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## **The Effects of Player Contracts in the Battle for Power and Control in Post World War I Professional Basketball**

This paper examines the effects of player control on salaries and the success of professional basketball leagues of the post World War I period. It poses the question: What parallel can be drawn between that situation and that which exists today?

Immediately following World War I, a number of professional basketball leagues began or resumed operations in the northeastern region of the U.S and by 1919 no fewer than four major leagues were operating in the areas of Philadelphia, New York City, Scranton/Wilkes-Barre and Albany. The leagues were generally populated with the same individuals; largely because the players operated as independent contractors and the only restrictive clause in their contracts were those preventing them from playing with any other team in that league, not other leagues. Thus, players of the post World War I period really had the balance of power over salaries and where they played to a large extent. Since that is the direction that today's professionals are slowly, but successfully, moving it is instructive to see the effects of such a situation on earlier professional teams and leagues.

A key problem for this independent contracting was that owners could not count on players showing up consistently, especially when a particularly important game loomed. Players, in fact, used such contests as leverage to continually up the ante for their payment for a game. League franchises were financially fragile anyway and the instabilities of rosters only exacerbated that situation. The leagues had rules stating that players could not play with another squad if their team had a game that night, but these were openly flouted by the players. And, although three of the four tried to form a National Commission to combat this problem, it never became effective. Instead, the players maintained "control."

Players were suspended from various teams in various leagues, but all this did was weaken certain franchises and failed to deter the player practice of "team shopping" each week. Adding to this turmoil was the practice of Jim Furey, the owner of the Celtics. In an attempt to keep his team intact, and independent, he signed the players on his squad

to exclusive contracts beginning in about 1920. His salaries were by far the highest in professional basketball and this, combined with the already frenetic bidding for players, drove most teams and leagues to financial difficulties. When the 1921-22 season opened both the Pennsylvania State League and the Interstate League had ceased operations. As teams and leagues folded it became obvious to Jim Furey that he needed to be in a league to assure regular, high box office returns. Thus, his Celtics joined the Eastern League in December of 1921. This, however, caused great pressure on the other league teams to have somewhat commensurate salaries to the Celtics. This pushed some Eastern League teams to the edge of bankruptcy and, by January of 1922 two teams had left the league.

In the 1922-23 season both remaining leagues struggled financially. The Eastern League teetered on the edge until a new franchise owner which employed Furey and the Celtics entered the picture. With the obvious support of the league, the owner attempted to cut the Celtic salaries from \$900 to \$400 per week. The Celtics refused and left the league and their franchise was now populated with lesser ball players who could fit under this salary cap. The fans, however, would not tolerate this sham and the league could not meet expenses with diminished attendance, finally ceasing operations at the end of January, 1923. At the end of the season the New York State League also folded.

Thus, player contracts and control were instrumental in the creation of successful professional basketball leagues in the period 1914 to 1920, but those same independent player contracts taxed the financial abilities of the league teams. The introduction of the exclusive contract by Jim Furey of the Celtics hastened the ultimate end of the four leagues by the end of the 1922-23 season. Source materials include newspapers and the Reach Basketball Guides from that period, autobiographies of players of the 1920s and secondary sources that discuss the history of professional basketball.