

SPORT LAW SYMPOSIUM 1990

Observations On The World Of Sports In The 1990's*

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Reverend fathers, members of the clergy, honored guests, and distinguished panelists, I extend my congratulations to those who have received these many awards. It is a pleasure for me to be here. My compliments to Seton Hall for putting together such a distinguished program. I happen to have spent some twenty years doing college work, first as a member of the Board of Trustees, and then as Chairman of the Board of Trustees at Mt. St. Mary's College, a small college in Maryland. It is a very distinguished college, a college that really vies with Georgetown as to which is the oldest Catholic college in the country. Mt. St. Mary's, incidentally, sent Bishop Hughes to New York to build St. Patrick's Cathedral, and actually started Fordham and then turned it over to the Jesuits. I am also a graduate of Loyola College in Baltimore, and as luck would have it, this year I happen to be head of the annual giving drive. I am here to tell all of you Loyola graduates out there, and I have already met one, to remember that you can still give.

I am indeed a graduate of Loyola College in Baltimore. I happened to have gone during the war; my wife says it was World War I, but it really was not that long ago although the people I remember from Seton Hall were people like Pep Saul and Bob Davies. Those were the days when somebody who was 5'7" could lie and say that they were 5'8" and could still play guard on these basketball teams. I did play here at Seton Hall and against schools like La Salle and St. Peters and Villanova, and that was a great deal of fun. After that I become a sports writer. I ended up going to law school and after that I finally made the decision to go straight, and I no longer really practice law. You will not read about me in the law journal and the federal reporter, no state reporter, casebook or anything else. My life, ladies and gentlemen, is an open newspaper. You can open the newspaper any day of the year and find out exactly how I am.

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We have had a lot of speakers here today. Phil Pepe has asked that I speak between 10 and 12 minutes so I have my stopwatch here and I will try and complete that assignment. In 10 or 12 minutes you really can not make a speech so I would like to make some observations. I will clarify them as general observations, and personal observations.

GENERAL OBSERVATIONS

I am pleased to tell you, particularly you young people, that sports has a great future. The 1990's are going to be the biggest decade for sports in history. When you talk about sports, and you talk about the future, there are three things that come to mind: (1) the horizons are unlimited; (2) the opportunities are mind boggling; and (3) sports have become international in scope. So those of you who are looking to practice the law, and thinking about sports law, I compliment you on your timing because in the future, Sports Law is going to be a great and lucrative field.

I run my shop at the New York Mets under an old business practice that is called "management by objectives." Every year our people start in July to figure out what we can do the next year, and that is the way that we build our programs.

In 1988 and 1989 it was my assignment to try and figure out where the New York Mets would be in the 1990's. What would the decade ahead promise for the New York Mets? It was a rather lengthy involvement. First, where were our fans going to come from, (those people who are still supporting the Mets because the Brooklyn Dodgers left Brooklyn are fast disappearing and we have to develop a whole new generation of fans). Second, I also had to figure out where we were going to get our talent to play baseball. The game of baseball has lost one of the really great sources of talent in that the black people of our country do not play baseball to the same degree that they did in the past. Many, of course, have turned to playing basketball. Baseball has not completely lost them, but certainly a declining number are playing our game. I had to decide how much more money we were going to put into scouting in the Latin American countries. I also had to examine a number of other things. What is the future of stadiums? Can a city today, with all of its problems, build a major league stadium? Should it be a State supported stadium? Should it be a consortium of counties, because certainly one city or one county does not, really should not, support the whole stadium?

But more importantly the thing that I found out, and one of the things that I would like to leave with you today is the fact that in the '90s there is going to be a sports boom. There is a term which I am going to ask you to begin to contemplate, it is a new term that is talked about perhaps in the backrooms of the people who run sports and that term is the "Gross National Sports Product." There already is such a thing and it is growing by leaps and bounds. When I mention the Gross National Sports Product I am

not talking about television, that is a separate entity, but also growing by leaps and bounds. The Gross National Sports Product in 1990 will be \$60 billion in the United States of America. By the year 1995 it will be \$85.4 billion and by the year 2,000 it will be \$121.1 billion. The Gross National Sports Product does not have to do only with pro sports. It has to do with college sports, and it has to do with high school sports. It encompasses the soft goods, the ancillary things that are produced by franchises and colleges. It is cassettes, video games - it is something as I said before that is almost mind boggling in nature. And as great as our increases in the national sports product will be, we will be outstripped by Europe because that is one of the areas, and probably the premier area, where sports are as proliferous. I would like to give you just one quote from a magazine which was called "Sports, Inc." They addressed this subject and I quote, "The U.S. sports industry is still way out front and it is running strong. Yet even as America's Gross National Product more than doubles to \$121 billion and sports advertising more than quadruples to \$25 billion, the rest of the world will close the gap by the year 2,000." That was eleven years from the time that was written, now less than 10. Indeed foreign growth will be out of this world and will outstrip the United States.

In 1992 the common market will be extended throughout Europe and the existing barriers will come down. There will be in Europe a market of 320 million people. Europe as a single market will then begin to compete on equal footing with the United States and probably will outstrip Japan over that period of time. The two biggest sports marketing events in the world today are not the World Series and the Super Bowl. The two biggest sports marketing events in the world today are the Olympics and the World Cup, two things that are truly international in nature. Baseball, I am sorry to say, is somewhat behind the rest of the sports in its international thrust. Basketball, in my opinion, is ahead of everyone else. I would think ice hockey, where we are already getting ice hockey players out of Finland and Norway and even out of Russia, is second. The National Football League has taken big steps towards making their game international, and baseball is now running as fast as it can to try and catch up. So for you young people who are considering a career in sports, there are some mighty big opportunities out there.

PERSONAL OBSERVATIONS

When I think of personal observations, I think of a telephone conversation I had during the recent work stoppage with John McMullen, the owner of the Houston Astros. He said, "Gentlemen, I have just gotten a call from Yogi Berra who works for the Houston ball club," and Yogi said to him, "Boss, I have to have a couple of days off." And John said to him, "Yogi, it's the off season. You certainly can have a couple of days off, but you seem troubled. Is there anything I can help you with?" And Yogi said, "No. It's

just that a very good personal friend of mine has died and I really feel that I should go to the funeral," to which John said, "Of course, of course." And Yogi said, "You know how it is. If you don't go to your good friend's funeral, they won't come to yours." I want you to consider that for a moment while I make a couple of personal observations.

First, I think that we, and when I say we, George Young, I am talking about not only we in the administration of sports, but also the players and the people who represent the players, must soon come to our senses and understand that the customers and the fans are the most important people in sports. Without them, without their support, without their watching television, we would not be in business. It is a challenge to the owners and the players to get on to a better way of doing business. Certainly the strikes that we had in the 1930's with the United Auto Workers are not the way to settle the kind of difficulties that we have in professional sports. There is enough money there for both sides. I would suggest to you that the term that came up in the last negotiations, a term called "pay for performance" and an idea about "giving a percentage of the revenues to the players" are not exactly dirty words. They were painted thus by the press and perhaps by the players, but I would suggest to you that if professional sports is going to exist into the next century, and beyond, we must quickly find some way to get this kind of an arrangement into the professional sports contracts. I would suggest to you that by the year 2,000 the major leagues will have to adopt, and will adopt, similar kinds of provisions.

Second, I am no fan of sports agents as that class is currently constituted. I will not paint all sports agents with the same brush but I would say, speaking generally, of the sports agents that come in to represent ball players, I find them: first; highly unregulated, I find them unqualified for the most part, and I hesitate, but will tell you with sincerity, a lot of them I find unprincipled. And that should not come to this group today as exactly bad news, because whenever anything is of that stature and that ilk, there certainly is lots of room for improvement. Now you might jump to the conclusion that I am being soreheaded because they come in and they demand and they get very high salaries. That is not my objection. The free market place, and the way things are done today will set the salaries; that is the kind of money you have to pay and I cannot quarrel about that system. What I can quarrel with is the fact that this money, which is substantial money, has been for the most part wasted - that we have baseball players, more than fifty percent broke, who have made money for years and who have nothing left and are in the office on a periodic basis trying to borrow money. Ladies and gentlemen, especially you young ladies and gentlemen, there has to be a better way. Perhaps the symposium this morning which addressed part of that is a big step along the way to solving these problems. But I would say to you that there has to be some improvement in sports agents and the way that players, at least in my sport, are represented.

Having made that objection, I will tell you that if it were my son, or more likely my grandson at this point in time, how I would wish him represented. I would do this: I would go to a credible law firm and I would talk to one of the senior partners. I would ask him to suggest to me some junior associate that had some smarts, perhaps one of the young partners in the firm and I would ask him to take my grandson as a client and to negotiate his contract. You do not have to be a Phi Beta Kappa to negotiate a baseball contract. He would charge my grandson by the hour and I think that is a much fairer way of setting fees and of protecting the young players. I would also try to get for him, either through that legal representative or through the representative of a credible bank, a financial plan so that there would be some money left when he finished playing.

Ladies and gentlemen I would like to leave you with this benediction, the credo of professional sports, if you would, the benediction of the commercial class, my profession of faith in our industry, and I say to you: "That when that great scorer up above puts the final mark behind your name, it's not whether you won or lost, but how many paid to see the game."