

THE COURT: Mr. Topkis?

MR. TOPKIS: Just a few questions, if I may, your Honor.

THE COURT: Certainly.

REDIRECT EXAMINATION BY MR. TOPKIS:

Q Mr. Nathan, you were asked some questions about whether the integrity of baseball was brought into question back in 1970. Do you recall those questions?

A Yes, sir.

Q Coming down to today, is it your opinion that there are other ways to preserve the integrity of baseball than the use of the reserve system?

MR. HOYNES: Your Honor, I object to that question.

THE COURT: Objection sustained.

Q Mr. Nathan, in your experience, is there a lack of integrity throughout those parts of American industry which don't operate under the reserve system?

MR. HOYNES: Your Honor, I object to that question. I don't believe that is relevant or material.

THE COURT: Sustained.

Q You testified, I believe, Mr. Nathan, that there is a wide range of variance in the resources of the twenty-four major league clubs. Did I hear you aright?

A Yes.

Q Have you observed that there has been a change through time in the resources of different clubs, either by reason of change in ownership or by reason of change of attendance or profitability.

MR. HOYNES: Your Honor, I object. I am not aware that Mr. Nathan has made any study in detail of the financial resources of the clubs over the years. There has been no foundation laid to support that question at all.

THE COURT: I was wondering about that, myself, Mr. Topkis, but before I make a ruling would you like to be heard?

MR. TOPKIS: If I may, your Honor.

THE COURT: Surely.

MR. TOPKIS: I thought that the witness testified on questioning by my friend that there is a wide range of variance in resources of 24 major league clubs. If he knows that -- I am prepared to accept that he does -- I don't see why if he knows he may not as well testify as to whether there have been changes in those resources.

THE COURT: On what do you base that particular fragment of knowledge?

THE WITNESS: I have observed, your Honor, that data on gross revenues by clubs vary considerably between clubs, and this is one measure of evidence of financial ability. Also, as I indicated, I happen to know first-hand in Washington

mpbr 3

Nathan-redirect

1 that the gentleman who took over that club -- I have never
2 looked at his balance sheet or income statement, but it would
3 be surprising if his resources did not differ considerably
4 from his predecessors, and changes of ownership almost always
5 entail this.
6

7 THE COURT: Yes, Mr. Hoynes?

8 MR. HOYNES: Your Honor, the financial data that the
9 defendants have proposed and which I am sure that this witness
10 has examined does indicate on its face the current disparity
11 between the operating levels of the various clubs. However,
12 that information does not provide him with sufficient data to
13 be able to testify about changes over a period of time.

14 THE COURT: I will allow the question. What you have
15 just argued really goes to the weight. I think it is an admis-
16 sible question.

17 All right. Will you answer it?

18 THE WITNESS: Yes, your Honor.

19 A In the report of the Celler Committee, there were
20 some analyses of revenues by different clubs, and that at that
21 time also showed variations in terms of gross receipts.
22 There are no data whatsoever on the financial resources of
23 owners, but as an economist I would say without any hesitation
24 whatsoever, not knowing any of the specific facts of any
25 owners, that the changes of ownership over the years certainly

1 mpbr 4

Nathan-redirect

2 entail changes in financial capability as these changes take
3 place. But magnitudes, characteristics, I have no specific
4 knowledge.

5 Q Did I understand you to say, Mr. Nathan, that a
6 greater sharing of the proceeds of gains by the visiting
7 teams would tend to equalize resources, as would a sharing
8 of television and radio receipts?

9 A Yes. I said that.

10 Q To your knowledge, are television and radio receipts
11 allocated today between the home club and the visiting club,
12 or are you unfamiliar with that?

13 THE COURT: Do you happen to know that? That can
14 be answered yes or no.

15 A No.

16 THE COURT: Next question.

17 Q Mr. Nathan, in your experience are there industries
18 where the cost of training employees is a high proportion
19 of the gross revenues?

20 A I don't have statistics, but there are certainly
21 industries that are much higher than others, like the computer
22 industry. In any new industry where they are developing
23 programming capabilities rapidly, the ratio must be substantially
24 higher than in very old industry. But I have no figures.
25 It must vary from industry to industry.

1 mpbr 5

Nathan-redirect

2 Q I think Mr. Hoynes asked you whether you would be
3 surprised to hear that in baseball the cost was about 25
4 per cent. Would you be surprised to hear that in some
5 other industries it might be 25 per cent or more?

6 A I don't know of any that it would be 25 per cent.

7 THE COURT: Well, the question is, would you be
8 surprised to hear that?

9 THE WITNESS: I would be surprised if there were
10 many that were that high, sir.

11 THE COURT: All right.

12 Q Would you expect that there might be some?

13 A There might be some.

14 MR. TOPKIS: I have no further questions.

15 THE COURT: Any recross, Mr. Hoynes?

16 MR. HOYNES: No, your Honor.

17 THE COURT: Any further questions by anyone of this
18 present witness?

19 You are excused, Mr. Nathan.

20 THE WITNESS: Thank you, your Honor.

21 (Witness excused.)

22 THE COURT: May I have the pleasure of counsel
23 coming up?

24 (Discussion at the bench, off the record.)

25 THE COURT: I have had the benefit of a conference

1 mpbr 6

2 with the attorneys -- and I use the word "benefit" advisedly;
3 they have been very helpful to me. I think it would be to
4 the best interests of the progress of this case if we ad-
5 journed now until Monday morning at 10 o'clock, sharp.

6 I would like to tell counsel that there is a Judges'
7 meeting on next Monday, which I must attend, and that in all
8 likelihood we will not be able to sit beyond 1 o'clock on
9 Monday. That ought to fit in with your plans.

10 I have certain powers that are inherent in a Judge
11 with regard to the officers of the Court, but what I am about
12 to say does not come within those powers:

13 I request that you rest up over the weekend --
14 I can't direct you to -- and get out into the air, see nature
15 unfold -- that's a mighty good game, too -- and come back
16 refreshed on Monday morning.

17 As close as that can be to being an order, I so
18 direct.

19 (Adjourned to May 25, 1970, at 10 o'clock a.m.)
20
21
22
23
24
25