

Surdam, David G. *The Big Leagues go to Washington: Congress and Sports Anti-trust, 1951-1989*. Urbana: University of Illinois Press, 2015. 314 Pp.

David G. Surdam examines one of the country's most beloved industries. Yet by normal economic standards it is one of the more peculiar markets. Consumers of professional sports not only purchase current entertainment but they also become pseudo-owners with strong vested interests in the success *of their teams*. Owners want to harness this enthusiasm for gain, but face a market dynamic of interrelated issues that could lead to their demise. Surdam captures this market dynamic faced by owners by reviewing the antitrust history of the industry. Through a topical approach Surdam shows how the professional sport leagues worked to offer a successful product on the field, the court, or the ice, with a limited pool of professional players, without going bankrupt, and without violating anti-trust law.

As the story unfolds one becomes keenly aware that the title does not clearly portray the true interaction between professional sports and Washington. Do the professional teams go to Washington or does Washington go to professional sports? Surdam starts in the early part of the 20th century not with the leagues going to Washington but players and teams going to court over the rules and activities of the league. In finding that MLB was not commerce and yet the NFL was commerce under the Sherman Anti-Trust Act, the courts left the issue to Congress to settle. Surdam observed that "both the Supreme Court and Congress hoped the other institution would resolve the inconsistencies in professional sports antitrust status, but neither party took the challenge." (p.15) The Congressional hearings outlined by Surdam suggest that Congress decided to take on the role of the ombudsmen of professional sports rather than set up clear rules of market behavior. For academics, this neglect provides an excellent case study on how murky rules and property rights have led to constant oversight by the courts and Congress.

The Sherman Anti-Trust law was established under the premise that competition is best for the consumer. The professional sports leagues

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argue that what is best for their consumer is for them to be granted an exemption based on market instability. Surdam uses the legislative hearings to highlight the leagues' arguments which can be summarized in two key interrelated issues: one, the league needs to control labor supply, hence labor costs, and, two, the league needs to manage the competition from the outside and from within the league to insure its survival. The owners argued that the pool of professional talent is limited, and the expectation of winning seasons is essential to maintaining a demand for the product. Competition from other leagues will not only spread talent, it will dilute the quality of the product, and cause higher players' salaries. This combination will lead to business failures and the collapse of all leagues.

The owners worked together to devise several league policies and practices in order to control labor costs and maintain product quality. Essentially, there were four ways owners controlled player costs, which ultimately lead to court cases or Congressional investigations. Two practices that controlled labor were the reverse draft and the reserve clause (which gives a team control over their players). Owners argued before Congress that these practices were needed to maintain a "competitive balance" among the teams. Blacklisting of a player who shopped his talent to other leagues and the development of relationships with minor league clubs were the two other means of controlling the supply of labor. Reducing a player's incentive to leave and having a pipeline of quality players was crucial to maintaining quality.

Of course, players, having property rights and desiring to receive the highest value for their talent, challenged the rules and practices in court, arguing they violated Sherman Anti-Trust laws. Recognizing the potential for exploitation of players, as well as the potential for currying favor with voters, Congress would periodically investigate league practices. It typically did so without any hard evidence to support claims of abuse, and the investigations failed to muster sufficient support for legislative action. As a result, for the most part the status quo prevailed. However, Surdam notes that in the wake of many investigations, the leagues voluntarily made changes, such as modifying the reserve clause and recognizing the player's union.

Surdam's review also shows how the leagues had to contend with expansion, external competition, and relocation. Demographic changes lead to unfulfilled markets. Given that they held some monopoly power, the leagues needed to pursue expansion to fill market needs. When they were slow to expand, competition from new leagues or relocation of current teams to lucrative markets raised issues. Along with court cases, Congressional hearings on expansion took place, in part driven by legislators wanting a professional team in their area or by competing leagues looking for political support. The chess match between the professional leagues and Congress lead to compromise. In some cases legislators got the desired expansion teams, and the competing leagues collapsed. In other cases where an upstart league had a foothold, merger was the only alternative, and the leagues went to Congress for their blessing.

Finally, Surdam shows how the interrelationship between the development of the professional sport market and the development of radio, TV, and cable networks lead to anti-trust issues. The introduction of television raised new questions about defining markets and rights to the broadcasts. Teams wanted to control broadcasting rights and markets through blackout rules. They argued it was needed to maintain attendance, reduce the impact on local minor league team's attendance, and avoid poaching the nearby professional team fan base. When such measures impacted the consumer, Congress responded by passing legislation addressing national television contracts and blackout rules.

Thus, a market beloved by consumers, and sought after by suppliers resulted in a history of court cases, legislative deliberations, and institutional change which has formed the basis of the professional industry as we know it today.

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