

the front office, but if I heard this line once I heard it a thousand times from fans: "If Leon ran Hess Oil the way he runs the Jets, he'd have gone bust forty years ago."

For different reasons, Mets fans say the

same about their owner, Nelson Doubleday. Unlike Hess, Doubleday did not compete in the free-agent market, so he lost his best players and replenished his dugout with second-raters. Had he done the equiva-

lent with his book company, he would have had nothing but a shell to sell to the Germans. Doubleday can buy and sell Steinbrenner before breakfast. By his stinginess, his team suffered, his fans suffered, his

Lockout!

The National Basketball Association is about to lose its distinction as the only major sports league never to lose a game to labor strife. On July 1, the owners locked out the players and suspended all league business until the two parties sign a new labor accord. This is likely to drag on past the pre-season opener in late October.

The key issue is the salary cap, which under the 1995 contract was not to exceed 51.8 percent of total revenues—said revenues hitting \$1.7 billion last season. The owners say salaries have skyrocketed to 57 percent, and now insist on eliminating what's known as the Larry Bird Exception. This allows teams to re-sign their own free agents at any price over and above the cap. This is how the Chicago Bulls were able to pay Michael Jordan \$33 million last year even though the supposed cap for an entire team of twelve was set at \$26.9 million. The players' union sees any closing of this loophole as an unacceptable giveback. As Billy Hunter, its executive director, explains, "Our position is if you don't want to pay it, just don't do it. Just say no." The owners' position, in effect, is that they can't say no; that with thirteen of the twenty-nine NBA teams having lost money last season, they need to be saved from themselves. The union counters that no more than four or five teams are in the red and that the owners have to be accountable for the salaries they themselves mete out. Would the owners favor a cap on their stock options?

Such free-market arguments notwithstanding, it's clear that the current salary structure makes it difficult for small-market teams—with less TV money, lower ticket prices and smaller shares of merchandising revenue—to compete. It's also true that the NBA's lowest-tier players are being squeezed by the astronomical salaries commanded by the mega-stars. Last year about 120 players (more than 20 percent) earned the league minimum of \$272,500, while thirteen earned more than \$10 million each. Currently 9 percent of the players earn 82 percent of the approximately \$1 billion in salaries.

The league has proposed forbidding any one player from earning more than 30 percent of his team's available cap. This would make for some pay equity by forcing salaries down at the highest end, but the union opposes it, arguing that stratospheric salaries for stars ultimately mean higher wages for all. Although the union favors a raised minimum wage for veterans, its version of trickle-down economics is as dubious as the one Reagan peddled to the country.

The fortunes of professional athletes were not always thus. As workers they were late in organizing, and just a generation ago they were bound forever to the team that first signed them. The so-called reserve clause, which applied in basketball as well as in baseball, football and hockey, stripped them of any effective bargaining power. Even a legend like Joe DiMaggio was

forced to take pay cuts at the peak of his career. Things changed with Curt Flood, a hero of the 1964 and 1967 champion St. Louis Cardinals and a hero for labor. He challenged the reserve clause in court, lost and was blackballed from Major League Baseball. But his loss set the ball rolling, and in 1976 the courts struck down the clause, and free-agency was born.

The irony today is that while a Michael Jordan need never worry about a pay cut, his union's star-driven strategy may engender *class division among the players*. With its emphasis on maintaining the salaries of stars like union president Patrick Ewing—scheduled to earn \$18 million with the Knicks next season—and few prescriptions to redress income disparities, the union player reps' meetings are sure to become interesting in the months ahead. More ironic is that just three years ago, many of these same stars—urged on by powerful agents like David Falk, who represents Ewing, Jordan and numerous other big-money players—tried to decertify the union when the former leadership supported an agenda deemed insensitive to the needs of the league's top earners. (Jordan himself was openly contemptuous of the union then; now he's all for it.)

But as they battle over how their pie is sliced, both the stars and the owners are making a big mistake in assuming that the NBA will forever have the fan base to sustain the incomes they've all come to expect. The signposts are visible. Nike, Reebok and Fila, whose profits have risen in tandem with the popularity of the NBA, took million-dollar losses in the last quarter and all have started dropping NBA endorsers faster than Allen Iverson drops defenders. The Starter Corporation, maker of NBA apparel, reported a loss of nearly \$40 million in sales last year. The NBA regular season is already largely uninspiring, and the economics of the business make it difficult for teams to maintain a core of players that fans can get to know and love. The marketing and packaging of the NBA and, yes, the crazy salaries have led to a glittery product long on flash but short on fundamentals and passion.

Longtime fans have become increasingly alienated by the transformation of their sport into glam entertainment. No one at the top cares, though, as long as the corporate boxes keep selling and ticket prices keep rising (by more than 25 percent since 1995). So what if lifelong fans are leaving their seats in droves. There's still a waiting list for tickets, and the kids priced out of the games can still buy Bulls jackets.

But there's a potentially dire cost to this shifting of the fan demographic from hard-core basketball lovers to fickle consumers. When the glitter fades, and it will, who'll buy all those overpriced seats for a Knicks-Clippers game? The real fans may be gone. The longer this millionaires' battle goes on, the sooner that day will come.

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