1966 Cannon is offered the position of MLBPA administrator (the owners offer to pay his salary) but Cannon refuses, reconsiders, add conditions, winds up angering players; but desire for full-time administrator reveals discontent while Drysdale-Koufax holdout reveals potential of collective action.



Enter Marvin Miller and the Basic Agreement of 1968:

in 1966 Miller become executive director of MLBPA; tough union man from steelworkers' union, Miller's greatest contribution is to listen; players don't want a union that negotiates contracts for players, but they do have concerns about pension, minimum salary, and playing conditions; owners play into Miller's hand, their firm opposition to him convinces players' he is their man; owners' create Player Relations Committee, hire professional negotiator John Gaherin; Miller threatens appeal to National Labor Relations Board (agency created by New Deal's 1935 Wagner Labor Relations Act); owners sign unprecedented Basic Agreement in January 1968 (first in any sport); allows players to use agents, and to file grievances with commissioner



Appealing primarily to the average players, Miller uses pension as opening wedge, wants basic agreement and independent arbitrator; uses NLRB as lever to move owners

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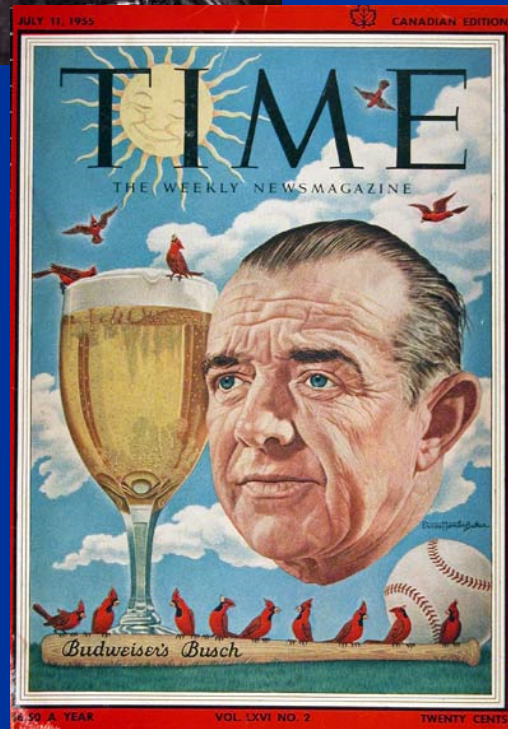
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The spring 1972 strike; a mismatch and 1973 agreement on Arbitration

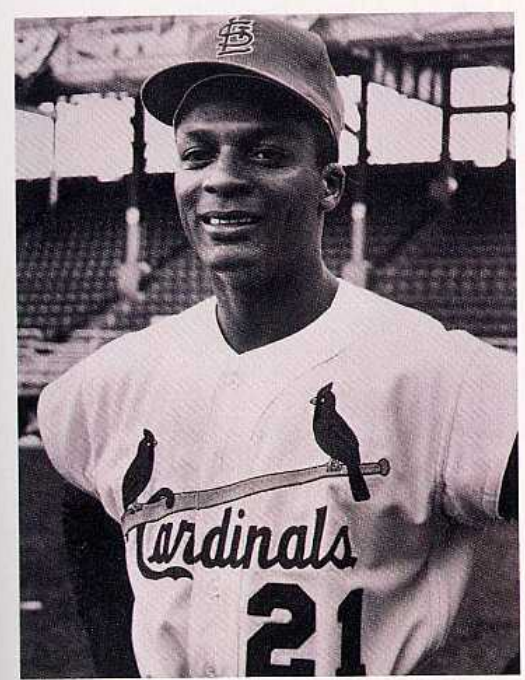


“Clearly, to the owners, the enemy is not the players, whom the owners regard merely as ingrates, misled ingrates. The enemy is Marvin Miller, general of the union. The showdown is with him. It’s not over a few more thousand dollars, not the few thousand demanded for some obscure pension inflation, it is over the principle of who will run their baseball business, they the Lords, or this man Miller.” – Dick Young, New York Daily News



Owners divided, Busch and others want to break union, but several of old boys do not want to anger players; players solid behind Miller; again revolves around pension, but in background is Flood challenge (and Simmons - playing without a contract) and pending renewal basic agreement; in 1973 Basic Agreement will include arbitration after two years of service; players win 50% of decisions, but many other salaries raised to avoid arbitration; plus multi-year contracts become common

Curt Flood 1969-1972; with MLBPA backing, Flood sued for free agency in wake of his 1969 trade to Phillies; in 1972 Supreme Court, citing 1922 exemption, rules against Flood's claim of conspiracy in restraint of trade; but players' resolved now to assault reserve clause in Basic Agreement negotiations



I am a Man and Deaf Ears

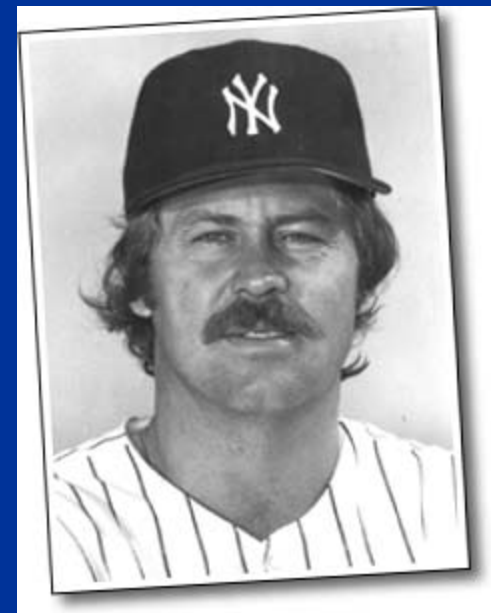
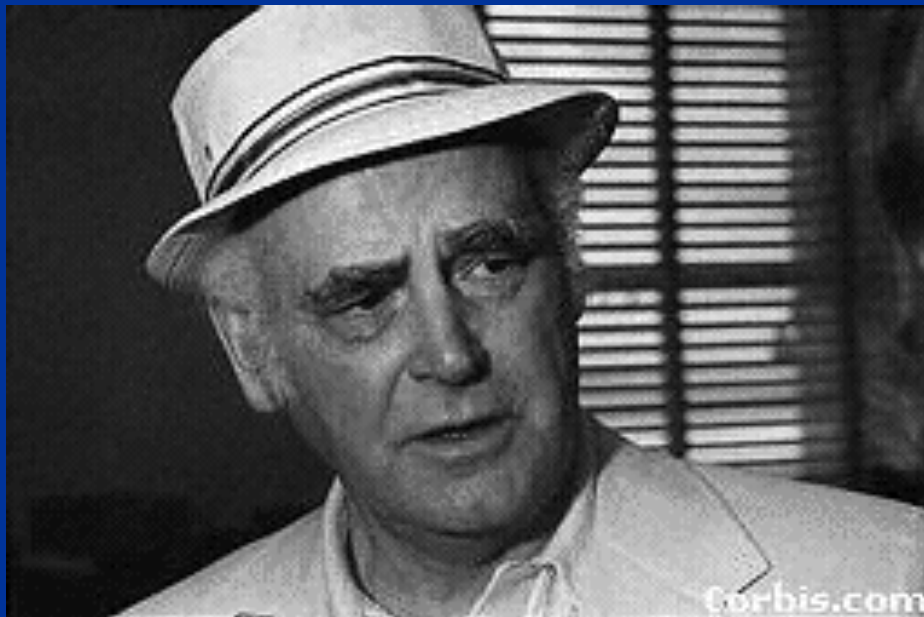
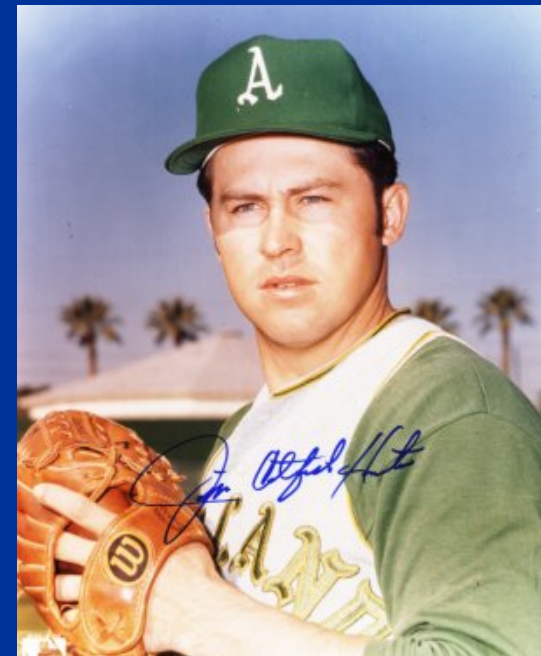
The Weak Link in the Reserve Clause

Section 10A: the Reserve Clause

“On or before January 15...the Club may tender to the Player a contract for the term of that year by mailing the same to the Player. If prior to the March 1 next succeeding said January 15, the Player and the Club have not agreed upon the terms of such contract, then on or before 10 days after said March 1, the Club shall have the right...to renew this contract for the period of one year.”

Major League Rule 3C forbid players from even suiting up if they hadn't signed a contract

In 1974 federal arbitrator ruled that Charlie Finley failed to live up to Catfish Hunter's contract and made Hunter a free agent; owners conspire to hold firm but within two weeks Steinbrenner breaks ranks and offers Hunter five-year, \$3.75 million contract; owners shocked and worried.



Messersmith (and McNally who subsequently retires) refuse to sign contracts in 1975, plays out season, then declares himself free agent (and Seitz ratifies); with this ploy as club, Miller demands revision in Basic Agreement in 1976 negotiations. Consider what might have happened if the owners had accepted the dare and allowed all players to play for a year without contracts.

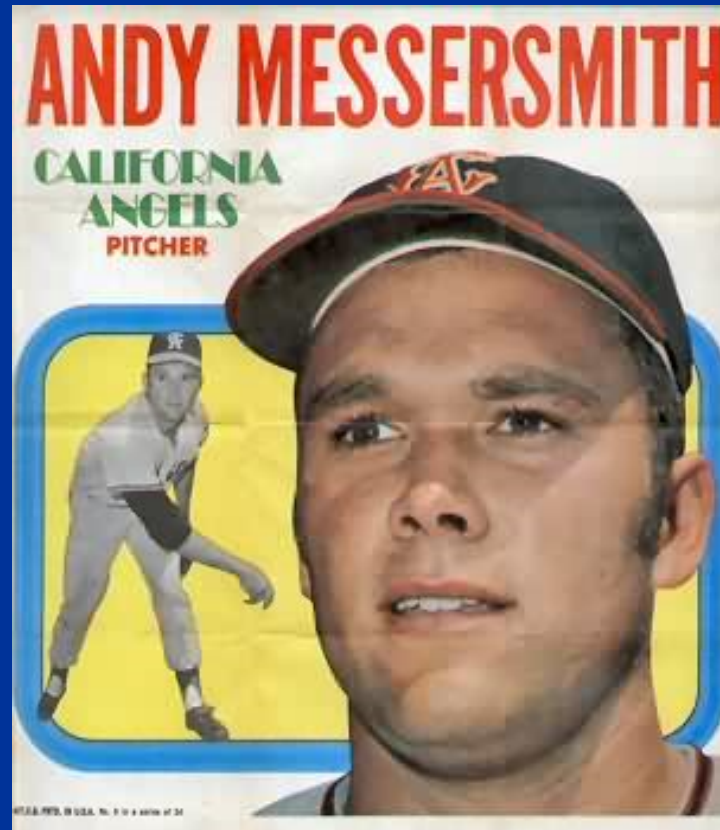
Show “This Man Miller”



Peter Seitz delivers his decision,
December 23, 1975—and
transforms the business of baseball.



In 1974 arbitrator Peter Seitz had ruled Hunter's contract void; in 1975 he ruled that the reserve clause bound players *for only one year*. Thus by not signing a contract, the player could gain free agency in the following year.



the 1976 lockout; owners briefly lock players out of spring training, but federal courts uphold Seitz on Messersmith decision and Kuhn orders camps reopened; in July 1976 agreement reached on free agency after six years, with teams getting only raw rookie compensation for lost players

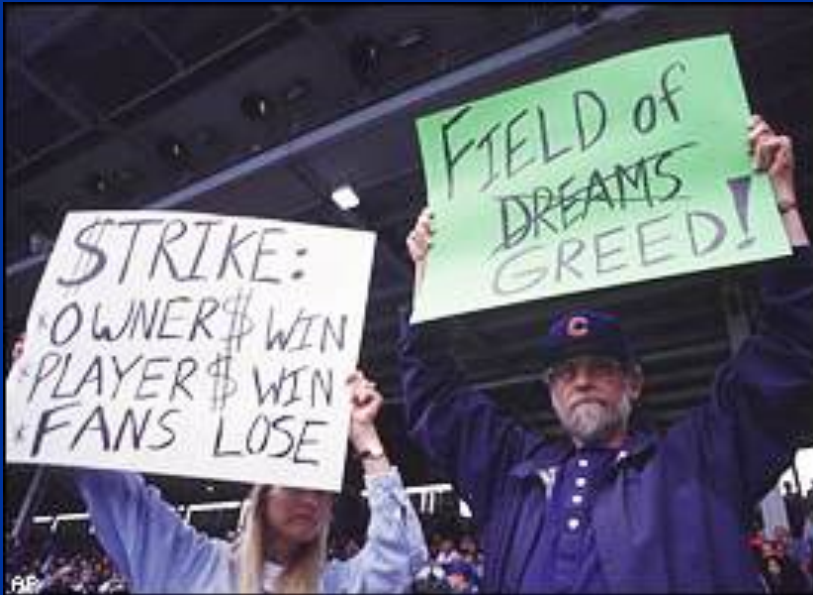


the great strike of 1981 over arbitration cap and free agent compensation; in 1980 negotiations, owners intent on getting cap on arbitration awards and increased compensation for lost free agents; get strike insurance and impose gag rule on all owner statements on labor situation; media blitz to discredit players; players resist, get their own strike fund; when owners unilaterally impose their plan in February 1981, players prepare for strike and strike in June (any player refusing to strike, George Brett said “is going to spend the rest of his career in the dirt, ducking pitches thrown at his head.”) Although fans appeared to side with owners, the owners gave in as their strike insurance is rab out; minor additional compensation for lost free agents (pick from 40 man roster with 26 protected)



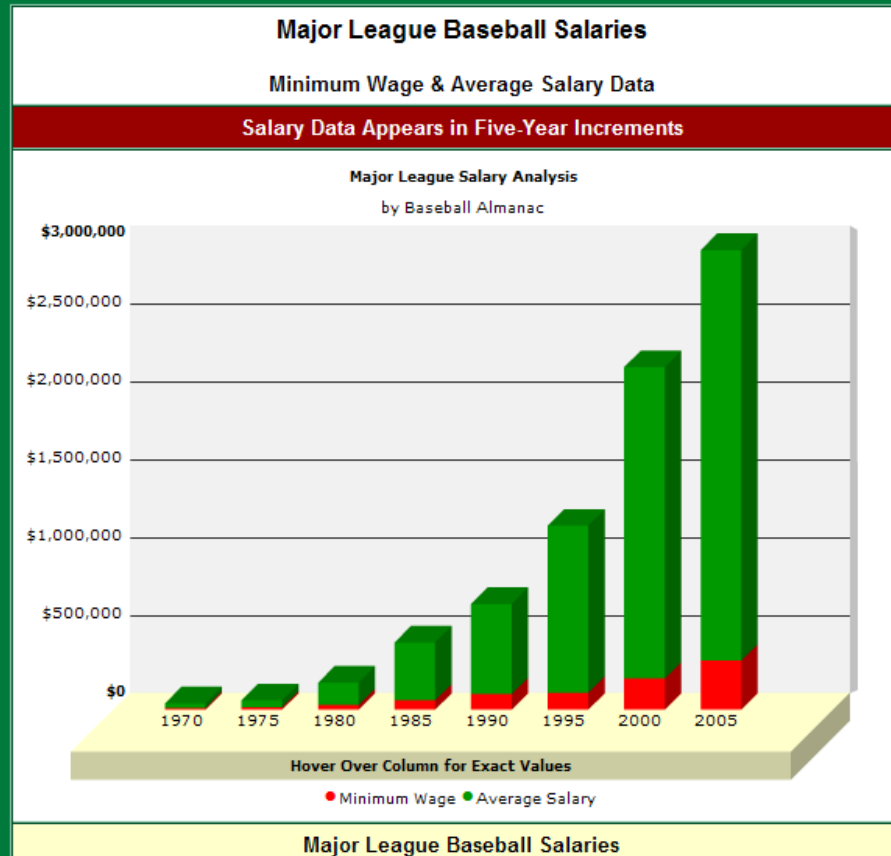
subsequent skirmishes; drug use testing, brief 1985 strike (two days in August), the collusion cases in 1985 and 1987 and 1988 federal awards to players

the disaster of 1994-1995 over salary cap and revenue sharing
(see handouts)



"Sure it's a lot of money, but look, the stadiums are full and look at the money they are making off television. The industry generates that kind of revenue and without the players, who's going to watch? Joe Blow can't play at this level." - Texas Rangers First Baseman David Segui (CNN/SI, Mo' Money, 04/06/2000)

Baseball Almanac is pleased to present an eye-opening chart of Major League baseball salaries — including in red the minimum wage set forth by the Major League Baseball Player Association and in green, the average salary paid to players during the regular season.



v.baseball-almanac.com...

Today players are eligible for arbitration after three years service (some “super two’s” in special circumstances; Free agency after six years