



IS AMERICA DESTROYING JAPAN'S NATIONAL PASTIME?

A speech by

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“Baseball has played a role in bringing the two countries closer.
It has taught us there is always something that we can still learn from each other.
The more contact we have through these mutually played games,
the more we learn from and influence one another.
America is not destroying Japanese baseball, it has given it a much bigger stage.”

As most of you know, the Boston Red Sox spent \$103,000,000 this past winter on signing Daisuke Matsuzaka, Japan's top pitcher. Matsuzaka, a former Seibu Lions property, is only the latest in a string of stars to depart Japan—and he was accompanied by Hanshin pitcher Kei Igawa and Yakult slugger Akinori Iwamura. But his widely reported determination to leave, the high price he commanded and his prospects for long-term success in the U.S. major leagues does not bode well for Japanese baseball.

When the MVP of the Japanese national team can't wait to get to America, when a top MLB club pays more for him than practically any other American free agent pitcher this year, and the U.S. sports media goes hysterical over his arrival, odds are that even more top Japanese stars will be filing for exit visas, further contributing to the already uncertain status of the game in Japan.

Rakuten Golden Eagles manager Katsuya Nomura, summed up the view of many observers when he said "If this keeps up, Japanese baseball is truly finished."

Migration and national pride

The reasons for this growing migration are clear. One is the challenge. As Matsuzaka said in a recent interview, "It's only natural to want to test yourself in the best league in the world against the best players. The scale of big league ball is something else."

Another explanation is greenbacks. Matsuzaka's will triple his previous annual paycheck with the ailing Seibu Lions. Moreover, MLB also offers better living and working conditions. As former New York Mets and Nippon Ham Fighters outfielder Tsuyoshi Shinjo once explained, "In Japan, you carry your own bag, ride the train and stay in cheap business hotels. In the big leagues, everything is first class."

And, strange though it seems to outside observers, most fans in Japan, as you are no doubt aware, do not resent the defection of their stars. Instead, they feel a great sense of national pride and identification with them. Increasingly, fans prefer to watch live telecasts of MLB games in the morning on the quasi-national NHK's booming satellite channel.

Typical are the remarks of Hiroyuki Chida, an editor of my new book, *'Sekai Yakyu Kakumei'*, at the prestigious Hayakawa Publishing firm and a longtime baseball fan, "I am very much excited to see Matsuzaka, Igawa and many other talented players go to the MLB. Japan has won the first WBC. Matsuzaka's performance will prove to the world that Japan's victory was not just a fluke, and that Japan is a country that has many world class baseball players."

According to the *Asahi Shimbun*, the success in the United States on the part of the Japanese baseball star had helped ease an identity crisis Japan has long had with regard to America. As that newspaper editorialized, after Ichiro surpassed George Sisler's

single season mark before a packed, cheering house at Safeco Field, "Japanese were once seen in the U.S.A. as a 'faceless' people obsessed with exporting cars and consumer electronics. The excellent play of the Japanese baseball players and their positive personalities have changed the world American image of the Japanese."

Added Masa Niwa, a Seattle based reporter who writes for various Japanese sports publications, says, "People on the street look at us Japanese differently than they used to. There's a new respect."

But all this has come with a price. The Yomiuri Giants, the oldest and winningest team in Japan, have taken a particularly big hit. The Giants used to have nearly all their games telecast nationwide in prime time on terrestrial TV and enjoyed an astonishing per-game rating average of around 20%. Now they have dropped to single digits in the wake of the defection of Hideki Matsui, the biggest Yomiuri star in a generation, and a subsequent spate of losing seasons. This represents a drop of approximately 10 million terrestrial TV viewers. Accordingly, the number of Giants terrestrial network telecasts has declined from 70 to 40, as of 2007.

Expanding MLB and flat JPB

Moreover, in the 12 months since Team Japan won the inaugural WBC, there has been a marked escalation in interest in Japanese baseball on the part of the MLB. The country's ball fields, both high school and college, as well as pros, have been infested with scouts from North America and their representatives in a new search for talent.

In the competition for players on the international market, the Americans are at a distinct advantage. Consider the following: over the past 20 years, the MLB, expanding from 26 to 30 teams, has seen attendance increase by 50% to nearly 75,000,000 and revenue nearly triple, through expansion of the TV, merchandising and internet markets, to \$5.5 billion.

NPB growth, by contrast, has been flat. Despite a reasonably sound infrastructure, modern ballparks and a high level of play, overall attendance has stayed at around 20 million a year, even with the recent onset of inter league play and a two-tiered post-season playoff system. Total revenue of the 12 teams has been static and estimated to be at only \$1 billion or less.

Individual NPB teams, like their North American counterparts, do not normally open their books to the public, but this being the land of *honne* and *tatemae*, *ura* and *omote*, it is possible to make educated guesses about individual team finances.

There are only two teams that have historically done well. The Giants and Tigers both draw 3,000,000 fans a year and are estimated to take in over \$150,000,000 annually, the bulk of that in ticket sales and TV rights. But these clubs are also believed to donate their profits

to their parent companies, the Yomiuri media conglomerate and (as of 2006) the Hankyu Railways, respectively.

Most of the other Japanese teams lose money. In their championship season of 2006, the Pacific League Nippon Ham Fighters drew 1,635,410 fans to their home park, the Sapporo Dome in Hokkaido. The team still needed a multi-million dollar bailout from its parent company. The P.L. Chiba Lotte Marines, who won the crown the year before, drew nearly 1,500,000 fans in their Japan Championship year, but according to estimates, the team still lost over \$20 million. The Chunichi Dragons won the Central League Pennant the past two years, but still ran deficits of around \$10 million.

Low TV revenues except the Giants

One big reason for the red ink is low TV revenues. Whereas the Giants are able to sell their TV rights at a robust 1 oku yen (\$830,000) per game (and the Tigers around half of that, the Dragons have to settle for a rather low ten million yen (\$83,000) for most of their home games, Nippon Ham 3.5 million yen (\$35,000) and the Marines a piddling /150,000 yen (\$1270). Contrast this to what the MLB is getting from their six-year TV deal to broadcast games here. It is worth \$275,000,000 and works out to roughly a quarter of a million dollars per game. And that is just a fraction of the MLB TV take back home.

It is an indication of the sorry state of affairs in the NPB that Matsuzaka will get more TV exposure in Japan by being in a Boston Red Sox uniform than he ever got playing for the Seibu Lions. TV audiences for Lions games, which sold for 700,000 yen (\$5,833) per contest last year, were estimated by Tokyo area sportswriters to be as low as 100,000 when shown on cable and satellite stations. Seibu's highest rated game last year was the opener of the playoffs versus Softbank, when Matsuzaka faced off against Kazumi Saito, last year's P.L. pitcher of the year. Aired on TBS it drew 6% rating in the Kanto area, a somewhat humble figure for such an important game and one that featured the country's two best hurlers. Contrast this with the ratings for the WBC final, which was watched by nearly one out of every two Japanese on Nippon TV. (Water consumption increased 25% during commercial breaks.)

Matsuzaka is a good athlete, but his popularity in Japan did not last past his rookie year. People were more interested in Matsuzaka's lovelife, his marriage, his famous traffic violations and whether or not he would go to America, then watching him play. The same was true of Ichiro when he was in Japan. It is only now, because he is in the States, that people are starting to pay attention again. As a Japanese sports editor friend of mine put it, "The American game is just more dynamic—it's bigger, stronger and faster. And more exciting, as long as Japanese players are in the game, of course."

Naturally, ALL of the games that Matsuzaka pitches for the Red Sox will be shown on NHK BS satellite, now beamed into 13 million households, with a potential audience of around 32,000,000 and growing. Given the intense interest in Matsuzaka, in the wake of the enormous sum of money the Red Sox paid to acquire his services, viewership of some of Matsuzaka's games is expected to approach the unofficial BS record to date of an estimated 9 million people who watched Ichiro Suzuki break George Sisler's single season hit record on October 2, 2004, according to a special survey conducted by Video Research. That ratings firm normally limits itself to measuring conventional, terrestrial TV viewership, but made an exception for that game because of the mass interest and historic importance of the event.) It is ironic that fans in Japan are now buzzing excitedly about upcoming Matsuzaka-Ichiro matchups in the MLB, when those matchups were largely ignored by the fans and the mainstream national media while both players were in the Pacific League in 1999 and 2000. At that time, the Tokyo Giants, as led by Matsui, occupied the spotlight nearly all the time.

One dollar to use ball-park!?

However, in the quest for profits, it should be noted that the NPB plays under a comparative handicap, if one can call free market forces an impediment. In the MLB, most teams play in spanking new taxpayer funded "retro" parks and sweetheart deals are the norm. The Baltimore Orioles use glamorous Camden Yards free of charge and the Chicago White Sox pay one dollar a year in rent for the use of Cellular Field. In Japan, by contrast, few NPB teams own their own stadiums and must therefore pay substantial leases to use the parks they play in. The Softbank Hawks pay rent of about \$40 million a year to use the Dome in Fukuoka in Kyushu in an exclusive arrangement that allows them to use it for concerts and other non-baseball events. The Tokyo Giants have to pay \$340,000 a game to rent their home park, the Tokyo Dome. Nippon Ham pays \$75,000 per game for the rental of the Sapporo facility in out-of-the-way Hokkaido. The Seibu Lions own their own stadium but still manage to lose money, nonetheless.

It goes without saying that were it not for their heavily subsidized stadiums, as well as, incidentally, generous depreciation rules in regard to the big league's massive salaries, that MLB would not be nearly as profitable as it is.

At the same time, however, one can not ignore the lack of business acumen in the NPB. In Japan, professional baseball teams have always been the playthings of giant corporations. They have treated their players as vassals and viewed their teams as PR shills for their products. The Nippon Ham Fighters, the 2006 champions of Japan, are owned by meat processing giant, Nippon Ham, and exist mainly for the purpose of promoting pork sales. It is considered less expensive to buy and operate a baseball team that appears under the name of the parent company in the media

everyday, than it is to buy advertising on prime time TV nightly in Japan.

"I only have heard of Kiyohara..."

The executives in charge of ball clubs in Japan are a reflection of this system. They come from corporate headquarters on brief rotations. Whereas American general managers lie awake at night thinking of ways to create a better team and increase profits, their Japanese counterparts toss and turn at night scheming for transfers back to the parent company. The present GM of the Orix Buffaloes, who joined the team this year, confessed to reporters that the only player on the team he had ever heard of, was the veteran star Kazuhiro Kiyohara. Given this mentality, it is no wonder that Japanese professional baseball swims in a sea of red ink.

This lack of funds precludes investment in a proper minor league system. The absence of such a developmental organization is one of the biggest defects in the Japanese game. Although there are a number of talented rookies appearing each year, there are still not enough good young players coming up to compensate for the loss in star power. There are 4000 high school baseball teams producing some of the highest quality baseball in the world, but less than 100 new players get slots in the pros each year. This compares unfavorably to the 1500 MLB signs up each year in its multi-tiered farm systems.

Each NPB team has room for only a total of 70 players under contract and operates but one farm team which plays 100 games a year. Since the parent companies do not want to make the investment needed to create a deeper system, this means that half the players in the minors wind up warming the bench. Those who want to play regularly must head to the less advanced and poorly run amateur industrial leagues or one of the two small scale independent leagues that have recently opened up operations. Or else sign with a big league scout.

Said Masayuki Tamaki, Japan's leading baseball writer, summed up the difference between the MLB and the NPB, "one's professional and the other isn't. One cares about the game and the other doesn't. One knows how to market its product and make money while the other doesn't know its ass."

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In Japan, one interesting side effect of the migration of the Japanese ballplayer to the U.S., with its flood of daily game casts and TV news reports about the freer, looser American style of play, has been a new willingness on the part of the NPB to accept Americans--especially American managers.

"Gaijin managers are too easy!"

Previously they were regarded as circumspect due to their comparatively relaxed ideas on proper training and rest which conflicted with Japan's famously Spartan approach. In fact, a Central League president

was once famously quoted as saying, "American managers are not simply not suitable for Japan. They're too easy." In 1995, Bobby Valentine, the first non-Japanese manager in the NPB in 13 years, was fired by the Chiba Lotte Marines in such a conflict over philosophies, despite a strong second place finish in his first and only season.

Today, however, there seems to be more flexibility, as there are now an unprecedented four American managers in the Japanese game. As Koichi Tabuchi, a former Hanshin Tigers star put it, "Now, people are watching a lot of American ball and have gained a real appreciation for it."

One of the gaijin managers was Valentine. Valentine eschewed the endless workouts and authoritarian discipline in favor of proper rest and shorter, snappier practices, while giving all his players ample opportunities to play regardless of age or experience.

He became the first American manager ever to win a Japan Championship in 2005, and was widely applauded for his methods. In a newspaper editorial, the president of Nippon Metal, urged Japanese firms to curb their tradition of harsh management and overwork. "It's time to start treating our employees the same way Bobby does," he said.

A year later, the mild-mannered Trey Hillman became the second American manager to win a Japan crown, leading the Nippon Ham Fighters to their best season in history. Interestingly enough, Hillman won his title by incorporating Japanese ways into his management style.

The 45-year old Texan had gone through his first three years managing the American way with unsuccessful results. So he doubled practice time and tripled sacrifice bunts.

As Hillman explained it, "It was clear that what I was doing wasn't working, so I asked my players and coaches for suggestions. First, they told me that wanted longer practices--no more of this half day routine. So, against everything I believed about not wearing players out, I kept them there until 5 p.m. in camp, working on defense, among other things.

"They also wanted more bunting, said Hillman, which is typical for Japan, but went against my big inning offensive philosophy. But again I said OK, because this time we had the pitching."

That season, Hillman's Fighters set a new club record for sacrifices and the entire outfield won gold gloves. With the help of solid mound corps, led by 20-year old sensation Yu Darvish and a spacious home park, the Sapporo Dome, Nippon Ham had its best won-loss record in 46 years.

At the end of the season, an NHK news announcer lauded Hillman for understanding the Japanese way,

saying "Hillman-san is the first American manager ever to make the switch from *besuboru* to *yakyu* (as the game is referred to in Japan.)

There has been some criticism of the gaijin butai. Former pitching great Yutaka Enatsu, in a scathing interview in the *Shukan Asahi* last October, charged that gaijin managers do not understand the treasured Japanese concepts of *giri* and *ninjo*, in deciding which players to keep and which ones to cast aside, and criticized the large amounts of money spent on Valentine and his staff. It was the second time that Valentine had the target of a hit job by that weekly magazine. In the summer of 2005, the *Shukan Asahi* wrote an unsubstantiated article accusing Lotte players of drug use. A former Lotte executive, not known for his fondness for Valentine, was quoted as saying, "The players on Lotte are no good. They don't practice hard. So the reason they are winning must be drugs."

Valentine also survived a brief hit in 2006 when he was forced to make a bizarre public apology. He publicly charged that Japanese team representatives were still making under-the-table payments to hot amateur prospects, despite their vow to cease doing so years earlier. That remark created such an uproar among executives on other teams, who were shocked—shocked, I tell you—that anyone would still make such an accusation. When he did not produce the requested evidence, Valentine was ordered by Lotte higher-ups to apologize before reporters. Sports dailies ran a photo of the Lotte official bowing deeply beside Valentine who, instead of bowing himself, stood head up, his arms folded, a defiant expression on his face. It was one of the stranger snapshots in baseball history.

But then in March, 2007, the news came out that Seibu had been making secret payments to a high school star to prevent him from signing with another pro team. However, no one as yet has suggested Valentine retract his apology--aside from Valentine himself, that is.

A "Real World Series"?

One thing that hasn't changed over the years, despite the loss of so many stars, is the fixation the leaders of Japan's game still have with playing a "Real World Series" against the North American champions. In recent years, many Japanese have come to believe that the gap has narrowed considerably, enough to make such a series competitive. As Hideki Matsui, a Yankees outfielder, put it, "I don't know about over a long season, but I think we Japanese are just as good as the big leaguers on a game-by-game basis. There are Japanese pitchers whom the big leaguers can't hit. There are Japanese outfielders the equal of any in the majors."

In fact, in late 2004 season, Softbank/Yahoo Japan owner, the multi-billionaire Masayoshi Son, who had just purchased the Daiei Hawks, approached MLB

executives with an offer estimated to be in the \$100 million dollar range, for the MLB world series champs to play a post-season "championship series" with the Japan title winners. The MLB braintrust have always dismissed such suggestions, believing that, Japan wasn't nearly good enough to compete with America's best and that furthermore American TV audiences would never tune in to such an event in meaningful numbers. And this time was no different. He was turned down cold. (As one executive remarked after the meeting, "He should stick to the internet.") A Japanese baseball official who was familiar with the proposal was skeptical of that explanation. "The reason they don't want to play," he said, "is that they are afraid of losing. That would devalue their post-season playoff system."

The obsession with a U.S-Japan World Series is apparently, contagious. A year later, Valentine proposed a similar matchup, this one involving his Japan champion Mariners and the '05 World Series winners, the Chicago White Sox, to be held in Hawaii with the money going to charity.

Valentine declared that his club could be competitive in any such series, asserting that the Japanese were superior to Americans in many fundamental aspects of the game: the bunt, the hit and run, base running, making relay plays and cutoffs and also in pitchers control of a wide assortment of breaking pitches. Valentine insisted that there were over 100 players in Japan who could play in the big leagues.

"the Americans already know who's best..."

Not surprisingly, Valentine's claims drew sneers in the United States. Perhaps typical was the view of Warren Cromartie, a former star with the Montreal Expos and the Yomiuri Giants, and centerpiece of the new documentary film *Season of the Samurai*, who declared, "I don't think there will ever be a so-called real world series because the Americans already know who's best. They've got real power and speed. Besides, if Japan ball is so good, why are there so many big league castoffs hitting cleanup on Japanese teams? And why are all your top stars deserting like rats from a sinking ship?"

But then came Team Japan's victory in the inaugural WBC of '06. After that surprising win, there was much talk among the Japanese public that their game was equal, if not superior, to the American version.

Of course, many Americans had dismissed the WBC as nothing more than a spring training exhibition. Chicago White Sox manager Ozzie Guillen averred that "Team Japan was overrated and would only win 20 games if it played a season in the U.S. major leagues, and that's how you judge a team, over a full season."

The argument can go on regardless of who is right. But either way, Team Japan's victory may have been pyrrhic, for, as we have seen, it only deepened interest in what Japan had to offer, as evidenced by the \$25

million posting bid the New York Yankees paid to negotiate with Kei Igawa, their consolation prize in the Matsuzaka sweepstakes. Despite platitudes being mouthed by some American representatives about not harming the integrity of the game in Japan, the NPB appeared doomed to losing even more of its players, thereby diminishing the remaining talent pool in Japan and with it the odds of a Real World Series ever being staged.

The most recent contingent of players came to the U.S. via the so-called posting system, which arose out of disputes over the rights to Hideo Nomo and Hideki Irabu, among others. Established in 1998, it provided a way for players to leave their teams for the MLB before free agency kicks in, which, in Japan, occurs only after nine full years on the big team. If a player wishes to leave and the team is willing to let him go, he is “posted” and North American teams may submit secret bids for the right to negotiate him.

There has been a lot of hand wringing over this system on both sides of the Pacific. But Japanese owners have no incentive to dismantle what is for them a clearly lucrative system.

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NPB’s fragmented structure is a system that worked for a long time. Like the LDP and the Yamaguchi-gumi, it suited the postwar economy. Now, it doesn’t work so well anymore.

It is unrealistic to expect American teams to refrain from preying on Japanese talent, just as it is unrealistic to expect Toyota to stop selling cars in the U.S.A. Thus the shoguns of the NPB game know they must change their system. Although they are loathe to copy the Americans, MLB’s experience could provide a handy template, given the \$3.7 billion jump in revenue that it managed to accomplish in the past 17 years.

MLB.COM

Granted, one third came from taxpayer funded ticket sales, thanks, as we have seen, to the building of new, taxpayer funded, “retro” stadiums with expensive luxury suites--20 new MLB stadiums in all built in the past two decades.) The Boston Red Sox, for example, charge up to \$350,000 per stadium suite and require buyers to commit to them for at least ten years.

However, the remaining money came from improved centralized marketing of broadcast rights, as well as merchandising and licensing and the establishment of MLB’s remarkable internet site MLB.COM, established in 2002, which shows every game played live, and also presents replays of classic games, documentaries and talk shows. It brings in an astonishing figure of around \$250 million dollars a year, from subscribers all over the world. There is no equivalent of this in Japan.

A central revenue fund instituted several years ago in the North American game, distributes money annually. This season, every one of the 30 major league teams received over \$30 million from the MLB annually, as its share of national TV-radio-web broadcast rights and merchandise and licensing contracts, while the 17 small market teams received a total of \$312 million from the 13 larger market teams. Japan’s teams, by contrast, have to pay 80,000,000 yen (about \$680,000) apiece to the Commissioner’s Office, to keep the NPB afloat. Those funds, plus revenue from the All-Star games and the Japan Series, are all the income the office has.

The NPB individual team owners certainly have the financial and technological resources to transform their game into a baseball league competitive with the MLB. The Yomiuri media conglomerate, for example, is one of the largest and richest in the world. Softbank owner Masayoshi Son regularly appears Forbes Magazine’s list of the world’s wealthiest individuals.

Some teams, in fact, are trying to become more profit oriented. In ’05, for example, the Hawks, installed 30 web cameras at the Fukuoka Dome (renamed Yahoo Dome) by which subscribers at home can follow the games on their computers. With the click of a button, fans can watch manager Sadaharu Oh contemplating strategy, peer into the bullpen, or even observe reporters pretending to work in the press box. The Chiba Lotte Marines, owned by a chewing gum company, have instituted pre-game promotions, one of them a ballroom dance exhibition by a tuxedo-clad Valentine, himself a former schoolboy social dance champion. The newly formed Tohoku Rakuten Golden Eagles, owned by an online shopping mall, include herbal footbaths among the many attractions they offer to the fans. These are significant innovations for Japan, where the games themselves have long been considered the only promotion necessary.

But, one asks, why are there no integrated broadcast and merchandising rights under the control of the commissioner? Where are there no MLB type souvenir chain shops which are so prevalent in the US? Where is the equivalent to MLB.com.? Why are there only 6 teams offering internet broadcasts, and only available in Japan? And when will there be a revenue sharing system? Unfortunately, the collective desire to really transform the game seems to be lacking, because of parochial interests.

Imagine how interesting things would become if, say the Yomiuri Shimbun built a new ultra-state-of-the-art stadium somewhere in Tokyo—as part of a Japanese style theme park so impressive that people from all over the world would come just to see it.

Ichiro, a playing manager?

Imagine that Yomiuri also invested billions of yen in buying high priced free agent players in their prime from the MLB and then recruited Ichiro Suzuki to come and take over as a playing manager. Ichiro has always

said his dream for Japanese baseball to be number one in the world. This would be his chance to walk the walk. Actions like these might well transform the Yomiuri Giants into a franchise like Real Madrid, a proud, world-renowned organization which Japanese stars might choose to join instead of packing up and moving 8000 miles across the globe to play ball. Next imagine that Yomiuri led the way in rectifying all these defects we have been talking about--granting the Commissioner's Office real power to integrate media and merchandising, establishing revenue sharing, creating a viable minor league system and, at the same time, revise the present deeply flawed draft which favors popular franchises and promotes under the table payments to top amateur prospects.

But that is not likely to happen, given the present leadership.

Some sort of limited MLB-NPB merger with the winners awarded a playoff slot in North America, is another idea often discussed. Although Trans-Pacific play, of necessity, would be minimal given the lack of supersonic jet transport, the marketing know how that MLB would bring to such an arrangement would surely benefit Japan based teams. North American viewers might even develop an interest in watching morning baseball beamed from the Far East, just as many Japanese have come to like MLB, especially if familiar faces like Valentine were on view of the camera.

But that is not likely to happen either. Yomiuri's strong man Tsuneo Watanabe has repeatedly scoffed at the idea. He warns of another Black Ships invasion. In particular, he and the other owners fear incursion of MLB style unions, which would dramatically raise salaries and also force elimination of the limits on foreign players.

A merger would be impractical for other reasons, because of the lack of cooperation within the leagues--be it on selling broadcast rights, licensing or marketing and other things. Individual teams don't even use the same baseball. You can choose from eight or nine different balls, and change them nightly if you want to. So, the question can be asked, how in the world could they cooperate with 30 teams in North America if they can't cooperate among the 12 over here?

Consider the WBC. It took years of negotiation to persuade Japan to participate--long after all the other countries had agreed to sign on. It is too complicated to go into here, but suffice it to say, the main sticking point is that it was that the WBC proposal was an American project designed to earn profits from a business venture undertaken *on Japanese soil*--given that the first Asian round would be played in Tokyo. It was not, as had been customary, a joint venture with Americans having a minority interest. It was a textbook case of the difficulties Americans and Japanese can face when doing business with each other.

If their experience with their Japanese counterparts during the negotiations leading up to the first World Baseball Classic is an indication of how smoothly such an enterprise like a merge might go, the MLB seems unlikely to push for it. .

"WBC: American neocolonialism"

The idea for the WBC was first presented several years ago at the turn of the century. Although all of the other countries had enthusiastically approved the plan--3 rounds of play in March involving 16 nations, all equally paid--the Japan side stubbornly resisted, long after the other representatives had given their OK to move forward. What bothered the Japanese from the beginning was the fact that the WBC was an all-American business project, one that ignored Japan's special status as a world baseball power. It seemed yet another example of American neocolonialism and was especially painful since it had come on the heels of MLB's acquisition of Japan's two brightest stars, Ichiro Suzuki, and Hideki Matsui, a grim reminder of the power of the Americans.

Until the financial collapse of Japan's bubble economy, doing business in Japan had always meant entering into a joint venture with a Japanese firm, and then investing one's share of the profits in localization, research, customer service--anything other than repatriating them. Only with the imminent collapse of the major financial institutions and of some manufacturers, like Nissan, were foreigners allowed to gain a significant interest in these businesses, in return for bailing them out and taking on a huge amount of debt.

MLB, blissfully ignorant of all this history, proceeded to set up an independent shop with an office in the Imperial Towers in Tokyo, the same edifice that houses the NPB Commissioner's Office, as if this were the normal thing to do. MLB consulted with NPB but never asked permission to go ahead with the project, which, of course, it wasn't legally bound to do. Thus the NPB's initial hesitation in responding to the WBC proposal was undoubtedly due in part to the simple disbelief that anyone would have the effrontery to do that.

The MLB's response to Japan's misgivings, however, was to shrug and say that somebody had to take the lead and get the ball rolling or else it would never get done. It was sheer fantasy to suggest that an amateur federation like the IBF or a government agency could do that. When all was said and done, the MLB padrones said it was a reasonable enough deal for all parties concerned. In contrast to FIFA and the IOC, which were notorious for behind the scenes intrigue and under-the-table corruption, they were offering a straight up, transparent, business deal--every team made the same amount--which no doubt made it suspect in certain quarters.

Said Jim Small, MLB International's Tokyo-based representative, "We shouldered the considerable

up-front costs of the event's productions. We arranged it so that the profit is distributed and every team involved made exactly the same amount per game. The Yomiuri Giants made as much money as The New York Yankees. So how can you possibly complain?"

The Americans pointed to the reaction of the Canadians to the WBC offer. After hearing the conditions the MLB was proposing, a Toronto-based baseball official had asked, incredulously, "You mean you're going to take all the risk, organize the whole thing and pay all the up-front costs, while we don't have to risk anything, we don't lose any money if it fails to make a profit, but we get paid it is profitable? What's the catch?"

Still, the NPB waited until the very last minute to give consent. After MLB promised future room for more participation by Japan. They guaranteed that the NPB and the NPBPA would each be given two seats on the WBC steering committee in 2009 with the promise of a say in how the finances were divided up—and gave the same deal to the Koreans. But Byzantine differences still manifested themselves.

The Americans, for example, could not understand why it was Yomiuri honcho Tsuneo Watanabe who sat with USMLB commissioner Bud Selig and the Crown Prince and Princess in the Royal Box for Asian Round final. Said one official in the American entourage, "Where is the NPB commissioner Negoro?" All of the Japanese, of course, already knew the answer to that one.

Yankees playing Opening Day in China?

Another reason why a merger is unlikely to manifest itself is the new America interest in China where the Yankees may play Opening Day in next year, that country's huge untapped market and the apparent willingness of Chinese officials to cooperate with the MLB, especially if they can one-up longtime adversary Japan in the process. Given all this, it is easier to imagine an MLB Asia Division with entirely new teams in Tokyo, Osaka, Beijing, Shanghai, Seoul and Taipei, partially stocked with new local and foreign talent, than it is to conceive of a cooperative involving NPB and MLB officials. Think NFL Europe.

There is talk in Japan of forming an Asian League, particularly in the Yomiuri Giants front office which has interests in China and a following in South Korea. This would be a logical extension of the Konami Cup, a post-season tournament among the champions of Japan, the ROK, Taiwan and China, established in 2004. However, given what we have seen, the odds of that actually happening in the foreseeable future, or before the MLB solidifies its position in the region, are not big.

Whether the NPB will winds up looking like the Russian Pro Hockey league remains to be seen, but the NPB will no doubt stay afloat in one form or another. The leagues are in the process of changing from the old one-engine model where the Giants, with their nightly

nationwide casts, carried the game to one that relies on developing smaller regional alliances. The Softbank Hawks draw over 2,000,000 fans a year in Fukuoka, and make over \$8 million a year in TV rights sales, while Lotte and Nippon Ham, which increased attendance 25% after moving to Hokkaido from Tokyo, appear to have sturdy, if limited, fan bases in Chiba and Sapporo respectively.

There is still a healthy interest in the game in Japan. There is too much baseball history and the country produces too many top quality players for the Japanese pro game to ever die out. Interest in high school and college baseball has been given new life thanks to teen idol Yuki Saito, star of last summer's Koshien tournament, pitching four complete games in four consecutive days, while frequently mopping his brow with his trademark handkerchief and setting female hearts a flutter. Saito passed up a chance to go to the pros to pitch for Waseda University, therefore earning Big Six college league its first new TV contract in years for 2007.

Weak union

It was fan passion for the NPB that caused the first player strike in the history of the Japanese game. The catalyst was a merger between two financially ailing Pacific League teams, the Orix Blue Wave and the Kintetsu Buffaloes, which threatened to upset the long standing balance of six teams per league and induce further contraction. Public opposition was intense that the players union, which historically has lacked the power and solidarity of the MLBPA, was compelled to take action—although they characteristically limited their walkout to one weekend, profusely apologized for the interruption and providing compensatory free autograph and baseball clinic sessions.

The result was the creation of a new franchise in Sendai, the Rakuten Golden Eagles.

But the union is weak and that is a problem. It could do much more for its players in demanding better conditions. Like the NPB players, MLB players once stayed in cheap hotels, traveled by bus or train. Then Marvin Miller's famous union swung into action and that all changed. The strength of the MLBPA is one of the two most important differences between the American and Japanese pro games. The other is, as previously mentioned, U.S. taxpayers subsidized stadium giveaways and generous depreciation allowances. Absent these taxpayer subsidies, the big money to pay \$50 million posting fees would not be there.

Consider the NPB's free agency rules, which now require 9 years of service to qualify--as opposed to six years for MLB. They are, as one analyst put it, a "model of obfuscation", designed to frustrate any player from choosing freely where he wants to work. One of the conditions of being a "free agent" in Japan is accepting a "larger" salary cut than would otherwise be allowed.

Another feature of the system is arbitration by the Commissioner or his representative, an arrangement without the slightest pretense of independence.

Much (but not all) that is wrong with NPB could possibly be fixed by instituting real free agency. The differential in working conditions between MLB and NPB would, over time, disappear if NPB teams had to compete for talent the way MLB teams do. The salary differential would remain, though even that may not be as great as it appears if one counts all the under-the-table payments in Japan. One could make the case that Japanese baseball would benefit from a strong union as Major League Baseball has. But don't hold your breath waiting for that to happen.

One might also make the claim that subsidized ballparks and US tax subsidies on player salaries constitute an unfair trade disadvantage for Japanese teams in the market for players. But don't expect the WTO to be taking that particular case up in the near future.

"MLB isn't ruining Japanese baseball"

And so what of the future of baseball in the only major country of the world in which it is still the national sport? as Bobby Valentine likes to point out. The NPB appears likely to continue the pattern of the past few years—losing its top players, but still producing enough good athletes to field a high caliber league. Perhaps like Brazilian soccer. Moreover, Japanese baseball may also be turning into a way station for other Asian players hoping to make it to MLB. Players like South Korean slugger Lee Seung Yeop have elected to take the step up to Japanese baseball before taking a crack at the majors, so we could see more of the top Taiwanese and Korean players making stops in Japan. At least the success of Japanese major leaguers will inspire younger athletes to choose baseball over other sports.

Said Masaki Nagino, a Central League official, "I don't think the MLB is ruining Japanese baseball. Japan is a big supplier of baseball talent to the MLB and it is the leading market for MLB goods. So that is a sign of soundness in Japanese ball. When the MLB stops sending scouts to Japan to find new talent, that is a bad sign. Yes, we have lost a lot of stars since Hideo Nomo left, but we can't cry over spilt milk. There is no way for us to stop this outflow. We have to establish a better supply of talent, a broader and deeper pool. And we must do this with a declining national birth rate and competition from other sports like soccer. If our game fails, it's because of our lack of effort. But the pendulum moves both ways, and the success of Japanese in the major leagues will help motivate youngsters to choose baseball over other sports."

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Summing up, I would like to say that despite pessimistic remarks about US & Japan cooperating, times have changed for the better. 20 years ago when

I was writing "You Gotta Have Wa," if you asked Americans what their impression of Japan was, they would speak of tariff barriers and Japan Inc. If you asked Japanese their impressions of Americans, they would say arrogant, blowhard, lazy, and poor losers. "Uneducated and illiterate," was the publicly expressed opinion of Speaker of the Japanese Parliament in 1990.

Moreover, 20 years ago, the idea of a Japanese star going to the States to play, something the Americans would have regarded as preposterous and was considered traitorous in Japan. As Sadaharu Oh once put it, "If I had tried to go MLB when I was a player, the fans would have never forgiven me."

However, in today's era of satellite TV and the internet, Americans increasingly talk of their fascination with Japanese film, video games, animation, manga, fashion, design and "Hello Kitty." And Ichiro and Matsuzaka. . In the summer of 2006, for the first time ever, a major U.S. TV network aired a documentary on High School Baseball in Japan. Shortly thereafter, while in 2007 MLB.com produced a documentary on the history of Japan baseball—both manifestations of the growing media interest in the Japanese game.. Whereas English language material on the game was a rarity, there are now several outstanding sources of information on yakyu on the internet.

Surveys taken in Japan do seem to indicate that 21st century Japanese are more willing than their predecessors to work with and for foreigners and let their children marry them. The aforementioned Bobby Valentine was the centerpiece of a marketing campaign by a Japanese bank, giving him an iconic status heretofore matched only by Hollywood movie stars. Also, where once westerners in Japan who spoke Japanese were regarded as in the same category as a trained seal or dancing barrier, that is no longer true. It's now expected.

Bringing the two countries closer

Today, going to the MLB is considered the thing to do. Today in our borderless world, Japanese baseball fans don't care where Japanese stars play, just so long as they can see it on cable or download the podcast into their I-pods.

Baseball has always been a useful prism through which to view U.S. Japanese relations. In the Pacific War, in the jungles of the South Pacific, "To hell with Babe Ruth" was a commonly used insult." It was a long way from there to the "Ichiro chant" one hears in Seattle. And the 51 million dollar posting for Matsuzaka.

More important, these Japanese players have also set an example for their fellow Japanese. Many of these players like Iguchi, Matsui and Ichiro, behave in a such a self-assured way and are altogether more secure in their identity as practitioners of a craft—coping with handling the pressure and the expectations that come from working in a foreign country and feeling

comfortable about not having to rank themselves as either superior or inferior—that they can be seen as models for how other Japanese citizens might behave in their particular international endeavors.

Baseball has played a role in bringing the two countries closer. It has taught us there is always something that we can still learn from each other. The more contact we have through these mutually played games, the more we learn from and influence one another. America is not destroying Japanese baseball, it has given it a much bigger stage.