

**THE RISE OF ORGANIZED BASEBALL:
Competition versus Collusion and the Myth of Industrializing America**

Thesis: While competition remained central to baseball’s popularity, baseball owners colluded in various ways to maintain competitive balance and popularity. The odd combination of competition and collusion allowed baseball to serve as the great myth of industrializing America, a model of a competitive economy in which no firms ever went under, proprietorship remained a possibility, and skilled artisans remained the main labor force.

“A baseball game is...two companies producing one commodity. This situation makes the baseball owners at once competitors and partners....Among all the factors influencing attendance...the closeness of the pennant race stands paramount.” - Harold Seymour, Baseball: The Golden Age, 38-48 (Read 38-40, 48)

CREATING THE BASEBALL TRUST: Collusion, Monopoly, and Monopsony in Organized Baseball

early challenges to the gentlemen’s agreements of the National League: the NL’s League Alliance sought to bring all of baseball under its territorial and non-tampering agreements. But challenges remained. IAPBBP (1877-1880, loose confederation of non-NL clubs; some absorbed, others banned from playing NL teams), the AA (the “beer-ball league,” 1881-1891; beer, whiskey, Sunday ball, 25 cent admission - attracting those left out of the Victorian NL; Alfred Spink of St. Louis, Oliver Caylor of Cincinnati, sportswriters from German towns not in NL), the Union Association (1884; “Saint” Henry Lucas, St. Louis millionaire, later awarded St. Louis NL franchise). For shifting locations of franchises, see Rader, 48-49.

the tripartite agreement of 1882: NL, AA, and Northwestern League: territorial rights and no tampering with contracts

the “Second Association War” (1891) and the National Agreement of 1892: in the wake of the Players League challenge of 1890 (see below), a new war broke out between the AA and the NL (begun when the NL’s Pittsburgh “Pirates” stole the best players of the Philadelphia Athletics of the AA); skyrocketing salaries and the threat that the reserve clause might be tested in court and found illegal encouraged a settlement; a 12-team NL and “an undisguised monopoly,” “enabled...to do about as they please without hindrance,” slashing salaries and the \$2400 salary cap.

A. “Many people seem to think that the National League bought peace dearly in paying \$130,000 for it [paid to the five AA franchises not included in the new NL], but according to my way of figuring the price was cheap,” stated NL president Nick Young. We “will save nearly all of that during the next five years in salaries.”

B. “Haven’t you heard yet of the consolidation of the League and the Association into one big

league...? hereafter it is the players who are to pay advance money to the magnates...Your inning is over, my boy.” Monte Ward to a player who asked about the possibility of an advance on his salary from an owner.

the NL in the 1890s: the classic problem: Baltimore, Boston, Brooklyn win all the pennants in the 1890s; New York, Chicago, and Philadelphia down, big cities lacking competitive teams; attendance down 33%-50% from the 1880s; averaging between 2,000-3,000;

Syndicate ball and Andrew Freedman’s trust solution: Freedmen was perhaps the archetype of the Steinbrennerian magnates who ruled - anarchically - the NL in the 1890s, but he understood and had a solution to the sport’s to the classic problem: the need for pennant races and good teams in big cities; he called for an overarching trust to annually redistribute players to maximize competition. Public antipathy to trusts and monopolies, and the magnates own self-importance and bluster, prevented adoption of this plan. But “syndicate ball,” owners of more than one team shifting talent to create a pennant winner, flourished - destroying pennant races and enraging fans in non-winning towns.

Ban Johnson and the Great Baseball War 1900-1903: Western League into American League (1900); challenging the NL on Victorian ground; reducing its size as response to syndicate scandal, the NL left Cleveland, Baltimore, Washington (all victims of syndicate ball); the AL promptly created new franchise in those three cities; good economic times and the bankroll of Charles Somers allowed the AL to prosper; then the AL, tired of giving up best players for \$500 draft fee, opted out of the NA in 1901; war with NL and Johnson’s escrow accounts; the Players’ Protective Association and the opening for roster raiding; the Lajoie case (from Phillies to Athletics to Spiders - with stops in Atlantic City); the AL into New York in 1903 (Devery and Farrell vs. Freedman - a Tammany battle) and the NL sues for peace

the National Agreement of 1903 and Organized Baseball: the reserve clause, territorial rights; a three-man commission; minor leagues A through D and drafting rights

the fifty years of the classic AL-NL: ten cities, none west of St. Louis or south of Washington; the railroad-telegraph network and the industrial heartland; stability if not parity.

BASEBALL’S LABOR QUESTION (the history of that question)

the reserve clause from gentleman’s agreement and legal contract; from five men in 1877 to eleven in 1883. Although concern about parity initiated the reserve clause, Oliver Caylor reported in 1879 that the owners quickly came to “believe that this rule will solve the problem of how to reduce wages.”

professionalization vs. fraternity and the disciplined employee: As “fraternity” declined and the

gap between labor and management increased, the ethic of professionalism helped - to some degree - to discipline the players. But these were still largely bachelors with lots of time on their hands, and access to the homosocial world of amusements: "In that place where the detective reports me as taking a lemonade at 3 A.M. he's off. It was straight whiskey; I never drank a lemonade at that hour in my life." - King Kelly in the mid 1880s in the context of the owners' offensive against drinking

the remarkable John Montgomery Ward, "wage slavery," and the Brotherhood of Professional Base Ball Players (1885): the reserve clause was "a conspiracy, pure and simple, on the part of the clubs by which they are making money rightfully belonging to the players."

Spalding's "irrepressible conflict between Labor and Capital" beginning in the decade of Haymarket; Recognizing labor costs as single largest item in a team's budget, owners were determined to hold the line. Falling salaries (though still above that of skilled artisans) while clubs prospered, clashes over drinking, and especially the publicized sale of King Kelly (or rather his contract) for \$10,000 provokes a revolt.

Spalding's 1887 meeting with the Brotherhood and the 1888 classification plan in 1887, Spalding disarmed the players, agreeing to consider alternatives - which they were unprepared to offer. But with Spalding is on his world baseball tour in 1888, the owners adopt (even if they don't enforce) a degrading classification system (players "graded like so many cattle").

Recruiting financiers and the players' "Manifesto" (1889): "There was a time when the League stood for integrity and fair dealing....today its eyes are on the turnstile. Men have come into the sport for no other motive than to exploit it for every dollar." The NL has become "a combination...stronger than the strongest trust."

the NL "Manifesto": The NL had "rescued from destruction" the national game that was "threatened by the dishonesty and dissipation of the players" and "elevated and perpetuated [baseball] into the most glorious and honorable sport of the green earth."

the Players' Revolt and the Players' League (1890)

A. Teams in 7 NL cities, taking most of its veterans; each team run by a board of four financial contributors and four players (Cleveland's Tom Johnson a major contributor); profit sharing; protesting contracts lacking "mutuality" (first legal test and sets up 2nd Association War), the Players League had no reserve clause; fraternity's swan song (Anson, Wright vs. Kelly's blank contract and "I can't go back on the boys")

B. Owners depict players as anarchists/overpaid men of leisure even as players depict owners as plutocrats (the Nike commercial of a few years ago had it nicely); PL's mistake to adopt Victorian standards on beer and Sunday ball; the NL clubs lose money but so do PL backers; so

“the monied men met with the monied men” (Spalding) and PL backers are bought out. “When the spring comes and the grass is green upon the last resting place of anarchy,” Spalding announced, “the National [League] will rise again in all its weight and restore...to all its purity [our] national pastime.”

America and the NL in the 1890s: “the ragged edge of anarchy” Sunday ball, beer, gambling and suspect players; “rowdiness” (spiking, tripping, belt holding, etc.) the Orioles as the worst and the model: “Mean, vicious, ready at any time to maim a rival player or an umpire, if it helped their cause....The worsts of it was that they got by with much of their brow beating and hooliganism. Other clubs patterned after them.” John Heydler, NL umpire); ethnic rivalries, economic frustrations and the fate of “brotherhood.”

Losing the aura of Victorian respectability that Albert Spalding had carefully developed for the league, the NL also became less vigilant about gambling. Doubts about the game’s integrity grew as gamblers cavorted openly in the grandstands and owners, managers, and players betted with impunity. Monte Ward, inspiration behind the 1890 Players League revolt, won 20 shares of New York Giants stock in a bet with the club’s director over the Giants 1892 finish. Rowdiness among the players increased the bad odor for Victorians. Half-hearted measures to regain respectability centered on a “A Measure for the Suppression of Obscene, Indecent, and Vulgar Language upon the Ball Field.” John McGraw publicly worried that the new policy might force him to “abandon my profession entirely.” He shouldn’t have worried. Skeptically noting the complete lack of enforcement, one writer quipped: “I can only conclude that in the season past not one reference was made to the maternal ancestry of any umpire and not once was any umpire or opposing player asked to accomplish the physically impossible.”

“inside” or “scientific” baseball: the changing balance between hitting and pitching; overhand pitching and no called pitches in 1880s; the rubber vs. the skip step, 1893; Fred Pfeffer’s Scientific Baseball (1889) and the “brainiest” players; hit and run, sacrifice, Baltimore chop, stealing and delayed stealing; “scrappiness” - change in the craft coming from the players themselves

BASEBALL’S ACHILLES HEEL - or “the Pete Rose question”

the problem of the Black Sox scandal (1919) “Betting on the result of games,” Albert Spalding observed in 1911, “naturally begot collusion between those who bet their money and some of those who played the game. Per consequence, it was soon discovered that unprincipled players, under pretense of accident or inability to make points at critical stages, were ‘throwing games.’”

G. Edward White, Creating the National Pastime

THE MACHINE IN THE GARDEN: Baseball, Technology and the Pastoral Ideal (in addition to the physical and visual evidence presented in class, see essay below)

BASEBALL AS THE MYTH OF INDUSTRIALIZING AMERICA

In Ball, Bat and Bishop: The Origins of Ball Games Robert W. Henderson argued that "folk customs and religious ceremonies, undertaken not as idle pastimes, but as grim supplications to various deities, are the roots from which our modern sports have sprung. Baseball, he provocatively concluded, one of several "merely vestigial remains of religious rites of ancient times, designed to influence the pagan gods that they might make the crops to grow, and so ensure the continued existence of a grateful people." Of course, late-nineteenth century urban Americans had few anxieties about crops or the annual return of spring. But the game was about to become the National Pastime and a central ritual in our culture. "[B]all tossing had a deep symbolical meaning when played in the spring of the year," Albert Spalding wrote in America's National Game (1911), and the "early church adopted this symbol...to typify The Resurrection." Spalding's book was part of a concerted campaign to establish baseball's impeccably American origins and to offer the game as expressing quintessentially American values and concerns. As a central myth of industrializing America, baseball did give expression to certain anxieties and aspirations.

The game, of course, has strong rural and pastoral associations. The green enclosure, grass, leather, wood, its pre-industrial sense of time (no clock), the agricultural rhythm of spring training and fall classic. Images of youth innocence and nostalgia ("If you build it, he will come") surround the game. But the game is also a quintessentially urban phenomenon. The sport of clerks and artisans, it emerged with and in industrial America. It relies upon the city crafts of woodworking, lathe-work, stitching, tanning, leather working. The railroad network and the telegraph were central to its commercialization. A major part of its appeal is precisely this mixing of rural and urban, of the pastoral and technological. In The Machine in the Garden, Leo Marx argues that the clash of a pastoral ideal with technology (of Jefferson's yeoman republic, for example, and Hamilton's Paterson mills) was the central conflict in American culture. The "machine in the garden" was a disturbing image to Americans (especially its writers from Hawthorne and Melville to Twain and Faulkner) even as it was also an aspiration and, increasingly, a reality. Baseball, with its "geometrically perfect landscape" (the phrase is from the documentary Baseball Forever), was not a simple pastoral sport, but one that linked pastoralism and dynamism, in a more satisfying way than "the machine in the garden" image seemed to indicate was possible.

The "machine in the garden" metaphor was one response to the disruptions associated with industrialization, a myth that sometimes soothed but more often disturbed. As a version of that myth, a version that appeared to reconcile the unreconcilable, Organized Baseball served as an idealized model of America's industrializing economy. (The ten cities that composed the AL and NL for 50 years after 1903, were linked by railroads and telegraphs and largely defined the extent of industrial America). A competitive economy of small businesses none of which ever

went bankrupt or were gobbled up by larger firms, major league baseball reassured Americans that monopoly does not necessarily destroy entrepreneurship and the small businessman. Of course none of this happened naturally, it was elaborately stage-managed from behind the scenes. Organized Baseball's profitability depended upon close pennant races and good teams in the major cities. This could not be made to appear contrived, as fans have always rejected anything that smacked of syndicate ball. Dependent upon the drama of competition, baseball teams nevertheless colluded to preserve competition in a variety of ways, splitting gate receipts with visiting teams, allowing the worst teams to draft first, making some talent available for bargain prices through the waiver system, limiting the number of players a team could control. Since the 1961 Sports Broadcasting Act, the teams no longer competed with one another for national broadcasting revenues - negotiating as a cartel and sharing revenues. More recently the owners have illegally colluded to undercut free agency and provoked a strike in an unsuccessful effort to force a salary cap.

The heart and soul of Organized Baseball's policy of collusion is its ability to act as a monopoly and a monopsony. Through a system of "territorial rights," Organized Baseball has long prevented the entry of new firms into the industry, protecting its status as the one retailer of professional baseball. Through the reserve clause, Organized Baseball established itself as the one buyer of talented players. The key element in making this collusion legal was the 1922 anti-trust exemption. In order to maintain fair competition within the industry, the argument ran, baseball had to act as a cartel. Thus in the name of preserving competition baseball secured exemption from the same anti-trust laws that were established precisely to preserve competition in American industry. This was, perhaps, a tacit admission that the anti-trust laws could never accomplish that for which they were designed. The anti-trust laws attempted to check the competitive economy's drift towards oligopoly; in a competitive economy successful firms bankrupt or absorb less successful ones. Theodore Roosevelt ridiculed anti-trust as an effort "to remedy by more individualism [that is, competition] the concentration that was the inevitable result of already existing individualism." But by jettisoning the anti-trust laws and actively colluding, Organized Baseball provided a working model of just such a competitive economy that miraculously remained competitive indefinitely (at least to a degree: no wonder the demand to "break up the Yankees!"). But even more ironic, the anti-trust exemption allowed the baseball cartel to remain competitive by denying labor's most basic right in a market economy, the right to pick and choose among employers. The anti-trust exemption protected, above all, the reserve clause.

Yet baseball players never seemed to be like other employees. Baseball's "efficient movement," "systematic, refined technique," historian Gunther Barth has argued, "evoked analogies to the industrial discipline in the sport." But the "scientific management" of the corporate factory deskilled workers by replacing their own decision-making powers with an elaborate technology - most notably in Henry Ford's assembly line. "Scientific" baseball, in contrast, relied upon skilled, cooperating craftsmen. The "pleasure of watching baseball is like that derived from observing the interplay of vast and complex machinery," wrote sportswriter

Charles Fleischer in 1908, "but...incalculably more admirable because carried out by cooperating men." The Chicago Cubs were masters of "scientific" baseball and the dominant team of the early century. The Cubs, journalist Hutchins Hapgood wrote, "would practice every morning, developing new plays, planning to meet all combinations." That "they learned their science so well that it became an effective, instinctive art is shown by the remarkable success of the team." "There is such a thing as collective intelligence," Hapgood concluded, "and this when highly developed is perhaps all there is in effective inside play." In an economy that seemed to have an insatiable appetite for unskilled, routinized labor and intrusive management, baseball suggested that skill and cooperation could survive.

Yet it survived, remember, within a regressive labor system that supposedly was essential for the survival of both craft and business. In 1888, the year before the National League's initial effort to establish the American origins of baseball (the famous Delmonico's banquet of 1889), John Montgomery Ward put his own slant on "Our National Game." (Ward, of course, was the moving spirit behind the Brotherhood and the Players' League.) Baseball had evolved from "one-cornered cat," Ward wrote, because the earlier game "was not played by 'sides;'" there was no competition, no rivalry, and this was a fatal defect in the eyes of 'Young America.'" Requiring "strength, courage, and skill" yet still simple enough to be "within the reach of all," Ward went on, baseball was perfectly "suited to the national temperament." Love of the game now "pervades all classes of the community." Thousands of "spectators daily forget the struggle of real life in the contemplation of these mimic battles of the diamond field." Yet there was "grave reason to fear for the future." It was the "hard-working, enthusiastic players who, more than anything else popularize the game. They convince the public of its honesty by showing so plainly a desire to win." But the sports' importance, Ward asserted in shifting to the attack, was "far too great for the caliber of many of those now in control." The lords of baseball treated players as if they "were merely hired men." They had created a baseball "trust...as compact and effectual as the Standard Oil" trust. At the trust's center, Ward complained, was the reserve clause that allowed owners to buy and sell players for sums "which some years ago would have purchased a half-dozen able-bodied slaves." The buying and selling of players was a perversion of the reserve clause, "a vile purpose" that was "an insult to decent players and a dishonor to our national sport." Using the clause to black-list players made "Base-ball law" a "law unto itself," that made "but little pretense" to conform "with the rules laid down by courts of law and equity." The reserve clause, Ward concluded, made ball-playing into a form of "wage slavery."

The dirty little secret at the heart of the myth was the reserve clause, Ward's "wage slavery," which would lead Curt Flood to call himself a "highly paid slave" and to challenge the system. The reserve clause, of course, has been significantly dismantled (though it still operates through the first five years of a player's career). But what have been the fruits of the great victory of the players' union? Does it ring a bit hollow? Without an assault on the other half of the baseball trust - its monopoly position as the only seller of its product - have we simply added a host of spoiled millionaires to an existing set of spoiled billionaires? Has the public, the fans, our civic life, our respect for labor - have any of these benefitted?