Major League baseball players settle contract dispute

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Major League Baseball players and team owners reached tentative agreement on a new four-year contract August 31, averting a strike. It was the first contract settlement without a walkout by players in 30 years.

The previous agreement expired in November 2001. The players' union had set a late August strike deadline, before the end of the baseball season, which concludes in October with the World Series. The agreement covers players on 28 teams in the United States and two in Canada. Players and team owners still must ratify it.

Under the tentative agreement teams with higher payrolls will be subject to a "luxury tax." This has been a long sought goal of owners. The aim of this provision is to make it more costly for wealthier teams like the New York Yankees to bid up player salaries.

Owners also obtained agreement by the players' union on a revenue sharing plan. Under the agreement, teams with lower attendance and revenues will receive a portion of the receipts of more prosperous clubs. The owners say this provision will increase competitive balance in the league, leading to increased ticket sales and television revenue.

In exchange for these concessions, the owners agreed not reduce the number of teams during the course of the current agreement. Management had threatened to shut down clubs in Minneapolis and Montreal in the run-up to the negotiations. A lawsuit temporarily thwarted their plans.

Major League Baseball is a big business that generates $3.6 billion in revenue per year. Since the players began collective bargaining in the late 1960s, salaries have risen enormously, but there is a wide disparity between the relative handful of stars and the vast majority of second- and third-tier players. Top players now earn as much as $25 million per year and average pay is $2.3 million. However, large numbers of players earn at or near the minimum salary, which was raised from $200,000 to $300,000 in the new tentative agreement.

Typically, players last only a few years in the majors and increasingly they face the prospect of career-ending injuries. Since 1992 there has been a reported 32 percent rise in the number of players on the disabled list. Much of this increase is being attributed to the use of steroids. Given the competitive and individualistic nature of baseball under the profit system, players are under enormous pressure to use steroids in order to gain an extra edge. Owners also stand to profit through increased game attendance and higher television revenues.

The controversy has attracted a considerable amount of publicity since the 1998 season, when St. Louis Cardinal player Mark McGwire admitted to using over-the-counter muscle enhancers (which were not banned by the Major Leagues at the time). That season he set a new home run record.

Medical studies show that steroids can have side effects including kidney failure, heart disease, brain tumors, impotency and behavioral changes, including schizophrenia.

In the tentative agreement the players union agreed for the first time to steroid testing. There are no details on the plan for implementation. Players have expressed concern that testing administered by the owners might violate players' right to privacy and owners might attempt to manipulate players' careers through the discriminatory use of test results.

The talks were accompanied by a drumbeat of hype in the big business media. Enormous pressure was put on the players to reach a settlement. There were dire predictions of the demise of baseball as a major sport if a strike or lockout took place. Management attempted to place additional pressure on the players with claims that a number of teams were on the verge of bankruptcy.

Attendance at Major League baseball games has been declining for a period of time, dropping five percent during the current season. However, it is absurd to place primary blame on the players for this situation.

Management has demonstrated again and again that its overriding interest is the bottom line, not the "integrity" of the game. The owners alienated many fans by attempting to eliminate two teams, a transparent attempt to increase its bargaining power at the expense of players and the thousands of people whose jobs are dependent on professional sports.

Team owners in a whole number of cities have raided the public treasury by insisting that expensive new ballparks be constructed with the aid of public subsidies. The new stadiums invariably cater to wealthier baseball patrons, with lavish luxury suites and higher ticket prices.