

THE COURT: Yes, surely.

(Pause.)

MR. TOPKIS: We have no further questions.

Thank you, Mr. Campbell. And we do appreciate your coming down.

THE COURT: Cross examine.

MR. HUGHES: Mr. Hoynes.

THE COURT: Mr. Hoynes, certainly.

CROSS EXAMINATION BY MR. HOYNES:

Q Mr. Campbell, with reference to Plaintiff's Exhibit 18, the player's contract or Standard Player's Contract of the National Hockey League, is it not true that Paragraph 21 of that contract provides as follows:

"It is severally and mutually agreed that the only contracts recognized by the President of the league are the Standard Player's Contracts which have been duly executed and filed in the league's office and approved by him and that this agreement contains the entire agreement between the parties and there are no oral or written inducements, promises or agreements except as contained herein"?

A That is the standard provision, yes.

Q Pursuant to that paragraph, then, you, as the administrative head of the National Hockey League, would not give effect to collateral promises or agreements?

1  
2 A That is correct.

3 Q Is it not also true, Mr. Campbell, with reference  
4 to Plaintiff's Exhibit 20, the National Hockey League by-  
5 laws, that Paragraph 2 of Section 2 provides as follows  
6 with reference to the Standard Player's Contract:

7 "The provisions thereof shall not be changed or  
8 derogated from except as may be authorized by resolution  
9 of the Governors."

10 Is that correct?

11 A That's correct.

12 Q Who are the Governors?

13 A The Governors are the individuals designated by  
14 each member club, one each, and they constitute the Governors  
15 of the league.

16 Q So that as I read the bylaws of the National Hockey  
17 League, you would have no power to approve a variance in the  
18 Standard Player Contract. The power to approve such a  
19 variance is vested exclusively in this Board of Governors  
20 who must act by resolution?

21 A That's correct. I have no discretion in the matter  
22 at all.

23 Q Has there ever been an instance in which the Board  
24 of Governors has acted to approve a variation in a Standard  
25 Player Contract, to your knowledge?

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1 A Not during my term of office.

2 Q How long have you been President of the National  
3 Hockey League, Mr. Campbell?

4 A Since September the 4, 1946. I am in my 24th year,  
5 I think.

6 Q So your experience covers quite a span?

7 A Well, yes.

8 Q Mr. Campbell, Mr. Topkis, in examining Mr. Eagleson,  
9 elicited the information that there are other minor, if you  
10 will, hockey leagues.

11 A Yes.

12 Q Would you explain to the Court in some detail the  
13 player development relationship that those leagues have to  
14 the National Hockey League and the extent to which those  
15 leagues are subsidized or otherwise receive support from  
16 the National Hockey League?

17 A Yes. So long as I have been associated with hockey,  
18 or certainly since the early thirties, there have been ar-  
19 rangements made, two sets of arrangements, one made with  
20 the so-called minor leagues -- I don't like to call them that,  
21 but that is what they are generally referred to as -- and also  
22 with the Canadian Amateur Hockey Association and the Amateur  
23 Hockey Association of the United States, both of which are  
24 extremely important and designed primarily to regulate the  
25

2 relations between us so that we don't do each other any  
3 injury and to accommodate the provision of players to minor  
4 league clubs, and also to provide for the drafting of players  
5 and even more important, as far as they are concerned, for  
6 us providing players for them.

7 In addition to that we have a very large supporting  
8 program for amateur hockey which this year, this past season  
9 we paid over \$800,000 to the Canadian Amateur Hockey Associ-  
10 ation to assist them in the development of amateur hockey.

11 Now, the way in which we provide players to the minor  
12 league clubs -- there are two ways: One of our teams might  
13 become the owner of a minor league operation, a team in  
14 any one of the three leagues. In fact, we own all of the  
15 teams. The National Hockey League teams own all the member  
16 clubs in this Central Hockey League because it is what we  
17 call primarily a player development league, not a gate  
18 receipt league.

19 Now, in addition to that our clubs own, the  
20 National Hockey League teams own three of the member clubs  
21 of the American Hockey League and they recently acquired one  
22 in the Western Hockey League and there are almost an unlimited  
23 number of affiliations, loaning arrangements of various kinds.

24 Now, that is the first way in which we operate.

25 The second thing is we might loan players directly

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2 to clubs with whom they had no official affiliation and  
3 this, the terms, the conditions under which these arrange-  
4 ments are made are set out in this joint affiliation agree-  
5 ment.

6 Then there is another way in which we assist them  
7 in order to build up their own strength, and that is by a  
8 process called the reverse draft. This is the final draft  
9 which takes place each year and it works out this way:  
10 That although the National Hockey League member clubs may  
11 have a proprietary interest in a very, very large number of  
12 players, could easily have through arrangements with other  
13 affiliates, once per year our National Hockey League teams  
14 restrict themselves to a list of 37 players and every other  
15 player outside, that is owned or which the National Hockey  
16 League team has a proprietary interest in, is made available  
17 for claim by minor league clubs at half the normal draft  
18 price, in other words, at \$15,000, and this is a very im-  
19 portant part of their operations.  
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Q Mr. Campbell, how many players suit up and are ready to play in a National Hockey League regular season game?

A A regular season game is sixteen players and two goal keepers.

Q I believe Mr. Eagleson testified to a somewhat larger and varying number. Would you explain the difference?

A Yes; I can. I think so. This is a game in which there are a substantial number of injuries. They occur at unexpected times, and sometimes the injuries are not of a character that would justify their being kept out of play for any great length of time. So rather than send -- say, keep them around and -- or send them to the minor leagues to play themselves back into condition, in which case they would have to stay a minimum of two weeks, what the club frequently does is that it carries those players just -- with the rest of the team, and they work out, and they get treatment and so on, and eventually they get to practice with the team when they are back fit again or reasonably fit -- maybe not fully fit to play in a regular league game, but they are kept around for this reason.

Q But they are not qualified to play?

A Oh, no.

Q They are in a supernumerary status?

1  
2 A Oh, no. They can only play if they are listed on  
3 the official roster for that game.

4 Q And if they returned to the official roster, and  
5 that roster was already occupied by sixteen players and  
6 two goalies, one of those players would have to be removed;  
7 is that correct?

8 A That is correct.

9 Q I believe you mentioned that thirty-seven players  
10 would be held in control or on the reserve list. Is that  
11 a correct statement?

12 A This is correct. That is the -- the present reserve  
13 list is a consolidation of what was previously -- what were  
14 previously three lists. They used to be a player list of  
15 30. There was a professional goal keepers' list of three  
16 and a negotiation list of four. Those -- that's the  
17 thirty-seven that are considered to be untouchable -- shall  
18 I put it that way -- in the reverse draft.

19 Q And that is thirty-seven as compared to an active  
20 group on the ice ready to play hockey of a total of eighteen?

21 A That's right, and it could include and probably would  
22 include all negotiation -- all players designated as  
23 negotiation nominees would be amateurs, of course, and  
24 there cannot be more than four. There could be as many as  
25 three professional goal keepers, and included in the thirty-

seven might be some very high class amateur candidates, what we call unsigned draft choices.

Q With reference to your earlier answer to my question about the player development arrangement in hockey, would you say it is fair to say that you have extensive and expensive player development arrangements?

A Yes. This is one of the really serious problems of professional hockey, is that we do have to develop our own talent. There's no sources of material, of playing material available to us any place else except from the institutions and the organizations which we support, none whatever.

The universities -- some of our players from Canada come down and they play in upwards of fifty colleges, I imagine, but there are no native trained players that have -- I should not say none. There may be three or four in the United States. Therefore, the player development, early player development is really in the amateur ranks, which we support. Then they are recruited or whatever term you use, to get them to American colleges, where hockey has become very popular, and they frequently -- they -- now we get many players from United States colleges, but they are expatriated Canadians.

Q Mr. Campbell, considering the extensive and expensive

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2 player development costs and arrangements which hockey has,  
3 and referring only to your sport and to none other for the  
4 moment, what is your opinion about the reasonableness and  
5 necessity of player control arrangements which the National  
6 Hockey League clubs enjoy through their contract and bylaw  
7 provisions?

8 A Well, let me say this: If it were not for the  
9 security which the league affords to its members, in other  
10 words, that all members afford to one another as to the  
11 proprietary interest which they can maintain in the talent  
12 which they develop, it just couldn't be done. Nobody would  
13 run that hazard. It would be quite impossible, and the cost  
14 is tremendous.

15 I would think that on the average, our minor league  
16 operations, including scouting and things of this character,  
17 would represent a net loss to every club of upwards of  
18 \$200,000 per year.

19 Q So that in your sport, with its particular needs  
20 and requirements, including specifically the player  
21 development costs, player control arrangements are a necessary  
22 and vital part of your existence?

23 A If it were not for that assurance, no one would  
24 spend that kind of money. They just couldn't.

25 Q With reference, again, to Plaintiff's Exhibit 20

of the National Hockey League bylaws, is there not a provision in these bylaws relating to an amateur draft?

A That is correct.

Q I believe that provision is --

A 16(b).

Q Section 16(b)?

A That's right.

Q Would you describe the amateur draft?

A Yes. Down to 1966, it had been the practice, authorized practice of professional NHL and other professional teams to be permitted to specifically sponsor two individual amateur teams from whose rosters the sponsoring club would be able to recruit without interference from anyone else such talent as they had developed. They paid the expenses of all this -- the individual clubs did -- and they just took the players up in the ordinary way. This was considered to be an unrealistic practice so far as the expansion of our league was concerned when it occurred in 1967, because of the fact that -- in other words, previously there had only been a total, I think, of fifty-four sponsored teams all together. The best territories in which to operate had already been taken up, so that for the six new division teams there would be -- they would be terribly outclassed in the sponsorships which they would be able to develop at

that time.

There was also some feeling on the part of the amateurs that perhaps there was a greater measure of participation in their affairs by reason of this sponsorship, and they invited us to withdraw, which we did. We abandoned all sponsorship, and in return they said, "We will welcome your conduct of a universal amateur draft, but we want you to undertake, in addition to that, that you will not take any players at all any place in professional hockey who have not graduated from junior hockey, in other words, who have not exhausted their eligibility," which is based on under twenty on December 31st of the year in which they play.

Now, this arrangement has worked out quite well. These players or at least the teams from which these players are drafted are compensated, not as extensively as some of them would like, but we are taking steps to have that increased, and the program seems to be working out quite well. There are -- there have been, I would think, about -- on the average I would think there would be about 75 to 85 players drafted in each year.

Q Do the clubs in the National Hockey League draft in any particular order?

A Yes. We have -- since we have a rather elaborate

1  
2 play-off system, we used to have an arrangement by which the  
3 non-play-off clubs took priority, but that is no longer  
4 true. Last year we modified this bylaw you have just referred  
5 to, amateur draft bylaw, 16(b) to provide that they will draft  
6 in inverse order of their points standing at the end of the  
7 previous season, without regard to which division they are  
8 in.

9 Q So that the effect of this draft is to equalize  
10 the playing strength among the clubs by permitting the lowest  
11 ranking club to have the primary choice?

12 A That's precisely the objective, yes.

13 Q Mr. Campbell, in Mr. Eagleson's testimony he referred  
14 to a draft which I will characterize as an intra-league draft --

15 A Yes.

16 Q -- to distinguish it from the amateur or pre-season  
17 draft.

18 A Yes.

19 Q I believe Mr. Eagleson stated that in the amateur  
20 draft, each National Hockey League club would protect or  
21 could protect twenty players; is that correct?

22 A 18 players and 2 goal keepers, yes.

23 Q Twenty in total?

24 A Yes.

25 Q And that players above that limit which were under

contract to that club could be drafted by a brother National Hockey League club?

A That is correct. I should say there are two exemptions in addition to that you should keep in mind. All first-year professionals and all amateurs under twenty-two years of age. The reason for the under twenty-two years of age is to give the club which has made the amateur draft claim in the preceding year the protection of one more year in order to have a look at him.

Q So it is 20 players under contract to the National Hockey League club, all players who are still in their first year of hockey play, and amateur players who have been drafted but not yet signed during the period of a year following their draft?

A Yes, sir. That is correct. And the object -- the object here, once again, just so that you won't get the impression that this is somebody taking from someone else -- every time a claim is made in the intra-league draft -- if I am a claiming club, I am the manager of a claiming club, when I claim a player from some other club that is not on its protected list, then I must place the player claimed on my protected list and drop the player, one player from my list, who can immediately be taken up by the club from which I made the claim, in order to keep the balance in total

personnel.

Q So that if you can only protect twenty players --

A Yes.

Q -- and you find a player unprotected in some other club that you would dearly like to have, you must expose one of your twenty players to the draft in order to claim that player, that desirable player, and place him on your roster?

A That is correct.

1 Q Just one other very brief question, Mr. Campbell.  
2  
3 Are you an attorney?

4 A Yes, I am.

5 Q Did you practice law for a period of time?

6 A I did.

7 Q Were you involved in the post-war Crime Commission  
8 operations in Europe?

9 A Yes. I was associate counsel for the Canadian  
10 War Crimes trials which were conducted in Northwest Germany  
11 at the conclusion of the war, yes.

12 MR. HOYNES: Thank you. I have no further  
13 questions.

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

15 THE COURT: First I will call on Mr. Kramer.

16 MR. TOPKIS: I beg your pardon, Mr. Kramer.

17 CROSS-EXAMINATION BY MR. KRAMER:

18 Q I think the record should reflect your home  
19 address and your office address.

20 A Yes. My office is at 922 Sun Life Building,  
21 Montreal 110.

22 Q And what is your home address?

23 A My home address is Apartment 802, 3465 Red Path  
24 Avenue.

25 Q In Montreal?

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A Montreal 109.

Q And everybody I believe knows this, but how many players are there of a team on the ice at any one time?

A The limit prescribed by the rules is six. Occasionally more than that get out there.

Q Did I understand you to say that it is costing \$200,000 per year per club, you estimated, for your players' development program?

A That is right. That's besides the contribution which each club must make to produce this amateur support that I spoke of.

Q My question is how many clubs are there now in the National Hockey League?

A There are twelve active as of now. We have added two which will be active in the 1970-'71 season.

MR. KRAMER: Thank you.

THE COURT: Now Mr. Topkis.

REDIRECT EXAMINATION BY MR. TOPKIS:

Q Mr. Campbell, I see in the Uniform Player's Contract -- the Standard Player's Contract, rather, a provision, and I am referring to Paragraph 17, which reads as follows:

"The player hereby undertakes that he will at the request of the Club enter into a contract for the