SUSAN TIBBLES / For The Time

The Spoiled Brats of Summer

To restore baseball's luster, corporate owners and players need to do more than settle their dispute

By KELLY CANDAELE and PETER DREIER

During the last baseball strike, in 1994, President Clinton made a feeble and unsuccessful attempt to mediate. It's unlikely that President Bush will make the same mistake. Drawn reluctantly into the corporate-reform crusade in the wake of the Enron/WorldCom/Tyco/Arthur Andersen et al scandals, Bush remains a fan of unregulated markets, and Major League Baseball is the least regulated of all industries, the only one exempt from the nation's antitrust laws. If Bush were to intervene, the media might remind the public how he once used his political connections to buy the Texas Rangers franchise with a minimal investment, got the city of Arlington to raise taxes for a new stadium and then made a huge windfall profit when he and his co-owners sold the team in 1998.

No, baseball's owners and players union will have to settle this one on their own. But what's going on in U.S. politics and business these days isn't entirely irrelevant to the situation in baseball. Major League Baseball, too, has credibility problems.

Unlike other scandal-plagued corporations that inflated profits through accounting trickery, Major League Baseball teams crunch the numbers to erase earnings. Baseball Commissioner Bud Selig, whose family owns the Milwaukee Brewers, says that only five teams made a profit last season. But as Roger Abrams, a labor law and sports professor at Northeastern University, recently observed: "Sports accounting is to accounting as military music is to music. It's still accounting, but not quite."

Baseball teams are increasingly owned by corporate conglomerates. AOL Time Warner Inc. owns the Atlanta Braves, the Tribune Co. the Chicago Cubs, and Rogers Communications the Toronto Blue Jays. The Los Angeles Dodgers are a subsidiary of Rupert Murdoch's News Corp. Because teams are increasingly owned by corporations, profits can be discreetly moved from one entity to another to conceal the true earnings of the baseball end of the business. For example, if a "separate" corporation is set up to sell concessions or parking spaces, creative bookkeeping can make it look as if its profits are not accruing to the team even though the team and the corporation are owned by the same people. Owners can even pay themselves a "consulting fee" and report it as a team debt, as New York Yankees owner George Steinbrenner reportedly has done.

Recent revelations of corporate skulduggery have triggered calls for more government regulation to protect stockholders, employees with pensions and consumers. Genuine reform of baseball would require the revocation of its antitrust exemption, granted in 1922 by the U.S. Supreme Court, that allows the

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owners to keep competitors out of their market, eliminate teams or fix prices. To guard against that dire threat to their pocketbooks, team owners have hired lobbyists, set up a political contribution fund and designed a political strategy to influence the current collective bargaining process. According to a recent report in the National Journal, Major League Baseball spent $1.2 million lobbying Washington last year, twice the amount it paid out in 2000 and double the total the National Football League, the National Basketball Assn. and the National Hockey League collectively spent. Most of the political money went to members of the House and Senate judiciary committees, which have jurisdiction over baseball's antitrust exemption.

Freedom from federal and state control enables baseball teams to behave like global corporations. A footloose team may encourage cities to engage in a bidding war for the "distinction" of being its new home. To attract the franchise, cities offer to subsidize the construction of a new stadium or to modernize an existing one, often under the guise of revitalizing urban downtowns. If this means owners catering to other corporate executives by building stadiums with luxury boxes complete with computer terminals, while blue-collar types have to watch games on television at home, so much the better.

The gentrification of baseball, as Smith College economist Andrew S. Zimbalist, author of "Baseball and Billions," points out, is good for the bottom line. "If you're a media conglomerate that is both in the television business and in the baseball business, you don't mind at all if you're increasing your television audience while decreasing your live audience," he says.

Unlike mainstream U.S. business, however, baseball's key employees—the players—are unionized. Only about 14% of U.S. workers belong to unions, but 100% of the players do. And since the end of the reserve clause—the rule that bound a player to a team until the owner traded or fired him—in 1975, the players have made dramatic gains in pay, benefits and working conditions. The average yearly salary is more than $2 million.

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The looming confrontation between owners and players is thus a battle between winners. If there is a strike or lockout, baseball's already tarnished image may be permanently harmed. Some observers worry it may never recover. After the 1994 baseball strike and the cancellation of the World Series, many fans were fed up and baseball attendance nose-dived. Fortunately, the home-run heroics of Mark McGwire, Sammy Sosa and Barry Bonds, coupled with the growing numbers of Latinos and Asians on the playing field, have helped fill the stands again.

Baseball certainly needs to settle its current dispute if it wants to hold on to its gains. But it if truly wants to rehabilitate its image and ensure fan loyalty, Selig and the ballplayers need to take another step: They need to make a gesture of solidarity with the working stiffs who have provided the sport with its populist base of support. That would go a long way toward erasing the images of greedy owners and spoiled athletes.

For starters, players should take time off from paid autograph-signing sessions to advocate a "living wage" for the workers at the stadiums where they play—the ushers, food vendors and parking-lot attendants. Players and owners should also look for the union label, or at least the non-sweatshop label, on their uniforms, caps and baseballs. It took a yearlong strike at New Era Cap Co., which makes Major League Baseball's caps, to secure a union contract. New Era, which also produces caps for more than 350 colleges and universities, was the target of a successful publicity campaign by the United Students Against Sweatshops. The students' threat to pressure their colleges to withdraw their contracts with New Era settled the strike.

More broadly, Major League Baseball should draw up a code of conduct for all companies that do business with it. How many fans, for example, know that the baseballs that San Francisco Giant Bonds hits into McCovey Cove are made in Costa Rica, where workers make $50 a week if they work full time? To be sure, in contracting out the manufacture of the sport's main symbol to a low-wage country, Major League Baseball is behaving like other U.S. corporations. But it should make sure that those workers and others who make its uniforms and paraphernalia sold in stadiums toil in decent working conditions and are paid reasonably well relative to the countries' wage scales. A highly public and aggressive campaign geared toward that goal would certainly help offset the image of millionaire players squabbling over their next million.

Like U.S. business, Major League Baseball has jeopardized the confidence and trust of its fans. Can the corporate stewards of America's "national pastime," along with the players union, many of whose members seem to have forgotten their humble backgrounds, recognize that when the nation's sports pages start looking like the business section, the fans might just tell the owners and players alike that after three strikes, they're out of business.