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The Demise of African American Baseball Leagues

A Rival League Explanation

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Organized African American baseball (AAB), the longest lived rival to Major League Baseball (MLB) in history, thrived from the 1920s through the early 1940s. Although integration in 1947 focused attention on MLB and the American experience, the impact on AAB receives only passing, somewhat wistful notice. From the economic perspective, the unabashed talent raiding by MLB killed AAB a couple of years after integration began. The authors show that AAB did pose an economic threat to MLB. Given this, the theory and history of MLB behavior toward rival leagues would have predicted actions by MLB to end the threat posed by AAB and a better economic outcome for at least some of the AAB owners and players than actually occurred. Although the former occurred, the latter never materialized for AAB. Competitive baseball was lost to countless thousands of fans throughout the South and Midwest, profitable businesses were lost to African American and White AAB team owners, and hundreds of African American players were denied a "big league" livelihood as the result of integration. The general perception is that integration was a positive thing but costly to many.

Gullible Negro fans who think white owners take on colored players through any altruistic pangs of democracy had better quit kidding themselves. There's a potential two million Negro fans to draw from. Any baseball businessman would be looney (*sic*) not to see that.

—Effa Manley, owner of the Newark Eagles, *Our World*, August 1948

From historians of what we will refer to generically as organized African American baseball (AAB), we learn a number of things. First, AAB was economically viable. AAB represented one of the first successes for African American entrepreneurs. Whites owned some of the teams, but all of the owners did well economically. They also paid players well, given their opportunity costs. Also, there was significant economic competition between leagues, and this signaled profits.

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We also learn from these authors that AAB withered at its zenith. Jackie Robinson broke the Major League Baseball (MLB) color barrier in 1947, and AAB was reduced to meager barnstorming by 1950. And this result leads us to an economic look at the relationship between MLB and AAB. AAB represented the longest-lived rival to MLB in history, lasting around 30 years. We conclude that there is no doubt that the typical behavior by MLB toward rival leagues killed AAB.

The treatment of rival leagues by MLB (and similar behavior by other pro sports leagues) is laid out in Quirk and Fort (1992, 1999). Although successful MLB rival leagues have formed, including the original battle between the National and American Leagues culminating in their agreement in 1903, no rival has ever survived. All rival leagues either were assimilated or just closed down. Interestingly, owners in all of MLB's rival leagues except AAB received compensation, including cheap entry into the existing structure of MLB, either through expansion or discount franchise purchase.

MLB's dealing with AAB also led to the end of this rival. But the similarities end there. MLB unabashedly raided AAB, offering paltry compensation, if any, when players jumped existing AAB contracts. And AAB could not fight back because the talent raiding was a one-way street, and their only other outlet, White minor league baseball, was completely locked up by MLB. As a result, not a single owner of an AAB team was offered any sort of cheap access to MLB through franchise purchase or expansion. Instead, great players were simply skimmed off the top, and the rest were left to fade away with their leagues.

The economic impacts were the same as under the demise of any rival league. Competitive baseball was lost to countless thousands of fans, profitable businesses were lost to some entrepreneurs, and many players lost their shot at any big league career, in either AAB or White baseball. We estimate that more than 200 African American players were denied a big league livelihood as the result of integration. This makes the victory over racism implicit in integration a qualified one. A few AAB players and perhaps some baseball fans were better off, but the vast majority of AAB players and nearly all AAB fans were worse off.

This article proceeds as follows. In the next section, a brief organizational and financial history of AAB is presented. Following that, we offer our rival league explanation of the demise of AAB. A separate section paints the stark reality of the loss of an economically viable league. Conclusions round out the article. The demise of AAB is another episode in the history of the relentless drive by MLB to be the only major league.

THE ECONOMIC CONDITION OF AAB

The AAB leagues and the duration of each are presented in Table 1 (see Fort & Maxcy, 2000, for a detailed description of the teams in these leagues). The most formidable of these were the first and second versions of the Negro National League (NNL1 and NNL2), started by Rube Foster and Gus Greenlee, respectively. But

TABLE 1: African American Baseball League History

<i>League</i>	<i>Duration</i>
Negro National League 1	1920-1931
Eastern Colored League	1923-1927
American Negro League	1928
Negro Southern League	1932
Negro Eastern League	1932
Negro Western League	1932
Negro National League 2	1933-1948
Negro American League	1937-1948
Negro AL-East	1949-1952
Negro AL-West	1949-1952

SOURCE: Derived from the full descriptions by Fort and Maxcy (2000).

both of these leagues faced economic competition from rival leagues. NNL1 faced the Eastern Colored League (ECL) for 5 of its 12 years. NNL2 faced the Negro American League (NAL) for all but 4 of its 16 years. The organizational structure of this competition revolved around first Foster and then Greenlee as the primary booking agents for all games, but teams were independently owned.

These two episodes of vigorous competition (NNL1 vs. ECL and NNL2 vs. NAL) offer one type of evidence of AAB profitability. In the first episode, the group of NNL1 owners sought economic solidarity against Eastern booking agents, who took 50% of the gate for a fee (Johnson, 1999, p. 79). And the ECL was founded in 1923 by a group of White businessmen, led by Nat Strong, as a countermeasure against NNL1 competition. Peace never really came to these two earliest AAB rivals, even though they did play a World Series from 1924 to 1927 (detailed below).

Eventually, Rube Foster's NNL1 won out, but mental health problems forced him out of AAB, and teams struggled through the 1932 season in a new set of leagues. In 1933, boxing promoter and booking agent Gus Greenlee formed the new NNL2. Again, the aim was to control all bookings in the Eastern United States. There also appear to have been NNL2 ties with organized crime (Bankes, 1990, offers the strongest statements), which would come back to haunt AAB in its later attempt to battle MLB. Competition arose again in the form of the NAL. NAL appeared in 1937 with postseason play of a sort with NNL2 (detailed later in this section). All in all, these two episodes paint a picture of profitable AAB, with leagues fighting it out for market dominance.

Another type of evidence on the profitability of AAB can be found in what financial data exist. Peterson (1970, p. 84) tells us that NNL1 Sunday attendance in the larger cities was around 8,000 to 10,000. The average in MLB for the 1921 season was around 7,100 per team. Ribowsky (1995, pp. 109-110) reports that NNL1 paid

attendance in 1920 was about 616,000, and all eight teams showed a profit. As an indication of financial viability, the entry fee into NNL1 rose from \$500 in 1920 to \$1,000 the next year.

Table 2 shows how NNL1 did for the 1923 season (Peterson, 1970, p. 89). At the league level, net revenue represents a 21% return on total expenses for 1923. On average, each team's net was nearly \$5,000. Aggregate financial data for MLB for the years 1939, 1943, 1946, and 1950 were reported to Congress in 1951 (House of Representatives, 1951, p. 965). Those data show that the American League (AL) and National League (NL) only hit the AAB rate of return in 1946. The average across these years was 7.1% and 4.8% for the AL and NL, respectively. Indeed, this early period rate of return for NNL1 even compares favorably to today's teams in percentage terms. The latest *Forbes* data for 1996 yield about 11% on average.

Moving later into the 1920s, Peterson (1970, p. 89) reports that Foster's Chicago American Giants averaged \$85,000 annually from league games over the 1920 to 1926 period. The Kansas City Monarchs were somewhat lower at \$41,000, and the bottom end average was in the \$10,000 to \$15,000 range. This gives a top-to-bottom ratio between 5.7 and 8.5. Unfortunately, the House hearings data mentioned earlier do not allow a top-to-bottom range comparison for MLB near the same time. But the 1996 *Forbes* data yield a top-to-bottom ratio of 3.3. Revenues are a bit less dispersed among modern teams but not too far from the early NNL1 outcomes.

In the second competitive episode, NNL2 and NAL did just fine financially during the late 1930s and on into the mid-1940s (Peterson, 1970, p. 93). The two had almost \$2 million in total revenues, and most teams at least broke even. From 1942 to 1945, every NNL2 team cleared at least \$25,000 in profit each year (Ribowsky, 1995, p. 265). The Kansas City Monarchs in the NAL routinely earned \$100,000 profit in this period. By 1942, AAB teams combined to spend \$500,000 in operating expenses compared with \$175,000 in the late 1930s. Indeed, with 12 to 15 teams in the two leagues, the \$2 million figure yields a minimum of \$133,000 per team in total revenues. That is quite a jump from the \$28,000 or so average team total *gross* revenues for NNL1 in 1923 (see Table 2, total revenue divided by 7 teams).

Most NNL2 and NAL teams played in MLB parks at a steep rent, another indicator of profits. For example, the Cuban Stars leased off-time at the Cincinnati Red's Redland Field for \$4,000, collected at a rate of half the gate until paid in full (Peterson, 1970, p. 86). By 1938, Yankee stadium rented for \$3,500 per game. In 1939, NNL2 switched booking agents to Eddie Gottlieb (an owner and one of the founding fathers of the NBA), and rent fell to \$1,000 per game. Teams playing games there averaged profits of \$16,000 in 1939 (Ribowsky, 1995, p. 239). By 1942, the Yankees earned about \$100,000 in rent, about the same earned at Griffith Stadium (Ribowsky, 1995, p. 251). As a general principal, Holway (n.d., p. 3) reports that rent for major league stadiums was typically 20% of the gate.

Postseason play also was profitable. Although there was a "World Series," it paled in popular and economic importance to the East-West All-Star Game (see Fort & Maxcy, 2000, for economic details on the World Series). The All-Star Game

TABLE 2: Negro National League (NNL1) Financial Statement, 1923

Season statistics	
Total NNL attendance	402,436
Attendance per game	1,650
Total NNL games	244
Total revenue (\$)	197,218
Total expenses (\$)	
Foster's 5%	9,861
Player salaries	101,000
Rail expense	25,212
Board/ground transportation	9,136
Balls	7,965
Umpires	7,448
Club advertisements	7,500
Other	4,164
Total	162,425
Net NNL revenue (\$)	34,793
Net revenue per team (seven teams) (\$)	4,970

SOURCE: Peterson (1970, p. 89). Some entries are calculated.

twice drew more than 50,000 spectators in Chicago and averaged 34,276 compared to the MLB All-Star Game average of 40,342 (Fort & Maxcy, 2000, Table 2). The AAB version outdrew its MLB counterpart seven times from 1933 to 1950 and for 3 straight years, 1942 to 1944. It is clear that from the late 1930s through the 1940s, the AAB version was a comparable draw to MLB's All-Star Game. And the hearings data (House of Representatives, 1951, p. 280) show that the All-Star Game was worth \$110,000, on average, over the 1951 to 1956 period, to MLB.

Wages were high in AAB, relative to the opportunity costs of African Americans at the time. In 1923, Rube Foster made just under \$10,000 (see Table 2), an amount that must be considered relative to the alternatives facing an African American businessman in 1923. AAB players also did well, especially considering their alternatives (general wages during the late 1920s and early 1930s were about \$80 per month). Fort and Maxcy (2000, Table 3) provide what little salary comparison there is in the literature on AAB. During the first competitive episode in AAB, the NNL1 salary pool increased from \$30,000 in 1920 to \$275,000 by 1925. Salaries in the early 1920s were in the \$175 to \$200 per month range. Also, note that in 1923 (see Table 2), players earned about 51% of NNL1 total revenues. The hearings data (House of Representatives, 1951, pp. 968-970) show that MLB players received about 8.5%, on average, from 1929 to 1946. So AAB players clearly earned a higher percentage, comparable to player shares during free agency in modern MLB. Furthermore, salaries for average players in the late 1920s grew to around \$250 a month.

During the second competitive AAB episode, salaries grew again to the \$400 per month range in the late 1940s. The 1939 average MLB salary was just over \$1,200 per month, falling to just under \$1,100 by 1943. And AAB stars made considerably more. During the boom of the early 1940s, with pressure from the Mexican League, Josh Gibson's salary hit \$6,000. And at his peak during the NNL2 heyday, Satchel Paige's \$30,000 to \$40,000 was comparable to MLB star players of the time (Fort & Maxcy, 2000, p. 41).

AAB did have its problems. Interestingly, AAB exhibited the sort of competitive imbalance that characterized MLB then and now. Through the life of NNL1, the Chicago American Giants and Kansas City Monarchs won 75% of all the league's pennants. There never was competitive balance in the ECL either. Hilldale and the Bacharach Giants won all of the pennants. This imbalance persisted into the second competitive period. The Homestead Grays won a majority of the NNL2 pennants, and the Kansas City Monarchs and Birmingham Black Barons won 67% of the NAL pennants. Fort and Maxcy (2000) show that this level of imbalance was roughly the same as in MLB during the same periods.

A summary of this brief history is that AAB actually followed the same economic path as MLB. The early stages, from barnstorming to Rube Foster and NNL1 to the rise of the rival ECL, gave way to the very stable relationship between NNL2 and NAL. And given the few data that are available, it appears that AAB was economically viable. Earnings, at least in terms of percentage returns, compared favorably to MLB at the time certainly for the larger revenue market teams. League directors and players appeared to do just fine financially. And AAB teams were able to muster the fee to occupy first-class facilities. Finally, postseason play typically filled Comiskey Park through the 1940s.

Economic viability continued even as AAB began its slide into extinction. Peterson (1970, p. 197) reports that crowds of 12,000 to 15,000 were common in 1946, and Ribowsky (1995) claims that year as the AAB peak, with revenue topping \$2 million. But by 1947, the bottom had begun to fall out. Newark Eagles' home attendance dropped from 120,923 in 1946 to 57,000 in 1947 and was down to 35,000 in 1948, a 71% decline in 2 years (Manley, 1948, p. 28). The team was sold the next year and moved to New Orleans, where there was no major league presence of any kind. By 1949, just 2 years after integration, there were 36 former AAB stars in MLB, and AAB was all but dead.

A RIVAL LEAGUE EXPLANATION

Despite the paucity of data, we demonstrate two simple relationships that are indicative of the AAB economic threat to MLB. First, it appears that the presence of AAB competition did harm MLB attendance. Second, MLB expanded into previously held AAB territories immediately following the end of those leagues. Thus, although no proof of intent exists, it would have been economically advantageous

TABLE 3: Attendance per Team per Capita in Major League Baseball: Decade Averages

City	1920s	1930s	1940s	Average: 1920-1949
Boston ^a	0.373	0.561	1.019	0.65
Chicago	0.239	0.192	0.230	0.22
Cincinnati	1.133	0.980	1.285	1.13
Cleveland	0.666	0.549	1.213	0.81
Detroit	0.605	0.458	0.681	0.58
New York	0.139	0.108	0.158	0.14
Philadelphia	0.226	0.164	0.283	0.22
Pittsburgh	1.034	0.554	1.207	0.93
St. Louis	0.560	0.320	0.672	0.52
Washington, DC	1.052	0.743	0.871	0.89

SOURCE: Derived from census data and attendance data in Quirk and Fort (1992).

a. Denotes cities without African American baseball competition.

for MLB to eliminate an attendance threat and wrestle viable team locations away from AAB.

It is important to set the stage with the following observation. AAB had no working relationship with MLB. The Professional Baseball Agreement (PBA) had governed the relationship between all levels of White professional baseball since the time of the American and National League "agreement" of 1903. The PBA specified territorial restrictions between leagues, franchise location transfer in minor league baseball, player transfer rules between teams at the various levels of play, compensation requirements, and arbitration in the event of dispute. But AAB never was included in the PBA.

In what follows, we examine and compare attendance per team per capita (A/T/C) and the number of competitor AAB teams (#AAB) for teams in MLB cities from the 1920s through the 1940s. The former adjusts for number of teams and population. The level of AAB competition is measured simply as the number of AAB teams that shared a reasonable definition of the given MLB market areas. And we stop at the 1940s because there was next to no AAB presence in the 1950s. Interestingly, teams in Boston are the only ones that never faced AAB competition, so that city offers an interesting comparative benchmark.

Table 3 shows A/T/C, decade by decade. First, note that A/T/C rose throughout the decades for Boston, the comparison benchmark. But every city with AAB competition shows a dramatically different pattern. A/T/C in the 1930s falls from its 1920s level and then rises back to an even higher level in the 1940s. A/T/C in Chicago only rises just back to its 1920s level, but the pattern is the same. In Washington, the pattern is the same, but A/T/C fails to rebound completely. This last result probably can be explained by the fact that the Senators at this time were horrible, finishing last or next to last seven times in the 1940s. The late 1930s and early 1940s

were the heyday of AAB, and the hefty dent in MLB A/T/C coincides with this pattern of AAB success. The rebound in the 1940s also is consistent with the demise of AAB at the end of the decade. And there is no dent in Boston, where there was no AAB competition, and A/T/C grew each decade.

Table 4 shows the correlation between A/T/C and #AAB in MLB cities with AAB competitors. If one looked only at the aggregate outcome (the last column in Table 4), it would appear that only half of the cities suffered at the gate due to AAB competition. But a decade-by-decade look provides a much clearer story. Although not always strong, by and large there is ample evidence of a negative correlation between AAB competition and MLB attendance per capita in nearly all of the decades. Except for Pittsburgh, the correlation coefficients all are negative and typically quite strong in the AAB heyday period of the 1930s. Consistent with the demise of AAB at the end of the 1940s, the negative correlation coefficients often tail off in size during that decade. A positive correlation in some cities during the 1920s probably just reveals the fledgling nature of AAB during that decade and the growth of both population and income. But even in that decade, there was a strong negative effect in the AAB strongholds of Chicago, New York, and St. Louis.

Because the data are sketchy, one should not push them too far. For example, it would be useful to assign a significance level to the correlation coefficients in Table 4, but little is known about the distribution of the underlying variables, and it remains uncertain just which type of test one would use. But the pervasiveness of the inverse relationship and its pattern during the 1930s and 1940s is consistent with the idea that AAB posed an attendance threat to MLB that eased as AAB died.

Moving forward in time to the period just after the demise of AAB reveals the last piece of evidence indicating the AAB threat to MLB. MLB moved into empty territories previously occupied by important AAB teams quite quickly (by MLB standards). In the early 1950s, two MLB teams changed locations to previous AAB strongholds (the Boston Braves also moved to Milwaukee, but there never was an AAB presence in that location). The St. Louis Browns moved to Baltimore, beginning play in 1954 in a city that always had at least three and usually four AAB teams. And the Athletics left Philadelphia, beginning play in Kansas City in 1955 in the city that had always belonged solely to the AAB powerhouse Monarchs. Interestingly, Kansas City Monarchs owner Tom Baird immediately sold the team with the arrival of the Athletics and took a scout job with the new MLB resident (Ribowsky, 1995, p. 313).

The data inspections in this section indicate that (a) AAB posed an attendance threat to MLB, and (b) MLB took over prime AAB territories just after its demise. This has all the earmarks of the end result of squelching a rival league. And that leads us to a "rival league" description of just how MLB treated AAB during integration. We center our analysis at integration in 1947 and adopt the rival league perspective offered by Quirk and Fort (1992, 1999).

In this case, the treatment followed an "embrace, enhance, extinguish" pattern. MLB embraced the best African American players, enhanced the product by add-

TABLE 4: Correlation Coefficients of Major League Baseball Attendance per Team per Capita and the Level of African American Baseball (AAB) Competition: Decade Averages

<i>City</i>	<i>1920s</i>	<i>1930s</i>	<i>1940s</i>	<i>Entire Period</i>
Chicago	-0.545	-0.015	—	-0.011
Cincinnati	0.180	-0.291	-0.173	-0.106
Cleveland	-0.008	-0.713	-0.039	-0.047
Detroit	0.451	-0.353	—	-0.095
New York	-0.675	-0.362	-0.452	-0.116
Philadelphia	0.612	-0.502	-0.362	0.148
Pittsburgh	0.673	0.591	-0.524	0.024
St. Louis	-0.292	-0.034	-0.046	0.184
Washington, DC	0.515	-0.365	-0.476	0.125

SOURCE: Derived from AAB team location data in Peterson (1970), census data, and attendance data in Quirk and Fort (1992).

ing MLB legitimacy to the “speed and daring” AAB style of play, and extinguished AAB by raiding its talent for free when possible and at very low rates when not. The last element, extinction, was facilitated by the lock-hold that MLB had over minor league (ML) baseball, the only other possible avenue for AAB escape from the MLB onslaught at the time.

The embrace and enhance elements are the stuff of history and legend. By every account, Jackie Robinson was carefully groomed by Branch Rickey for the job of integrating MLB. In addition, MLB evolved from a careful, “get on, bunt/hit and run, advance” game to a freewheeling, hit, run, and steal game. The latter lent legitimacy to a style that had been an AAB mainstay for decades.

The “extinguish” part of MLB’s treatment of AAB was brutal and quick. MLB’s raiding of AAB talent really was shameless, and the racketeer ties of NNL2 came back to haunt it in this regard. Ward, Burns, and O’Connor (1994) put it this way:

Most of the big league clubs didn’t pay the Negro league teams by buying up the players’ contracts, as they did when they hired a player away from a major or minor league team. Even Branch Rickey, who signed up to sixteen players for the Brooklyn organization, had an excuse for this theft of talent. Many of the Negro league owners were numbers runners, Rickey told reporters. That made the league a “racket” that wasn’t entitled to compensation. (p. 68-71)

Effa Manley, manager of the Newark Eagles, put a different spin on Rickey’s “racket” angle: “He took players from the Negro leagues and didn’t even pay for them. I’d call that a racket” (Ward et al., 1994, p. 71).

But let’s remember that there was no formal business relationship between AAB and MLB to govern player contract or territorial disputes. Because AAB was not covered by the PBA, the dispute over compensation was between the AAB owners

and players, not between AAB and MLB owners. Actually, during integration, MLB owners treated AAB player contracts no differently than some AAB owners had treated them during the brief periods when competing AAB leagues went after each other's players in the early 1920s (NNL1 and ECL) and briefly in the 1930s (NNL2 and NAL).

It ends up that Rickey's behavior toward AAB was the exception rather than the rule. Most AAB teams did receive some compensation from the rest of the MLB owners. But that compensation was no more than a few thousand dollars per player (Craft, 1993, p. 88; Peterson, 1970, p. 203). The New York Giants paid the Newark Eagles \$5,000 for Monte Irvin and, according to owner Effa Manley (Holway, n.d.), "that started the bargain basement. All teams started grabbing Negro players for \$5,000" (p. 1). Peterson (1970, p. 203) notes that some AAB superstars such as Dan Bankhead, Piper Davis, and Willie Mays probably brought \$15,000 each to their former AAB teams. And Holway (n.d.) quotes this statement made by Effa Manley to Bill Veeck on the \$15,000 he paid her for Larry Doby's contract: "You know that if he was a white boy you'd give me \$100,000" (p. 2). In the end, Rickey never paid the Kansas City Monarchs a penny for Jackie Robinson, and Hall of Fame-caliber players were had for a song.

Initially, AAB owners hoped they might begin a lucrative business selling players to MLB (Fort & Maxcy, 2000). And the history of MLB treatment of rival leagues seemed consistent with such hopes. MLB's economic treatment of earlier rival leagues was replete with buyouts, expansion to make room for owners of previous rival league teams, and artificially low-priced franchises to facilitate their assimilation into MLB (Quirk & Fort, 1992). But such was not to be for AAB owners and their players. Only the New York Cubans ever entered into any formal agreement (with the New York Giants) and not until 1949. No other AAB teams were signed this way (Peterson, 1970, p. 197). Furthermore, no AAB owners were offered any chance to either buy an existing MLB team or enter the league with their previous AAB franchise intact. The lack of any chance at cheap entry into MLB clearly distinguishes the relationship between MLB and AAB from MLB's treatment of all other rival leagues.

The reasons for this different treatment are straightforward. First, unlike all previous rival league episodes, AAB had no ability to respond to MLB talent raiding with its own counterattack. Even though Peterson (1970) cites evidence that a few White players did begin AAB play at about the time that Robinson broke into MLB, full-scale talent wars simply could not occur. So AAB could not gain the leverage through the competitive talent process that other rival leagues had used to bring MLB to the bargaining table.

The second factor was MLB's lock-hold over ML baseball at the time. Fort and Maxcy (2000, Table 7) document that the existing ML structure was pretty well locked up by affiliation with MLB during the period of integration and the subsequent demise of AAB. Thus, AAB owners and players had nowhere else to go. They were trapped between the MLB domination of ML baseball and an inability to force

any sort of bargaining situation in the talent-raiding arena. In the end, the best that AAB could do was to cultivate cheap talent for MLB. The results were painful. Little was paid for Hall of Fame talent, and AAB met its end.

In summary, the level of AAB competition harmed MLB attendance (adjusted for population). And judging from the immediate moves by the St. Louis Browns and the Philadelphia Athletics, AAB also was competing for viable team locations. MLB's actions in this case were predictable. Given that AAB could not respond in kind to talent raiding and could not find refuge in another organization such as ML baseball, MLB integration embraced the stars of AAB and extinguished that rival league, posthaste. It was the simplest of economic decisions to maintain the market power dominance of MLB. And the result was substantial losses to AAB owners, fans, and the vast majority of players.

THE GAINS . . . AND THE LOSSES

It is the economist's lot in life to be despised by at least half of the audience in any public policy debate. When one side extols just the benefits, the economist must respond, "What about the costs?" And if the costs are overplayed, "Don't forget about the benefits!" In the case of the demise of AAB, we are put into the first situation. Integration of MLB is, by and large, highly regarded as a step forward in U.S. race relations. But, coupled with maintenance of the market power dominance of MLB, it also led to the demise of AAB and associated losses.

Hundreds of African American ballplayers lost their big league careers, and countless thousands of fans were denied the product of what had been an economically viable major sports league. In its heyday, AAB typically included 12 to 15 teams. Fielding 20 to 25 players, there were at least 240 players in AAB and probably more like 300. At first, the reduction in AAB attendance, fueled by integration, affected salaries (Manley, 1948, p. 27; Ribowsky, 1995, p. 310). Ultimately, though, the jobs came to an end. By 1949, there were 36 former AAB players in organized White baseball at the ML and MLB levels (Peterson, 1970, p. 202). Simple subtraction reveals that the demise of AAB ended the big league careers of well over 200 players.

Ward et al. (1994) claim that "they were too old or not good enough to take a white regular's spot" (p. 71). We beg to differ. Fort and Maxcy (2000, Table 10) produce a list of the best 54 players left behind, and that list includes players as good as most making a living in MLB at the time. They were not "too old" and certainly were "good enough." Although quite a few of them did play ML ball, not a single one of them made it to MLB.

And MLB's monopsony power limited the economic reward even for those AAB players who were signed. Monte Irvin was paid \$6,500 his last year in Newark but made \$5,000 with the Giants. Except for Jackie Robinson, all of the former AAB stars joining the Dodgers (Don Newcombe, Roy Campanella, and John Wright) took a pay cut moving from AAB to MLB (Ribowsky, 1995, p. 283).

Some may argue that these losses were offset by the added enjoyment integration brought to MLB fans. Although we cannot go back in time and perform any sort of analysis of that argument, we do know that the "first family" of AAB players made little difference to team success or attendance. Let's keep the timing straight and look first at the Brooklyn Dodgers. On opening day, April 15, 1947, when Jackie Robinson first took to a MLB diamond, Ward et al. (1994, p. 53) tell us that half of the 26,623 fans were African American (Ribowsky, 1995, p. 7, puts attendance at 26,673 with about 14,000 African Americans in attendance). But average attendance in 1947 ends up to have been about 23,800 for the Dodgers. So attendance at this game was only slightly above average and it was also opening day, when attendance can be higher than usual. Annual attendance for the Dodgers between 1946 and 1947 tells the same story, despite their winning the pennant in the latter year. And Dodger attendance in 1948 fell more than 400,000.

The strongest case for an important impact is the Cleveland Indians, but for the year after integration. Larry Doby, the second African American in MLB and the first in the AL, joined Cleveland late in 1947, playing only 29 games. In 1948, Doby hit .301 with 14 home runs. With the addition of Satchel Paige that year, making 21 appearances with six wins and one loss, things took a dramatic turn for the Indians. For Paige's first three 1948 appearances, attendance was 201,829 (Peterson, 1970, p. 140). And 72,000 watched him get his first win in Cleveland Stadium (Ward et al., 1994, p. 59). Average home attendance for the Indians in 1948 was about 34,500, so that attendance was twice the average for this game! Also, the Indians enjoyed a 72% attendance increase over the preceding year (attendance data in Quirk & Fort, 1992). They did move from fourth to pennant winner. No doubt, Cleveland fans were happier than they had been prior to integration, but they had to wait until the 1948 season. But attendance fell off steadily after that.

Turning to the St. Louis Browns, Hank Thompson and Willard "Home Run" Brown joined the Browns late in the 1947 season. But Thompson only played in 27 games and Brown in only 21. Both players left the team at the end of that season (Brown never did rejoin the majors and Thompson was gone for the 1948 season before returning in 1949 for a steady MLB career). The Browns averaged approximately 4,200 per game in 1947, dropping in the standings from seventh to eighth (last place). But average attendance in 1946 had been 6,900! It looks like nothing could help the hapless Browns, including the addition of Home Run Brown.

It could be that MLB fans as a whole were the beneficiaries of integration. Perhaps fans flocked to see former AAB players on the road. Although Brooklyn's attendance increased only slightly in 1947, NL attendance jumped almost 17% from 8,902,107 to 10,388,470. But the pattern of the increase does not support the idea of general spillovers to the league. The largest increase was in Pittsburgh (about 500,000), finishing last, but with Ralph Kiner tearing up the league in nearly every offensive category. The second largest increase was in Boston (approximately 300,000), with the league's best defense that year and outstanding pitching by Warren Spahn. The New York Giants also enjoyed an increase of about 300,000.

They fielded the greatest run-producing team of the year, led by Johnny Mize. Even the remaining attendance increase was not evenly distributed, so there is little evidence in support of leaguewide spillovers for the NL.

In the AL, attendance actually fell a bit from 1946 to 1947. But previous AAB stars were only in the AL for a few games that year. In 1948, AL attendance increased by about 1.7 million. But Cleveland attendance, with Doby and Paige, accounted for 1.1 million of the increase. That only leaves about 600,000 as the marginal spillover. But Detroit and New York for the Yankees take up nearly all of the slack so that, again, there is no evidence of generally dispersed spillovers.

Thus, there is limited evidence that the "first family" of AAB stars had much impact on the enjoyment of MLB fans, except for the possibility of the Cleveland Indians. The outcome for the Dodgers was minimal. The league enjoyed a dramatic increase, but the pattern of the increase indicates that leaguewide spillovers were weak. In the AL, the impact on the Browns was zero. The Indians enjoyed a banner year with their two former AAB stars. But because nearly all of the AL increase can be attributed to Cleveland's home attendance, there is not much evidence of leaguewide spillovers here either. Offsets on the MLB against losses to former AAB owners, fans, and players would seem a tough case to make.

The upshot is that 36 former AAB stars were in organized integrated professional baseball when AAB died. At least 54 players, as capable as most MLB players, never made it to MLB and were either out of work following the demise of AAB or competing on ML or Central and Latin American teams. And the remaining 200 or so AAB players were just out of luck altogether, along with their fans. The impact on MLB was negligible in terms of the product on the field, even for the first entrants, but the losses were much more dramatic in terms of baseball enjoyment to former fans of AAB.

CONCLUSION

Most rejoice in the integration of MLB, and Jackie Robinson stands alongside Jesse Owens and Muhammad Ali as perhaps the most celebrated African American athletes in history. Indeed, many glorify sports as the one place where skin color and ethnic origin mean less than in other areas of endeavor. But an economic look at integration reveals that these gains occurred at some cost to AAB owners and fans and a great cost to hundreds of players.

African American baseball leagues had all of the earmarks of economic viability and thrived for nearly 30 years. Rates of return to owners appeared to be competitive with those earned in MLB. The meager data support that players earned far in excess of the average wage for the times, and stars were paid quite well by any comparison. Given that rival AAB leagues constantly battled each other for supremacy, it appears that profits existed.

We also find that AAB posed an economic threat to MLB. This is revealed by (a) the pattern of attendance per team per capita in MLB cities facing AAB competition

and (b) the pattern of the inverse relationship between attendance per team per capita in MLB cities with AAB competition and the level of that AAB competition. In addition, almost immediately following the demise of AAB, MLB teams moved into prized previously AAB-occupied locations.

From this perspective, integration is easily portrayed as talent raiding by MLB against a viable economic rival league. The raiding was brazen and without much compensation to AAB owners. Primarily, this was due to two factors. First, unlike most rival league cases, the talent raiding was in only one direction; AAB could not counterattack with its own raids on MLB talent. Second, MLB had the only other alternative path open to AAB (the minor leagues) locked up either through direct ownership or contractual affiliation.

The aftermath was especially tragic. Competitive, big league baseball was lost to countless thousands of fans throughout all but the Eastern-most United States. In addition, profitable businesses were lost to African American and White AAB team owners. Finally, at least 54 major league-caliber players were left behind during integration, and more than 200 African American players were left with at best reduced livelihoods as the result of the demise of the AAB.

The result was the demise of a perfectly viable sports league. There is nothing new in this because that has been the history of all MLB rivals. Perhaps the clearest insight into the racism of that period is that so few African American stars entered MLB, and so many fans, owners, and other players were harmed. A cynical view would be that integration happened, when it did, because AAB was a threat to the monopoly league status of MLB. It is too bad that we do not have any MLB meeting records to help us sort the issue out. Instead, Ward et al. (1994) quote Buck Leonard: "It [integration] was the death knell for our baseball. But who cared? Who cared?" (p. 71). We wonder if the 54 other star-caliber players left behind would have said the same, let alone the rest of the AAB players and their fans who lost big league baseball altogether.

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