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THE TIES THAT BIND: TED ROGERS, LARRY TANENBAUM, AND THE TORONTO SPORT ELITE

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CSPS WORKING PAPER NO. 2: Editor's Introduction

Russell Field's paper, originally written in 2003 is grounded firmly in a major Canadian sociological tradition of studying the interconnections of power in Canada. The tradition started with John Porter's classic, *The Vertical Mosaic* (1965) and was reinforced by Wallace Clement's *The Canadian Corporate Elite* (1975).

This case study of professional sport team ownership in Canada was first written as a graduate student research project. The detailed and comprehensive data show striking overlaps and interconnections between Rogers and Maple Leaf Sports and Entertainment (MLSE) – the two major players in professional sport in Toronto. At the time of writing (2011), those connections appear set to become even closer with rumours that Rogers is about to purchase MLSE. Dr. Field provides an insightful prologue, "Eight Years Later: The Toronto Sport Oligopoly in 2011", to update his paper.

Although some of the data from the original paper have been published (Field, 2006), the Centre for Sport Policy Studies is pleased to present the original study as a Working Paper.

Professional sports teams were once considered to be 'toys' of the wealthy, a sideline not really related to their major financial interests; through the various stages of *convergence* professional teams have become a major part of the business plan, especially for media corporations. Field's study provides both a comprehensive case, and a detailed model for future research of professional sport team ownership (a form of business ownership that clearly exists outside of the usual rules of 'competition'), and he provides an insightful analysis of why this matters to sports fans.

Editor's Introduction, May 2011

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List of Abbreviations

ACC	Air Canada Centre
AHL	American Hockey League
BCE	Bell Canada Enterprises (BCE) Inc.
BGM	Bell Globemedia
CFL	Canadian Football League
CNE	Canadian National Exhibition
CPSL	Canadian Professional Soccer League
CRC	Coliseum Renovation Corporation
IHL	International Hockey League
MLB	Major League Baseball
MLG	Maple Leaf Gardens
MLS	Major League Soccer
MLSE	Maple Leaf Sports and Entertainment Inc.
NASL	North American Soccer League
NBA	National Basketball Association
NHL	National Hockey League
NLL	National Lacrosse League
NWHL	National Women's Hockey League
OHL	Ontario Hockey League
OTPP	Ontario Teachers' Pension Plan
RBC	Royal Bank of Canada
RBJ	Rogers Blue Jays (unofficial ascription)
RCI	Rogers Communications Inc.
RSN	Rogers Sportsnet (cable sports network)
TD …	Toronto-Dominion … Bank, Financial Group, Securities, etc.
TSN	The Sports Network (cable sports network)

PROLOGUE – EIGHT YEARS LATER: THE TORONTO SPORT OLIGOPOLY IN 2011*

In March 2011, news broke that the majority stakeholder in Toronto's largest sports conglomerate, the Ontario Teachers' Pension Plan (OTTP), which owns 66% of Maple Leaf Sports and Entertainment (MLSE, owners of the hockey Leafs, basketball Raptors, and soccer Toronto FC) was exploring selling their stake in the city's highest profile sports commodity (Van Alphen, 2011). This followed on the heels of news in late-2010 that the other major sport franchise owning corporation in Toronto, the telecommunications firm, Rogers Communications Inc. (RCI), which owns major league baseball's Blue Jays was reportedly exploring the possibility of purchasing OTPP stake in MLSE. Rumours of a union between Toronto's two sport organizations were not new. In 2006, *Toronto Star* columnist Dave Perkins conjectured that, in an attempt to consolidate his hold on MLSE, Larry Tanenbaum would seek a financial partnership with Ted Rogers, thus formalizing links between MLSE and RCI (Perkins, 2006). Perhaps in anticipation of this, RCI and MLSE announced in September 2006 that a deal had been reached for RCI to supply 'telecommunications services' to MLSE (Campbell, 2006). At the press conference heralding the partnership, Tanenbaum presented Rogers with a Maple Leafs' hockey jersey. The two men also indicated that they would begin working together to secure a National Football League franchise. Rogers passed away in 2008, but partnerships between the two organizations continued.

In 2010, Perkins reaffirmed the notion that sports team ownership had much to do with the control of media content. As part of conjecture as to a potential bidder for OTTP's stake in MLSE, he noted that "Teachers isn't a cable TV/media company. The MLSE sports properties are worth far more to others in that field (Rogers or Bell or whoever) than it is to them" (Perkins, 2010). Within the corporate world since this research was begun, 'convergence' as both a business strategy and media buzzword has faded from view (Buckner, 2002). Nevertheless in the last eight years, Toronto's sports conglomerates continued to streamline their operations by vertically integrating commercial sports franchises and media businesses. MLSE, despite limited early success to date, committed to a long-term approach in the operation of LeafsTV and RaptorsTV (Lavers, 2004). At RCI, in a semantically interesting organizational structure, the Blue Jays as a business enterprise are operated within RCI's subsidiary, Rogers Media Inc. In September 2006, Rogers Media projected a $25 million (CDN) loss for the baseball operation in 2006. Tony Viner, CEO of Rogers Media, called these 'sustainable losses' and noted that RCI entered into sports team ownership because 'the feel-good feeling fans get from Blue Jays baseball amounts to an ''activation'' for the parent company' (Willis, 2006). Such a projected figure, of course, ignores the ways in which the Blue Jays generate other revenues for the parent corporation and provide losses that can be written off against the profits of other subsidiaries. For *Toronto Star* columnist Richard Griffin, the projected loss:

> was laughable. Baseball teams owned by media companies should not be allowed to issue isolated profit and loss statements . . . For the Jays to estimate a loss of $25 million is confusing to fans, outrageous to fellow owners and misleading to the union. (Griffin, 2006)

In the eight years since this research was first undertaken there have also been changes in the ownership and organization of Toronto sport that reflect these shifting business realities. But as the arrival of an MLS team, Toronto FC, in 2007 highlighted, the nature and impact of the sport oligopoly remains unchanged. The hype surrounding Toronto FC obscured the continued operation of the Toronto Lynx (who were relegated to a developmental league) and the existence of a women's team, the Lady Lynx, who have been all but ignored by Toronto's sport media. In addition to a soccer team, MLSE has added another hockey franchise to Toronto's sport scene, the AHL's Marlies. The 2004–05 NHL lockout spelled the end for the Roadrunners, who were relocated by their parent club to Edmonton to take the place of the NHL Oilers during the work stoppage. This left the publicly renovated Coliseum in Toronto without its prime tenant. MLSE responded by moving their AHL franchise from St John's, Newfoundland — where the club recently negotiated their own new publicly funded arena — into an arena for which MLSE bore no capital responsibility (*Stadia Online Bulletin*, 2002). In addition, a 2009 renovation of the Lakeshore Lions Arena into, in part, a practice facility for the Maple

Leafs, was a $33.65 million project that included only a $5.5 million investment from MLSE (Lakeshore Lions Arena, 2008).

This is only one example of the increasing consolidation of sport team ownership in Toronto among the members of the oligopoly. In January 2004, RCI acquired the outstanding 20 percent of the Blue Jays to take 100 percent control of the baseball franchise. Later the same year, RCI purchased the club's stadium, SkyDome, and renamed it the Rogers Centre (CBC News, 2004). RCI thus gained control of the largest entertainment venue in the city, a facility built in 1989 by $562.8 million in public funds, for a capital outlay of $25 million (Kidd, 1995). Rogers Centre has negotiated a new lease agreement with the football Argonauts, whose new owners since November 2003 — David Cynamon and Howard Sokolowski — have demonstrated closer ties to the sports elite (CBC Sports, 2003). Finally, in December 2005, BCE Inc. sold the majority of its stake in BGM to Torstar Corp. (another media company) and OTPP (its MLSE partner), an off-the-sports pages transaction that consolidated the sport-media conglomerate that controls MLSE (CBC News, 2005).

Lastly, in late 2010, Torontonians elected a new mayor, Rob Ford, whose right-of-centre positions contrasted with those of his progressive predecessor, David Miller (who had succeeded Mel Lastman), and who, as a part-time football coach, is seemingly embedded in a masculinist sport culture. It was another reminder for Toronto sports consumers that the business and political press is as important to them as the boxscores.

Added to the original paper in 2011

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1. INTRODUCTION

Tuesday, 11 February 2003, was a busy day for reporters on the Toronto sports beat. On the grounds of the 130-year-old Canadian National Exhibition, in the recently renamed and soon-to-be refurbished Ricoh Coliseum, Kevin Lowe, executive vice president and general manager of the Edmonton Oilers hockey team, had an announcement to make. Despite the opposition of the local Maple Leafs, the Oilers are moving their farm team to Toronto, beginning in the fall of 2003, where they will operate as the Toronto Roadrunners. Normally, this would be a major news story in the hockey-mad Toronto market. Lowe's announcement, however, received virtually no coverage in the local media.

This was because ten minutes east along Toronto’s lakeshore what was apparently the biggest off-ice hockey story of the year was breaking at Air Canada Centre. Steve Stavro, controlling partner of Maple Leaf Sports and Entertainment Ltd. (MLSE), which in turn owned the Maple Leafs hockey team, Raptors basketball franchise, and the clubs’ home arena, Air Canada Centre, was making a long-anticipated announcement of his own. Stavro was selling his interest in the team. National media conglomerate Bell Globemedia (BGM) was converting Stavro’s loan debts into an equity stake in the operation, another partner in the consortium, the Ontario Teachers’ Pension Plan (OTPP), was increasing its overall equity position to 58%, and minority owner Larry Tanenbaum was assuming operating control. It was harder to speculate which development—BGM’s entry into franchise ownership or Tanenbaum’s emergence as the group’s public face—was more significant.

All of this may have seemed important news for a hockey club whose owners since Conn Smythe purchased the franchise in 1927 could quite literally be counted on one hand. More jaded observers, however, weren’t so sure. *Globe and Mail* columnist Jeff Blair was quick to characterize this transaction as little more than a “boardroom shuffle” (Blair, 2003: S3).

A week earlier, *Globe and Mail* columnist William Houston, in his weekly chronicle of sport's 'winners' and 'losers', had noted Tanenbaum's success was on the horizon (Houston, 2003). Indeed, with a 13% ownership stake—the smallest of any of the consortium's partners—Tanenbaum now controls a sports entertainment conglomerate with an estimated net worth of $1 billion (CDN). What's more, he is rumoured to be interested in adding the Toronto Blue Jays baseball club to MLSE's holdings (Blair, 2003). What was perhaps more telling in Houston's column, however, was his inclusion of Ted Rogers, CEO of Rogers Communications Inc. (RCI), which is the primary owner of the Toronto Blue Jays baseball club, in the list of weekly 'losers'. Houston acknowledged publicly what had become increasingly clear behind the scenes of Toronto's primary professional sports franchises, that Rogers' "dream of partnering MLSE with his Toronto Blue Jays seems dead" (Houston, 2003: S4).

Since purchasing the Blue Jays in 2000, Rogers has positioned himself to control—through both direct ownership and the operations of his media firm—the sports marketplace in Toronto. Stavro's departure as head of MLSE and Tanenbaum's emergence into the public spotlight makes that goal, on the surface at least, less tenable. This is not to suggest, however, that two camps—Rogers' and Tanenbaum's—are waging battle over the control of professional team sports in Toronto. In many ways, just the opposite is true. As this paper will outline, there are a number of connections between Rogers, Tanenbaum, and other key players in the Toronto sports marketplace. These linkages include those that are both overt and public and those that are somewhat concealed. It is far more important to reveal these connections and illuminate their consequences for consumers in Toronto than it is to construct a fictitious battle for ultimate control of Toronto's sports franchises. Regardless of who publicly controls the various pro sports franchises in Toronto, men (indeed, almost exclusively men) such as Rogers and Tanenbaum and the interests they represent will no doubt be well served. As a starting point, take note of one more recent item from the off-field sports news in Toronto. Four months before the reorganization of MLSE, in October 2002, a public outcry erupted when it was learned that over $10 million (CDN) in provincial tax relief had been silently been granted to professional sports teams in Ontario.[1] Of the affair, *Toronto Star* columnist Dave Perkins observed:

> What a surprise that, months later, the news comes out and that the usual suspects—Ted Rogers, Paul Godfrey, the Grocer, Dale Lastman, doubtless Rod Bryden, who's always around when begging is involved—are the ones who will benefit. Draw up a list of board members of these teams and a list of close friends and campaign contributors to the Harris (and now Eves) governments and notice how similar the lists would be (Perkins, 2002: B3).[2]

What follows is a case study of the ownership groups of pro sports franchises in Toronto and their linkages to the city's economic and political elite, which further confirms both Perkins' assessment and Blair's characterization of the sale of Stavro's interest in MLSE as a "boardroom shuffle". In a 1975 study, *The Canadian corporate elite: An analysis of economic power*, Wallace Clement noted that access to political and economic power was tightly held in Canada by a small elite who operated 113 dominant corporations (Clement, 1975). Not only did this elite evidence strong interlocks, it was also well connected with a distinct, but clearly not separate, media elite. The present study will demonstrate that this elite has moved into the ownership of sports entertainment assets in Toronto at heretofore unprecedented levels, and expanded their model of interlocking power interests (including links with media outlets) to include the control of pro sports franchises. It will be shown that, despite the appearance of increasing consumer options, two ownership groups—MLSE and the Rogers' Blue Jays group (hereafter referred to as RBJ)—dominate the sports marketplace. Furthermore, rather than operating in a truly competitive environment, there is evidence of strong links between these two groups.

This introduction is followed by a brief outline of the research study and a review of the relevant literature. The subsequent three sections form the core of this study. They include: (a) a thorough cataloguing of the professional sport franchises in Toronto; (b) an examination of the two ownership groups—MLSE and RBJ—that dominate the marketplace; and (c) a detailed look at the 47 men who comprise what is termed here the 'Toronto sport elite' and the interconnections that exist between them. Finally, this paper concludes with a consideration of the implications these linkages have both for the structure of sport in Toronto and for the choices available to sports consumers in the city. At its core, this study will attempt to address what Gruneau calls the "accompanying problems of the differential resources available to define and structure sport itself" (Gruneau, 1983: 93). Or, in other words, in a city where three sports teams—run by two corporations—dominate the marketplace, who defines what consumer sport is? How it's enjoyed? And who can afford it?

2. SUMMARY OF STUDY

> The field awaits a detailed historical study of the political economy of professional sports as well as data on the extent of cross-ownership among the spheres of sports, media, and commerce (Jhally, 1989: 80).

Over the past decade, as the cross-ownership trend in professional sport has accelerated, scholars in Canada have taken up Sut Jhally's call to arms. Chief among the efforts to examine the ownership of Canadian professional sports are studies by Beamish (1991) and Harvey, Law, and Cantelon (2001). These studies outline ownership patterns among professional sports teams, but do little to fully explore the integration of sport franchises within broader corporate structures. While these studies make important contributions to the examination of cross-ownership in professional sports, little work has been done to explore the relationships between teams and their partners (media, corporate sponsors, etc.) at the board level. Moreover, existing research has not yet examined the "hidden" links—social, political, or otherwise—that may exist between members of these boards. This case study of professional team sport in Toronto is an initial attempt to expose some of these linkages.

Beamish (1991) identifies four key factors in his analysis of the corporate ownership and control of Canadian National Hockey League (NHL) teams. He privileges the type of ownership and the distribution of shares over an examination of the corporate interlocks and the backgrounds of corporate directors. Yet, as the professional sports industry in Canada evolves, these final two factors—more subtle linkages—become as important as the relationships created through direct ownership.

The evolving nature of sport franchise ownership in the last decade highlights the need to bring these factors identified by Beamish to the forefront of current research efforts. The recent acquisition of the Toronto Blue Jays by RCI, the move in 2001 by the Toronto Maple Leafs and Toronto Raptors to launch their own digital television services, and BCE Inc.'s (through its subsidiary BGM) purchase in 2003 of a 15% equity stake in MLSE are indicative of the increasing interconnectedness between professional sport and the media in Toronto. These linkages are contributing factors to the growth in the number of franchises in Toronto, as media outlets look to enhance their sport content. In the greater Toronto area, for example, the number of professional sports teams in the marketplace increased from 4 in 1995 to 24 in 2003. Despite this enhanced breadth of sport product offerings, as has been mentioned evidence in the popular press suggests that ownership in the marketplace is dominated by two groups: RCI and MLSE.

Purpose and Objectives

The major purpose of this research project is to conduct an examination of the nature, structure, and interconnectedness of professional sport franchise ownership in Toronto. This study: (i) outlines the composition of the board of directors of each professional franchise in Toronto within six selected team sports; (ii) determines the extent to which these franchises—either through ownership connections or more subtle links at the board level—are integrated into larger corporate and media conglomerates; and (iii) assesses the implications of such connections on franchise business practices and for consumers.[3]

Methodology

This project employed a variety of methodological approaches, including document research and analysis, online research and analysis (of both media reports and publicly available corporate information), unstructured interviews, and fieldwork (conducted in June, July, and October 2002). Each of these methods was used where appropriate in the three stages of research: (i) gathering data on the nature of professional sport team ownership in Toronto and the composition of boards of directors; (ii) determining the linkages that exist between teams and between board members; and (iii) assessing the nature and implication of any cross-ownership connections.[4] (*Who's Who in Canada* was also an invaluable resource in gathering biographical data on MLSE and RBJ board members, as well as other selected individuals.)

It is important to note at the outset that, for the purposes of this research, professional sport is defined, in economic terms, by the outputs of the commercial process and not the inputs. That is to say, a “professional” sport franchise is not defined as a sports team that pays its players for their labour. Rather this research is concerned with what might be more appropriately termed “commercial” sport. Focusing on franchises that sell their sport products and compete for spectators—even those with ostensibly “amateur” participants (e.g., Ontario Hockey League major junior franchises)— allows this research to more fully capture the breadth of sport consumables in Toronto.

3. REVIEW OF LITERATURE

The focus of this study is not just the ownership of professional sports franchises in Toronto, but more generally an examination of the people and organizations who exercise political and economic power, their linkages, and their connection to sport franchise ownership interests. This positions Wallace Clement's *The Canadian corporate elite* (1975) as an excellent starting point. Following on John Porter's work on the intersection of social class and economic power in Canada—what Porter termed the 'vertical mosaic'—Clement noted that access to political and economic power was tightly held in Canada by a small elite of 113 dominant corporations. These corporations all operated in one of five industries: finance, trade, manufacturing, mining, and transportation/utilities. The importance of this industrial concentration went beyond the sheer economic power these corporations wielded, because as Clement noted it obscured "the fact that at the top a small number of people with common social origins, common experiences, and common interests oversee the direction of economic life" (Clement, 1975: 125). Moreover, among the 113 companies in his study, Clement found 1,848 interlocking directorship positions.

Beyond interlocking boardrooms, Clement identified other important links between the directors—all men— of these corporations, the group Clement labelled the "Canadian corporate elite". For example, private school attendance was common, and the elite included a number of alumni of Toronto's Upper Canada College. Membership in one of Canada's exclusive men's social clubs, a number of which (e.g., the Albany, National, Toronto, and York clubs) are in Toronto, was also typical. These men interacted on the boards of hospitals, foundations, and other charitable organizations. Clement also noted that the corporate elite often had ties to one of Canada's two major political parties.

Finally, Clement identified a media elite, distinct from the economic elite, that controlled the 15 dominant media complexes in Canada. The same gender, class, ethnicity, and private life ascriptions that he found among the economic elite were also present in the media elite. What's more, definite interlocks existed between the media and corporate elites: “49 per cent of the media elite are also members of the executive or hold directorships in one of the 113 dominant corporations in the economic sector” (Clement, 1975: 325). Clement notes that the power of these interconnections lies in the media’s ability to protect and indeed normalize positions beneficial to the elite. He cites a 1970 report of the Special Senate Committee on Mass Media that concluded: “It is apparent that it is possible in the communications media for conglomerate owners to be employed—either directly or indirectly—to further or protect the other interests of the conglomerate. In Canada, there are a number of such conglomerates with extensive interests in the mass media” (Clement, 1975: cited on 291).

Dobbin (1998) reaffirms Clement’s notion of interlocking elites, though he is primarily interested in the power, influence, and impact of multinational corporations. In the Canadian case, he points to the Business Council on National Issues (BCNI) as an institutionalized lobbying and public relations agency for the corporate elite in Canada. Buttressing the influence of the BCNI are right-wing think tanks—which appear intellectually neutral on the surface but act to legitimize the policy initiatives of corporate Canada—such as the Fraser Institute and the C.D. Howe Institute. Of the latter, Dobbin writes: “Its membership is dominated by the same Canadian corporate heavyweights that dominate the BNCI … Its board of directors, like the corporate sector it promotes, is dominated by the financial sector” (Dobbin, 1998: 180).

Gruneau (1983) was among the earliest sport scholars to pick up on the notion of interlocking elites and extend an analysis of the ties between corporate North America and sport ownership into the boardrooms. He notes that, with the increasing importance of television both as a source of revenue for sports franchises and as an audience aggregation mechanism for advertisers, certain industries were drawn to sports ownership. In the Canadian case he highlights the beer industry: Carling O’Keefe and the NHL Nordiques, Molson’s and the NHL Canadiens, Labatt’s and the baseball Blue Jays. Helmes (1981) also outlines the ideological implications of the institutionalization of elite control of sport. But Gruneau goes beyond a simple analysis of shifting ownership patterns—although in a theoretical rather than an empirical fashion—and moves toward making the connections suggested by Clement, when he notes that:

> The lines of power and control in commercial sports are becoming even more closely tied to Canada's corporate elite and its structural alliances with American capital…Boards of directors of most Canadian professional sports teams … maintain readily identifiable ties with indigenous Canadian capital in the areas of finance, trade, the goods and beverage industry, and transport and communications (Gruneau, 1983: 89).

Within the more specific literature on sport ownership are studies that share a number of general characteristics. They have tended to isolate individual sports, rather than looking for cross-ownership patterns across different sports, and have highlighted the historical influence of individual owners, rather than the increasingly corporate nature of modern sport team ownership. To focus on one sport in particular, hockey, there is a considerable literature on NHL team ownership. (Similar literatures, of varying breadths, exist for the other major North American professional sports. For example, Quirk and Fort (1999) provide a recent popular analysis of ownership in professional sport.) The literature on hockey has focused on the role played by individual owners such as Conn Smythe and James Norris in the 1920s, 1930s, and 1940s as the NHL consolidated its hold on the hockey marketplace (see Cruise and Griffiths, 1991; Gruneau and Whitson, 1993; and Kidd, 1996). There have been critical appraisals of the contributions these individuals made to the creation of the NHL's "cartel" power (see Kidd and Macfarlane, 1972). Nevertheless, even an examination of the ownership conditions in the modern NHL—Silver's (1996) chronicle of the demise of the Winnipeg Jets, for example—focuses on the role of individual actors and extracts the Jets and professional sport in Winnipeg from the larger context of a North American sport oligopoly.

In expanding upon the traditional economic explanation for the NHL's success (see Jones, 1976a, 1976b), Mills (1991) demonstrates how an historical perspective of individual entrepreneurial hockey franchise ownership can be applied to the modern NHL. Eschewing theoretical approaches that might produce a broader interpretation, Mills instead favours an entrepreneurial model of corporate capitalism that emphasizes what economic historian Alfred Chandler has called the "visible hand of management".

This approach enables Mills to compare the ownership styles of Conn Smythe (who effectively controlled the Toronto Maple Leafs from 1927 to 1961) and Peter Pocklington (Edmonton Oilers, 1980s). Neither man, according to Mills, was a pure profit maximizer, each opting instead to maximize utility by combining a profit motive with the pleasure and status that accompanied owning an NHL team. Despite their similarities, Smythe and Pocklington operated in vastly different markets. Mills acknowledges this by noting that: “The Oilers are closely related within Pocklington’s larger financial empire, and profits from the hockey team are important to his other ventures” (Mills, 1991: 193).

Rather than representing a continuation of the type of individual owner common to sport team ownership, Pocklington’s Edmonton Oilers were emblematic of a franchise that was but one asset within a larger corporate structure. In the modern professional sports environment, Harvey, Law, and Cantelon (2001) note that franchise operations are incorporated into “corporate strategies that focus on the types of leverage sports teams can supply to other assets in owners [sic] portfolios” (Harvey, Law, and Cantelon, 2001: 437). Moreover, “Sports franchises are no longer marginal assets, nor are they assets that stand in isolation to the industries that surround them” (Harvey, Law, and Cantelon, 2001: 436).

Beamish (1991) begins a reevaluation of the parameters of professional sport team ownership with his analysis of the ownership structures of the seven (at the time of his study) Canadian NHL franchises. He identified three ownership patterns among these seven franchises: (i) individual or group control, e.g., Pocklington or Harold Ballard in Toronto; (ii) family control, e.g., the Molson family ownership of the Montreal Canadiens; and (iii) conglomerates. Beamish’s analysis brings the corporate nature of sport team ownership to the fore. Focusing on the “primacy” of the economic moment, and in contrast to Mills’ “visible hand of management”, Beamish notes that franchise owners are “businessmen first” (Beamish, 1991: 217) whose decisions are based upon bottom-line, economic considerations. Beamish concludes that, regardless of into which ownership structure a franchise can be placed, the corporate model of contemporary sport team ownership is pervasive: “The most important common feature is the fact that team ‘owners’ are not individuals at all. Each owner—even Harold Ballard and Peter Pocklington—is a large corporate entity with a diverse economic portfolio. The portfolios may differ in size and the importance of the hockey investment within each portfolio may vary, but the corporate nature of team ownership is clear and decisive” (Beamish, 1991: 216).

In describing conglomerate sport team ownership structures, Beamish uses Clement’s (1975) definition of a conglomerate as “a heterogeneous company, the product of either mergers or acquisitions, engaged in a variety of *unrelated* activities” (Beamish, 1991: 212, emphasis added). It is this final distinction—unrelated activities—that more recent studies have used as a starting point. Rather than sport teams being “unrelated” assets in a corporate portfolio, contemporary scholarship focuses on the interlocking nature of franchise ownership, with teams being integrated into broader corporate strategies. As Pitts (2002) details, within the popular business jargon of the 1990s, cross-ownership became part of a larger trend called ‘convergence’.

In extending Beamish’s analysis, Harvey, Law, and Cantelon (2001), examine the ownership structures of the franchises in the four major North American professional sports (i.e., baseball, basketball, football, and ice hockey). Their analysis focuses on the corporations, which they note operate predominantly in the media and entertainment sectors, that own these franchises. These corporations seek to integrate their sport properties into the promotional strategies of their core businesses and often have interests in franchises in more than one sport. These phenomena—sport franchises integrated *within* corporate business strategies and conglomerates owning more than one franchise—have introduced a new term into the business of professional sport: cross-ownership.

As part of their analysis of the involvement of media/entertainment corporations in sport team ownership, Harvey, Law, and Cantelon classify five types of cross-ownership: (i) teams that are owned by global media conglomerates; (ii) franchises owned by national media conglomerates; (iii) teams owned by corporations with assets in the media/entertainment sector, but into which the sport franchise is not fully integrated; (iv) teams owned by media conglomerates in the "new techonology" sector and into which the sport franchise is not fully integrated; and (v) franchises owned by media corporations that are local (or regional) in scope.

These different franchise acquisition models have created an oligopoly of sport-media/entertainment conglomerates that exercise control over professional sport in North America. The global conglomerates are more central to the workings of the oligopoly than their regional counterparts, but virtually all of the corporations identified by Harvey, Law, and Cantelon are connected to the oligopoly in some fashion. These interconnections are furthered by the arrangements that exist between members of the oligopoly. As Harvey, Law, and Cantelon note of Rupert Murdoch's media empire, News Corp (which owns, among other sports properties, major league baseball's Los Angeles Dodgers): "through several different joint ventures over time, News Corp has developed business with what is [sic] depicted as its rivals" (Harvey, Law, and Cantelon, 2001: 453).

The strategic advantages to cross-ownership and participation in the sport-media oligopoly have been the subject of a number of studies by scholars. Danielson (1997) offers as evidence the following comments from proponents of media-sport convergence: "We own the Nuggets because we're an entertainment company. We distribute entertainment. We package entertainment. We create entertainment" (Danielson, 1997: Comsat Video Enterprises executive commenting in 1995 [Comsat later bought the NHL's Quebec Nordiques and moved them to Denver], cited on 58); "Hockey is just another avenue to market the Disney product stream" (Danielson, 1997: financial analyst commenting in 1992, cited on 58).

Whitson and Gruneau (1997) observe that: "In the dynamic and more deregulated business environment of the 1990s, transnational and national corporate mergers, often across different sectors of the leisure and entertainment industries, can confer enormous advantages on corporate giants with the means to achieve a continental or global market presence" (Whitson and Gruneau, 1997: 362). They note that integrated corporations reap numerous benefits by including sports teams among their assets: increased access to capital; greater lobbying power with local governments; better developed and geographically more diverse marketing programs; and enhanced cross-marketing opportunities. In exploring this final advantage—the marketing opportunities afforded by cross-ownership— Harvey, Law, and Cantelon (2001) identify three reasons conglomerates choose to pursue a franchise acquisition strategy: (i) synergy, e.g., a conglomerate, News Corp, owns both the Los Angeles Doders and the Fox television network that broadcasts many of the team's games; (ii) integrated marketing, i.e., conglomerates can integrate marketing initiatives either horizonally or vertically across their assets; and (iii) circuits of promotion, where Whitson (1998) notes "different products in a large media empire are used to promote each other, as well as giving wider cultural presence to the corporate brand name" (Whitson, 1998: 59).

In pursuing strategies such as these, integrated conglomerates establish synergistic partnerships both within and beyond the boundaries of their corporate interests. Traditional sponsorship and advertising alliances between franchises and industries such as brewing, broadcasting, and sporting goods are one reason why, according to Whitson and Gruneau (1997), cross-ownership patterns have taken their current form. Sport franchises seek out not only corporate and media partners, but ties to the public sector as well. Little prior attention has been paid to the personal and professional connections of corporate board members identified in this study. But, in outlining the importance of public funds to the success of sport teams, Whitson and Gruneau hint at the need to further understand the connection between franchise boardrooms and political backrooms. Important trends in economic globalization—greater mobility of capital, new information technologies, more flexible work processes—have intensified what British geographer David Harvey calls the "entrepreneurial city": public "authorities feel more and more need to offer infrastructure and other incentives to attract new businesses—or just keep existing ones" (Whitson and Gruneau, 1997: 371). On a local level, these trends give franchises leverage as governments begin subsidizing sports teams for civic reasons, e.g., to attract industrial relocations. Whitson and Gruneau offer three reasons for spending civic money on pro sports: “the depth of popular appeal of major league sports, their alleged economic value, and their role as signifiers of civic prosperity and ambition” (Whitson and Gruneau, 1997: 372). The characterization of these economic benefits as “alleged” is a skepticism shared by commentators as ideologically diverse as Rail (2000) and the C.D. Howe Institute (Palmer, 2002).

A number of scholars have explored the impact that economic and cultural globalization and their accompanying oligopolies have had on the development of cross-ownership in sport (see Maguire, 1999; McKay and Miller, 1991; and Whitson, 1998). These processes also have an impact on local conditions. Bélanger (2001), for example, explores the impact of sport-media cross-marketing on the built environment in Montreal. The emergence of the integrated conglomerates—global, national, and regional—that comprise the oligopoly identified by Harvey, Law, and Cantelon (2001) has transformed the landscape of professional sport in Canada. A cycle of co-dependence exists, so that Whitson and Gruneau (1997) note on the one hand that municipalities offer a variety of financial incentives to sport franchises as a means of fostering an “entrepreneurial city” that will attract industry and economic development to the region; while, on the other hand, sport franchises rely on their partnerships with those same corporate and civic interests for their own economic survival. In the end, Whitson and Gruneau (1997) note: “Cities with growing economies and head offices will inevitably be the best markets” (Whitson and Gruneau, 1997: 374).

This research project expands upon this literature and introduces a nuanced analysis through a look at corporate structures across six sports in contemporary professional team sport in Toronto. It builds upon the findings of studies that have explored the nature of professional sport franchise ownership in Canada, specifically those of Beamish (1991) and Harvey, Law, and Cantelon (2001). In extending the investigator’s initial findings (see Field, 2001, 2002b), this research also takes up the challenge laid out by Beamish to explore the backgrounds of the directors of sport franchises and to investigate corporate interlocks between the directors and other companies, and pays particular attention to the patterns of interlocking elites identified by Clement (1975) and the ties to the public sector highlighted by Whitson and Gruneau (1997).

4. THE TORONTO SCENE: “CANADA’S MOST CROWDED SPORTS MARKET”

Before considering the landscape of the Toronto sports marketplace, it is important to highlight the choices made in mapping out this topography. A distinction—arbitrary, though not without rationale—has been made between “team” sports and “individual” sports. This study focuses on the franchises operating within six commercial team sports in the greater Toronto area. Beyond just a collection of athletes, by team sports I mean those where a series of home games is scheduled in advance, which spectators can attend. In most instances, spectators pay an admission fee, and can expect to be subject to sponsor advertising, in programs, over the public address system, through in-game promotions, or on the field of play. Operators of these events will also seek additional revenue through food and souvenir concessions.

Individual and tournament-format sports (which are often one and the same thing) are not considered in this research. Such sports would include auto racing, golf, tennis, triathlon, and perhaps professional wrestling, all of which usually make at least annual appearances in Toronto. Other excluded sports include athletics (track and field), boxing, curling, cycling, figure skating, and nordic and alpine sports, which make infrequent appearances on the Toronto sporting calendar. Finally, horse racing—both thoroughbred and harness—though it occurs regularly at the racetracks in and around Toronto is also not considered in this study.

The six team sports that are the focus of this study are: baseball, basketball, North American football, ice hockey, lacrosse, and soccer. Toronto has been called “Canada’s most crowded sports market” (Damsell, 2002: B11), and within these six sports Toronto can boast 14 teams, another two that recently ceased operations, and an additional 11 operating in the greater Toronto area (including the neighbouring cities of Brampton and Mississauga to the west, and Oshawa to the east). The franchises in these sports that have been considered in this research are outlined in Table 1.[5]

	Baseball	Basketball	Football	Hockey	Indoor Lacrosse	Soccer
Primary	Blue Jays	Raptors	Argonauts	Maple Leafs	Rock	Lynx
Second-ary	Maple Leafs (semi-pro)		Phantoms (indoor—defunct)	Roadrunners (begin play in Nov. 2003)		Thunder-hawks (indoor—defunct)
				Aeros (+ 3 regional teams)		
Tertiary				Majors (+ 3 regional teams)		4 CPSL franchises (+ 5 regional teams) (all semi-pro)

Table 1: The Toronto pro sports marketplace

Baseball: Blue Jays, Maple Leafs

A decade removed from back-to-back championships that helped justify the 'world' in World Series, the Toronto Blue Jays are the poster child for what ails Major League Baseball (MLB). Since baseball's last work stoppage in 1994, the Blue Jays have changed owners twice, played remarkably mediocre baseball with an ever-increasing payroll, in front of average-sized crowds (for MLB), in a cavernous, outdated (yet only 13-year-old) stadium, all in a city that in 1991 became the first to send four million fans out to the ballpark and that is too large to be labelled as 'small market'. In 2002, the Blue Jays had the 11th highest opening-day payroll of the 30 MLB clubs, the 15th best record, and the sixth lowest attendance (ESPN.com, toronto.bluejays.mlb.com). SkyDome, with a per game capacity of 50,516 for baseball, saw an average of 20,220 fans per game in 2002.

Despite past successes, both on the field and at the turnstile, the franchise consistently loses money. In 2002, the team reported a loss of $69.8 million (CDN) for the first nine months of the fiscal year. This came a year after the Blue Jays' operating loss of $83.3 million (CDN, or $52.9 million US) led MLB and was blamed on the impact the weak Canadian dollar (relative to the U.S. dollar) had on payroll costs, which have to be paid in American currency. In response, the team's majority owner, RCI, planned to advance the baseball team $55 million (CDN) in 2002 from its other operations (Livingston, 2002).

RCI purchased its 80% stake in the Blue Jays from Interbrew S.A. in 2000 for $112 million (US). The Belgian brewery had acquired the Blue Jays and the Canadian Football League's (CFL) Toronto Argonauts when it purchased the team's previous owner, the Labatt Brewing Company. Labatt's had been one of the strongest corporate supporters (and a long-time part-owner) of Toronto's bid to land an American League expansion franchise in 1977. Another key player in that effort was Paul Godfrey, then chair of Metro Council (a now-defunct municipal governing body in Toronto). Godfrey was named Blue Jays president by RCI upon its purchase of a controlling interest in the club. More attention will be given to the nature of RCI's ownership of the Blue Jays, the team's corporate partners, and RCI's other interests in the Toronto sports marketplace in a subsequent section.

In 2002, Blue Jays games were televised nationally on Friday nights by the Canadian Broadcasting Corporation (CBC: Canada's national public broadcaster), and regionally by both The Sports Network (TSN) and Rogers Sportsnet (RSN), Canada's two cable sport networks. At the start of the 2002 season The Team 1050 held radio broadcast rights, but the station format changed mid-season and the remaining Blue Jays games were broadcast locally by The Fan 590, which is owned by RCI. In 2003, CBC has no national Blue Jays telecasts scheduled. Instead, RSN will provide regional coverage of 120 games, and TSN will broadcast another 25. Fans will miss only 17 of the teams 162 games, most of these are either afternoon games (when low ratings and advertising rates cannot justify production costs) or early in the season (telecasts of these games would compete with the NHL playoffs and TSN has rights to broadcast early-round games). As a 'major' league team in the marketplace, the Blue Jays also enjoy regular coverage by beat reporters from all the local media outlets.

Alternatively, in Toronto fans of outdoor baseball, played on real grass, can choose to watch the local semi-pro team, the **Toronto Maple Leafs** (who inherited their name—though are not descended from—the one-time AAA International League team of the same name that dated from the 1880s). Owned by local businessman Jack Dominico, and managed by former major leaguer Tim Harkness, the Maple Leafs play in the 10-team (semi-pro) Intercounty Major Baseball League. With three recent Canadian-born major leaguers on their active roster, the Maple Leafs dominated the league in recent years and entered 2003 as defending regular-season and playoff champions. They play their home games at the municipally-owned Christie Pits. There is no admission fee, and fans sit on bleachers (three-rows deep) along the baselines or on the grass hillside. The crowd of approximately 300 on 30 June 2002 for the Maple Leafs' game versus the Brantford Red Sox was typical. Programs are distributed to those in attendance free of charge. These include advertising from a variety of both national and local firms, with VIA Rail and General Motors being the most prominent. The most consistent media coverage of the Maple Leafs comes from the daily *Toronto Sun*, which also advertises on the outtfield wall at Christie Pits.

Additionally, in November 2002, the fledging Canadian Baseball League announced its intention to start a new eight-team circuit in time for the 2003 season. The plan is to have two Ontario teams, London and Niagara, though none is scheduled for Toronto. As of this writing it was unclear whether the league would indeed start play in 2003, though two former major leaguers had been named managers of the London and Trois-Rivières franchises.

Basketball: Raptors

MLSE has owned the city's NBA franchise, the **Toronto Raptors**, since the corporation's creation in 1998. The Raptors have survived two previous ownership groups—led by Toronto businessmen John Bitove (who was part of Toronto's unsuccessful bid to host the 2008 Olympic Games) and Allan Slaight—to become a mainstay on the local sports entertainment scene. NBA basketball in Toronto has come a long way since the team inaugurated its first-ever game in cavernous SkyDome in November 1995 by opening the roof to vent smoke from pre-game fireworks, nicely chilling the thousands of fans in the upper deck, and by then at half-time handing out long, spongy noodles to the wrong end of the court so that Raptors' free-throw shooters spent the second half being distracted by their hometown fans.

Many media pundits have been skeptical of the Raptors' long-term chances for survival and attribute the franchise's early success to a combination of novelty in the marketplace, the fortuitous on-court arrival of stars such as Damon Stoudamire and Vince Carter, and the team's access to MLSE's marketing resources. Nevertheless in 2001-02, the Raptors made the NBA playoffs for the third straight year and sold out all but two of their 41 home dates, averaging 19,760 fans at Air Canada Centre (ACC), which seats 19,800 for basketball (Slam.ca). In 2002-03, fans not in attendance could watch all but 16 of the Raptors' 82 regular-season games on television. These were broadcast primarily on RSN (regional coverage of 45 games) and the Raptors own digital television service, RaptorsTV (14), as well as Global Television, part of the CanWest Global media conglomerate. In addition, each Raptors game was broadcast locally (and simulcast on the internet) by The Fan 590 and every major print, radio, and television outlet in the Toronto market has a beat reporter covering the team.

Finally, fans can follow the club through its website, raptors.com, which is part of the NBA's network of websites. The corporate partners of MLSE will be discussed below, but it is worth noting that the lead sponsor of raptors.com is TD Waterhouse, while another advertisement appearing on the site promotes the Government of Canada. The list of partner sites—which replicates the list of MLSE partners—includes Air Canada, Bell (BCE), Coca-Cola, The Fan 590, Ford of Canada, IBM, Molson's, Siemens, Sportsnet, TD Waterhouse, and the *Toronto Star*.

Football: Argonauts and Phantoms

As much as Torontonians flock to watch the Maple Leafs' continued failure to win a championship, fans have become increasingly less interested in the CFL's brand of football just as the local team, the **Toronto Argonauts**, have ended decades of ineptitude. From 1952 to 1983, the Argos' failure to win the Grey Cup, emblematic of CFL supremacy, was blamed euphemistically on the catch-all for incompetence that came to be know as "the Argo bounce". During the bleakest years in the late-1970s, it was not unusual for more than 40,000 fans to come out and watch their beleaguered team. Since 1991, however, the Argos have won three Grey Cups.

Nevertheless, as the club prepares to celebrate its 130th anniversary in 2003, success at the box office has not followed. A strategy of signing big-name American stars—which began in the 1970s with Joe Theismann, Anthony Davis, and Terry Metcalfe, and continued in the 1990s with the Wayne Gretzky ownership group importing Raghib 'the Rocket' Ismail before subsequent owners brought Doug Flutie to Toronto—has proven largely unsuccessful. In a marketplace inundated with NFL coverage, where the media constantly reminds Torontonians of their 'world-class-city' sensibilities, and where efforts—led most prominently by Blue Jays president Paul Godfrey—to attract an NFL franchise to Toronto continue, the Argos have been labelled as second-class. The club fights this stigma while continuing to play in SkyDome, which seats 53,000 for football. (The Montreal Alouettes, one of eight other CFL franchises, by contrast, vacated the expansive Olympic Stadium for the more intimate, outdoor confines of Molson Stadium on the campus of McGill University, which seats 20,000, is regularly sold out, and is now scheduled for a 5,000-seat publicly funded expansion.)

In 2002, the Argos averaged 20,539 fans for their nine-game home schedule. Of their 18 regular-season games, 14 were televised nationally; four by CBC, ten by TSN.[6] The Argos have no local television deal (no CFL team does), though each of the team's games is broadcast locally on radio station MOJO 640, and the team is well covered by the local print, radio, and television media. The Argos are the only major pro sports franchise in Toronto (knowingly disregarding the soccer Lynx) without a connection to the major sport-media oligopoly that controls commercial sport in the city. The club's website, argonauts.ca, confirms the primarily local nature of the team's corporate partnerships—and highlights the Argos' lack of connection to the Toronto corporate sport elite: Budweiser, ProLine (government-operated sports gambling lottery), Pizza Pizza (local fast food chain), Sportcheck (retail sporting goods chain), Chrysler Dodge, Fritos, Discount Car & Truck Rentals, VIA Rail (government-operated passenger railway), Joe Badali's (local restaurant and bar), and Tissot Watches.

Sherwood Schwarz owns the team. An American who resides in New York, he has little influence over affairs at SkyDome, where the Blue Jays remain the primary tenant. Under Schwarz's leadership, the club has sought to promote itself to the local market by making each home game an event. This follows the pattern established in the early-1990s under the ownership of Bruce McNall, Wayne Gretzky, and John Candy. In 2002, the Argos hired local theatre impresario Garth Drabinsky to organize these promotions. But even a heavily-promoted halftime appearance by Muhammad Ali and a number of other sports starts (the loudest cheers after Ali, were reserved for Maple Leafs' captain Mats Sundin), only resulted in a crowd 4,393 fans greater than the club's 2002 average regular-season attendance. Indeed, the club's insistence on playing in SkyDome, its history of signing U.S. stars as a way of building a fan base, and Toronto's proximity to the NFL market in Buffalo, leave the Argos out of step with the low-budget, community-based teams that are successful elsewhere in the CFL.

For two seasons, the Argonauts were not the only option available to Toronto fans interested in purchasing tickets to watch live football. The ACC played host to the Arena League brand of indoor football, in the form of the **Toronto Phantoms**. The team arrived in Toronto after its ownership group spent $7 million (US) to acquire the New England Sea Wolves franchise. But in its two-year existence, the renamed Toronto Phantoms had operating losses of at least $4 million (CDN) [Lefko, 2002]. RCI was the team's majority owner (52%), with the remaining 48% owned by a consortium of 15 additional partners. The Phantoms were operated by president Rob Godfrey, son of Paul, who is president of the Blue Jays, also owned by RCI.

The Phantoms played a seven-game home schedule at the ACC, which is owned by MLSE. Some of these games were telecast on RSN, while all games were broadcast on the local radio station MOJO 640, whose sister FM station in Toronto, Q107, was a Phantoms' partner and sponsored the team's scantily-clad cheerleading squad. Other sponsors included the *Toronto Sun*, Federal Express, Budget Car Rental, and Pizza Pizza. However, the lead sponsors on all Phantoms' promotions and programs were Rogers (RCI) and Coors Light (a brand of beer produced under license in Canada by Molson). RCI's ownership of the Phantoms may have given the club access to corporate partnerships they may not otherwise have been able to obtain, but it also gave RCI the opportunity—at the Phantoms' game versus the Buffalo Destroyers on 13 June 2002, at least—within an MLSE facility, to promote ticket sales for upcoming Blue Jays' games at nearby SkyDome.

In their two seasons at the ACC, which seats 18,800, the Phantoms averaged 6,948 fans to their 14 home games. At the time of the team's folding, Rob Godfrey noted that the club needed to average between 10,000 and 12,000 fans per game to break even (Phantoms, 2002). Despite this, poor attendance was not the only reason for the club's ultimate demise. The league's new national television contract in the United States with NBC necessitated one club folding so that a balanced schedule could be created. But more importantly, NBC wanted to shift the Arena League schedule from April to August back to February through June. This meant the Phantoms would have to compete directly with the MLSE Maple Leafs and Raptors not only for fans but also for open dates at MLSE's ACC. As Rob Godfrey noted: "It also became tough to get ideal dates at the Air Canada Centre" (Phantoms, 2002). The rise and fall of the Phantoms, though seemingly a blip on the Toronto sports radar, will be considered in more detail in a subsequent discussion of the links between MLSE and RBJ.

Hockey: Maple Leafs, Roadrunners, et al

The hockey **Toronto Maple Leafs** are the standard bearer for Toronto sports franchises. In a city where fans, fueled by the media, panic if the club's goalie has a bad game in the first week of the season, the Maple Leafs still sell out virtually all of their home games 35 years after their last championship. The Maple Leafs are the descendants of one of the two remaining franchises from the National Hockey League's (NHL) inaugural season, 1917-18 (Montreal's Canadiens are the other). After 67 seasons at their fabled home, Maple Leaf Gardens, the team moved into a brand-new, modern (read, luxury box-equipped) facility, the ACC, in 1999.

A new arena in a hockey-crazed marketplace helped the Maple Leafs rank fourth in NHL attendance in 2001-02 with an average crowd of 19,279. But in the ACC, with a seating capacity of 18,800 for hockey, the Maple Leafs led the league by averaging 102.5% of capacity (thanks to standing-room-only customers). Through 30 home games in the 2002-03 season, the Maple Leafs were averaging slightly smaller crowds at 19,196 fans per game, but were still above the ACC's capacity (ESPN.com).

Those fans who cannot obtain (or afford) a ticket follow the Leafs through the media. Since the birth of television in Canada in the 1950s, the Maple Leafs have been a staple of national Saturday night telecasts on CBC's "Hockey Night in Canada".[7] Every one of the Maple Leafs' 82 regular-season games is broadcast on television, with the mid-week games divided between RSN, TSN, and CKVR, a local broadcaster. (CBC broadcasts every one of the Maple Leafs playoff games, regardless of the day or time.) The team also launched its own digital television network, LeafsTV, in 2001, which (along with sister network RaptorsTV) cost MLSE $6 million (CDN) in development costs (Bay Street, 2001). Finally, MOJO 640 offers radio broadcasts of every Maple Leafs game, and no sports team in the Toronto market receives more daily newspaper coverage.

MLSE owns the team and the arena, along with the Raptors basketball franchise (as well as Maple Leaf Gardens). Formed in 1998, MLSE was the result of a takeover by Maple Leafs' principal owner Steve Stavro (a local grocery store magnate) of the Raptors' ownership group and its arena construction project. MLSE acquired the Raptors and the as-yet-unbuilt ACC project in 1998 for between $450-500 million (CDN), having already bought the assets of Maple Leaf Gardens Ltd. (which owned the hockey franchise and the eponymous arena) for $175 million (CDN) [Bay Street, 2001]. Until February 2003, MLSE was owned by Maple Leaf Gardens (MLG) Holdings Ltd. (51%) and the Ontario Teachers' Pension Plan (OTPP: 49%). MLG Holdings, in turn, as the controlling shareholder in MLSE was owned by a three-party consortium: Stavro (55%, which gave him controlling interest in the entire operation), Larry Tanenbaum's Kilmer Sports Inc. (25%), and TD Capital, a subsidiary of Toronto-Dominion Bank (20%). As stated previously, on 11 February 2003, the ownership of MLSE was restructured and Tanenbaum assumed leadership of the consortium's day-to-day interests. The details of this restructuring, and a discussion of MLSE's corporate partners, follow below.

The newest entry on the Toronto pro hockey scene is the **Toronto Roadrunners**, the American Hockey League (AHL) affiliate of the NHL's Edmonton Oilers. Located just down the street from the ACC, the team starts play in the 2003-04 season and is aiming to compete directly with the Maple Leafs on the affordability and availability of tickets. The Roadrunners are owned and will be operated by Coliseum Renovation Corp. (CRC). A private company, CRC's largest shareholder and the public face of the company is a group of five men who own 40% of the company. This group includes Lyle Abraham, an Edmonton oilman (president of Rig Service Tools Ltd.) who owned the franchise rights for the Phoenix Roadrunners, who vacated Arizona when the Winnipeg Jets were relocated to become the Phoenix Coyotes in 1996, and who subsequently held on to them until their rebirth in Toronto. Abraham's group also includes four Toronto lawyers, headed by Ernie Coetzee, the Roadrunners' president. The remainder of the CRC shares, according to David Garrick, Director of Public and Media Relations for the Roadrunners, are split between the City of Toronto (30%) and the Ontario Municipal Employees' Pension Fund (30%) (personal communication, February 20, 2003).

The Roadrunners' inauguration is premised on a $38 million (CDN) facelift being given to the 80-year-old Coliseum. Located on the grounds of the Canadian National Exhibition (CNE), and for years known most prominently as the host facility of the annual Royal Winter Fair in Toronto, the Coliseum will be the Roadrunner's home arena. A deal with the city gives CRC a 49-year lease on the facility. In turn, CRC has negotiated a 49-year agreement with the Oilers to locate their farm team in Toronto. Garrick states that the Coliseum renovation was being financed through a $9 million (CDN) *loan* from the city of Toronto and $29 million (CDN) of capital raised by CRC. A number of published reports, however, dispute these details, stating that the city of Toronto has supplied CRC with a $9 million (CDN) *grant* and a $20 million (CDN) loan guarantee. There is also some debate as to where the remaining capital for the immediate renovation will come from (Cook, 2003). Cook notes that the $10 million (CDN), 10-year building naming rights deal with office equipment manufacturer Ricoh will supply this capital, while a report in *Stadia* magazine claims that: "Under the terms of the deal, CRC will receive a CanD9m grant from the city and a CanD20m loan guarantee. Another CanD9m will be loaned to the developers by the Ontario Municipal Employees [sic] pension fund" (Toronto's minor league, 2002).

The renovations to the Ricoh Coliseum will result in a facility that seats 10,000 for hockey (increased from its current seating of 6,000), and 11,000 for other events, which as we will see is not an insignificant consideration. The Roadrunners' goal is to sell 5,000 season's tickets and the licenses to 1,100 club seats before the team first takes the ice on 1 November 2003. As of February 2003—more than eight months before the first game—the Roadrunners had already sold 24 of the Coliseum's planned 38 suites and had a season's ticket waiting list of 600 (D. Garrick, personal communication, February 20, 2003). According to Garrick, the club's break-even attendance figure will be approximately 3,500 (other published reports have put this number at 4,000 [Cook, 2003]). The new Coliseum will also include a state-of-the-art sound system, scoreboard, and amenities, which may explain the city's interest in contributing capital (or loan support) to this deal and taking an equity position. Toronto Councillor Chris Korwin-Kuczynski has been reported as observing: "Here's a win-win situation for the public. Even if the team folds, the city gains a new arena" (Pointon, 2003: p. 3).

When rumours of the Oilers' interest in moving their AHL farm team from Hamilton to Toronto first surfaced in the media early in 2001, it became clear that MLSE was opposed to the franchise shift.[8] Interestingly, the Maple Leafs' opposition—and the club apparently threatened to limit its extremely profitable, twice-a-season road trips to Edmonton—was not related to any competitive fears over their hold on the Toronto hockey market. Rather, the Maple Leafs were not interested in the Coliseum being renovated so that for the over 300 evenings each year that the building is not hosting a hockey game it could compete with the ACC as a potential venue (Koshan & Hornby, 2003). Indeed, Garrick makes clear CRC's interest in the Coliseum: "We're not competing with the Leafs, but we'll definitely compete with them for other events" (personal communication, February 20, 2003). He notes that the rental cost for the Coliseum will be significantly cheaper than the ACC. Already, according to Garrick, CRC has booked 150 events for the year following the building's opening. With these events, CRC is no doubt hoping to attract corporate partners, a list that currently includes Ricoh. Also, the club will looking for media exposure. According to Garrick, RSN has agreed to televise 10-12 games per year, other networks, such as local station VR have been approached about the remaining games, and talks have begun with radio station The Fan 590 concerning radio broadcasts.

The **Beatrice Aeros** and the National Women's Hockey League (NWHL) are hoping to capitalize on the increasing visibility and popularity of women's sports. The NWHL features 10 teams, located across Canada and divided into three divisions. All the teams in the Central Division—including Brampton, Mississauga, and TELUS—are within the greater Toronto area, while the Aeros, sponsored by a local dairy and based in North York (in northern Toronto), are the closest to being 'Toronto's NWHL team'. Soon to be known as the Toronto Aeros, the team is owned by Colin Mackenzie, a sales manager for a local optical firm, who helped found them 20 years ago.

The Aeros play their home games at the Beatrice Ice Gardens on the campus of York University. The arena has a capacity of approximately 1,200-1,500. According to Don Heys, Aeros' general manager, against the better teams in the NWHL the Aeros usually draw a crowd of about 500-1000, but against weaker opposition that number can be as low as 50. For a strong team such as Calgary, which only travels to Toronto once a season, the Aeros "fill the place" (D. Heys, personal communication, February, 19 2003). Players are not paid, and the $5 (CDN) admission to Aeros' games goes towards offsetting the team's expenses, which have tripled in the last three years primarily due to travel expenses as the NWHL has expanded nationally and lengthened its schedule.

Five years ago, the Aeros worked out a sponsorship agreement with Beatrice, a dairy products firm. The five-year agreement called for Beatrice to be the team's lead sponsor, and appear in the team name. The agreement expires in 2003, and the NWHL has instituted a new rule prohibiting teams named after sponsors (which affects only the Aeros and the TELUS Lightning). So, as of 1 June 2003, the team will be known as the Toronto Aeros. In addition, Beatrice has been bought by the Italian firm Parmalat, one of the world's largest dairy food producers, which has no interest in continuing to sponsor women's hockey and is folding the Beatrice brand. So, also in June 2003, the Aeros will announce a new lead sponsor. (An agreement has been reached, according to Heys, but the identity of the new sponsor remains confidential.) Besides Beatrice, the Aeros are currently sponsored by VIA Rail and Binns (a local kitchen and bath supply company). The Aeros get little media coverage, but the NWHL has an agreement with WTSN (the women's sports brand of TSN) to televise three games in 2003 (the league's playoff semi-finals and final).

Finally, Toronto hockey fans can also choose to watch the best junior-age players in the province compete in regular Ontario Hockey League (OHL) games. The OHL is one of the feeder systems for professional hockey, and is one of the trio of elite major junior leagues within Canada. Players generally range in age from 16 to 20. The OHL has 20 teams in four divisions, including three in the United States. As with the NWHL, the OHL has three franchises (Brampton, Mississauga, and Oshawa) located in the greater Toronto area and one (the **St. Michael's Majors**) within Toronto.

The Majors play out of St. Michael's College School Arena on the campus of St. Michael's College School, an elite private Catholic (Basilian) boys' middle and high school in Toronto. The team was owned and operated by the school upon its rebirth for the 1997-98 season (a club of the same name with the same affiliation folded in the 1960s). In August 2001, however, the team was purchased by Eugene Melnyk. A St. Michael's College alumnus, the 42-year-old Melnyk, is ranked by *Forbes* as the eighth-wealthiest Canadian and the 234th wealthiest person in the world (with a net worth of $1.8 billion [US]) [Forbes, 2002]. He resides year-round in Barbados, but is the founder and CEO of Biovail, Canada's largest publicly traded drug company.

The St. Michael's College School Arena has a capacity of 1,617 and, though the team does not publicize its attendance figures, they average approximately 1,000 fans per game (E. Michalko, personal communication, February, 19 2003). One reason the team does not announce its attendance is because, given the size of the arena (which was built in 1961), even a sellout would give the appearance of being a meagre crowd. The Majors play in the smallest arena in the league and sister franchises such as London, Ottawa, Barrie, and Mississauga all have large, modern facilities. This is the reason why, when Melnyk purchased the Majors, it was "To the delight of many … [that he] … expressed his intentions for a new facility" (A new owner, 2003: 1). Rumours circulated of a new 6,000-seat arena on the former Canadian Armed Forces base in Downsview, in northwestern Toronto, as Melnyk stressed his commitment to build a new facility (Koreen, 2001). Eighteen months later no plans for a new arena have been made public. Those fans who cannot make it into the arena for a Majors game may follow the team in the local press or on Rogers' local cable station, which is televising 25 of the team's games in 2002-03. On-line the Majors boast an impressive array of corporate sponsors: MasterCard, Government of Canada, Rogers Television, TSN, and Molson Inc.

Lacrosse: Rock

One of the hottest sports tickets in town is the National Lacrosse League's (NLL) **Toronto Rock**. Success on the field has helped. They Rock won the NLL title in each of their first two seasons (and again in 2002). They lost the championship game in their third season, but the game was played at the ACC in front of a sellout crowd of 19,409. The Rock arrived in Toronto in September 1998, after the Ontario Raiders were bought and moved from nearby Hamilton, Ontario.

Team president Brad Watters, the son of Maple Leafs' Assistant to the President Bill Watters, runs the team. Father and son, as well as Maple Leafs' player and fan favourite Tie Domi, hockey television personality Don Cherry, Brendan Shanahan of the Detroit Red Wings, and former Blue Jays' President Paul Beeston were all part of the original consortium that purchased the franchise for $250,000 (US) in 1998 (Chidley, 1999). The ownership group has since been reorganized and streamlined, but Watters *fils* (supported by two Toronto software entrepreneurs) still runs an organization that now includes NLL franchises in Ottawa and Montreal and the CFL's newest expansion team, the Ottawa Renegades (Peacock, 2002). While the Rock have no formal ownership ties to MLSE, the informal linkages are clear.

The Rock's collection of sponsors, which on their website numbers 16, reflects these connections. Included on this list are Bell Mobility (a subsidiary of BCE), Molson Inc., Rogers Sportsnet, Mazda, Yamaha, and a number of product and concession suppliers. The team used its network behind the scenes, coupled with a fast, physical on-field product and the fan-friendly language of affordable entertainment to become the most successful new sports franchise in Toronto. As Peacock (2002) noted:

> The Rock became a sensation. It was a team of tough guys, making less in a season than most pro athletes make in one game, playing as if they'd do it for free. Fans connected to them—to their attitude, the low ticket prices, the rocking music, and the abundance of Molson's (the franchise soon outdistanced the Leafs and Raptors in beer sales per head). The fact the Rock won the NLL championship in three of four years didn't hurt either (Peacock, 2002: 20).

Their connections to MLSE allowed the Rock to spend their first two seasons at Maple Leaf Gardens, even after the Maple Leafs had vacated for the ACC. The Rock's box-office success, however, encouraged MLSE to include the team's eight home games on the ACC calendar, and the Rock moved to the new arena in the 2000-01 season. In

2001-02, the Rock averaged 15,689 fans to the ACC for their eight home games. In a facility with a capacity of 18,800, the Rock reached a single-game high of 18,543. Through the first 10 games of the 2002-03 season, the Rock have averaged 16,113 fans in their three home games, but played to average crowds of only 9,289 in their seven away games (torontorock.com). This is indicative of the Rock's popularity in the sports marketplace in Toronto, above and beyond the widespread appeal of indoor lacrosse. The Rock rank second in the NLL, 67 fans per game behind the first-year Colorado Mammoth.[9]

The NLL is in the second year of a two-year agreement signed in September 2001 with RSN. The deal, which also include Molson as the lead sponsor, gave RSN the rights to broadcast 26 regular-season games each year featuring the league's five Canadian teams, including the Rock. The Fan 590 also broadcasts the team's games locally on radio. The two Toronto dailies—the *Star* and *Sun*—both have beat reporters covering the Rock, though the two national dailies published out of Toronto—the *Globe and Mail* and *National Post*—include far less frequent coverage.

Soccer: Lynx et al

Despite the absence of a widely popular local team soccer is extremely popular in Toronto, as indicated by the extensive coverage European soccer receives in the daily press attests. And a city as multicultural as Toronto comes alive every four years during the World Cup (and increasingly so in alternate quadrennials for the European soccer championship). In November 2002, a Toronto real estate developer, Carlo Baldassarra, a first-generation Canadian born in Italy, was rumoured to be bidding to purchase Rome's Serie A club, Lazio (DaCosta, 2002). Nothing came of this rumour, but its newsworthiness indicates the deep roots soccer has in the Toronto sports community. This is perpetuated by the varied and active multicultural enclaves in Toronto, especially given the sport's ties to a European and South American heritage. But, as the *Globe and Mail*, noted, "this is Toronto, where the streets clog for World Cup parties but domestic soccer remains a relative obscurity" (Gray, 1998).

Toronto was a long-time host to a North American Soccer League (NASL) franchise, the league made famous in the 1970s by the arrival of past-their-prime international stars such as Pele and Franz Beckenbauer. The Metros-Croatia won the NASL championship in 1976, before giving way to the Blizzard, who survived until the NASL folded in 1984. These days the primary professional soccer franchise in the city is the **Toronto Lynx** of the A-League.

The Lynx have a loyal following, but exist on the margins of Toronto pro sports. The club is owned by Bruno and Nicole Hartrell. He is a retired chartered accountant, she a former teacher. In 2000 and 2001, the club's losses reached well into the hundreds of thousands of dollars (DiGregorio, 2001). In 2002, with the scheduled demolition of downtown Varsity Stadium, the team made Centennial Park Stadium (capacity: 3500) in western Toronto its home. Their attendance was further hurt by a strike by City of Toronto municipal workers in the summer of 2002 (Centennial Park Stadium is a municipally operated facility) that forced the Lynx to shift their home games to York University. The Lynx averaged 2,238 fans at their seven home games at Centennial Park, but only 1,224 fans for their seven dates at York.

At their home opener, on 9 June 2002 versus the Charleston Battery, a lone CBC cameraman (filming for the local affiliate, not the national network) was in attendance, though the game was not broadcast live. With the World Cup underway in Japan and South Korea, local interest in soccer at this time was high. Before the game, former Canadian national team player and coach and current CBC soccer analyst Bob Lenarduzzi was introduced to the crowd of 2,076. Beyond game summaries in the *Star* and *Sun*, the Lynx received little media attention in 2002. The team's primary partnerships were with local businesses and equipment suppliers. Among the most well-known sponsors were VIA Rail and Pizza Pizza, a local chain.

In February 2003, the media reported that the Canadian Soccer Association was working to bring a Major League Soccer (MLS) franchise to Toronto (MLS franchise, 2003). The MLS is the premier league in North America, and it is the league for which the Lynx's A-League acts as a feeder system. The desire to bring such a franchise to Toronto when the Lynx struggle to consolidate a fan base is not surprising given previous attempts in Toronto to establish 'major' franchises where 'minor' ones have failed.

The Lynx and the A-League are in turn fed by a North American division II league that operates in the Toronto area. In 2002, its fifth season, the Canadian Professional Soccer League (CPSL) had 14 teams, 13 in Ontario and one in Quebec. Of these teams four were in Toronto—**Metro Lions**, **North York Astros**, **Toronto Croatia**, and **Toronto Supra**—with another five in the greater metropolitan area. The connection of these teams to local multicultural communities—the Croatia, for example—is indicative of the game's presence within the ethnic fabric of the city. Besides equipment providers, the CPSL's primary sponsors are the Government of Canada and Rogers Communications. Rogers televises games on its regional cable stations and features a 30-minute weekly "CPSL Soccer Show". In addition, the CPSL championship is called the Rogers Cup.

For a single season (2000-01), fans could also watch soccer indoors if they chose to follow the fortunes of the **Toronto ThunderHawks**. Playing out of the Hershey Centre in Mississauga, a city abutting the western border of Toronto, the ThunderHawks were members of the National Professional Soccer League (NPSL). The franchise was purchased by majority owner Neil Jamieson, president of an investment firm, and his minority partner, former NHL star Paul Coffey, for $1 million (US). Jamieson believed that he needed to average 4,000 fans per game in the 6,200-seat Hershey Centre to break even (Koreen, 2000). He later revised that estimate downwards to 2,800, though he also noted at the time: "If we were only getting under 2,800 in February or March [4 months hence], then I would say we've done something seriously wrong" (DaCosta, 2000: C11). Something was apparently wrong from the outset. The ThunderHawks drew a crowd of 2,875 to their opener on 20 October 2000, but had only 1,091 fans at their second home game two days later. The team's attempts to garner attention and build a fan base were not aided by the scant media coverage they received, beyond post-game reports in the press.

The NPSL ceased operation in September 2001 and eight of its franchises were absorbed into a reconstituted Major Indoor Soccer League (MISL). Two NPSL franchises, including the ThunderHawks, ceased operations at that time, on the understanding that they would be added to the MISL in time for the 2002-03 season. This has yet to occur.

The ThunderHawks, though a seemingly unimportant and quickly forgotten entry on Toronto's sports scene are interesting when compared to another defunct franchise, the indoor football Phantoms. In addition, comparing the circumstances facing the St. Michael's Majors and Beatrice Aeros is equally revealing. We will return to these clubs when assessing the implications of the oligopoly that dominates the ownership and operation of professional sport in Toronto.

Facilities

To finish this sketch of the Toronto pro sports landscape, it is important to summarize the playing facilities these franchises use in order to gain a fuller appreciation of the range of venues available and their connections to the franchises that use them. The primary indoor, arena-style venue is Air Canada Centre. The ACC is owned and operated by MLSE, as well as being home to MLSE's Maple Leafs and Raptors, the Rock, and at one time the Phantoms.

The Blue Jays and Argonauts call SkyDome home. Toronto's other major sports venue has a chequered financial past. In noting Ontario Premier William Davis' role in 1985 in pushing the SkyDome project ahead, Kidd (1995) observes:

> His principal backer was Trevor Eyton, a corporate lawyer whose strategy of aggressive leveraged take-overs had made Brascan, the holding company of which he was chief executive, one of Canada's most powerful conglomerates. Brascan held the controlling interest in Labatt's, the beer and food company which owns the Blue Jays, as well as The Sports

> Network, the cable network which telecasts many of the team's games. Eyton and the London, Ontario based Labatt's had close ties with Davis's Conservative Party (Kidd, 1995: 180).

As we shall see, linkages of this nature remain important in structuring sport in Toronto.

Built at a cost of $562.8 million (CDN) in 1989, the stadium was originally privatized in 1994, at a loss to provincial taxpayers of more than $262 million (CDN) (Kidd, 1995; Van Alphen, 1998). This asset was in turn purchased in April 1999 by a consortium, Sportsco International, led (at least in public) by Lawrence Dale, a Toronto lawyer who had been vice president, business development, and general counsel for the former SkyDome corporation, and former Blue Jays' general manager Pat Gillick. The deal allegedly cost Sportsco only $80 million (US) in cash (SkyDome lawsuit, 2000). Today, Sportsco International, is co-owned by New York businessman Alan Cohen and Chicago real estate developer Harvey Walken. Both were part of the original Sportsco consortium and have been involved in the operation of sports franchises and facilities in the past, in Boston, New York, and Pittsburgh. Despite rumours of both RBJ and MLSE interest in acquiring the facility, SkyDome remains owned by Sportsco International, "leaving Toronto as the only Major League Baseball franchise in which the team and the stadium [are] privately owned by separate companies" (Elliott, 2002).[10]

5. THE TWO BIG PLAYERS: SPORT-MEDIA CONVERGENCE IN TORONTO

From a close inspection of the teams that comprise Toronto sports, it is clear that the marketplace is largely dominated by two corporate entities: MLSE and RBJ. In today's parlance, this link between sports franchises and corporate ownership is known as 'convergence'. A business buzzword that emerged out of the growth of the internet economy in the 1990s, convergence connoted the kinds of synergies (and profits) that could be achieved through the unified ownership of a number of complementary businesses (primarily those that provided content and offered distribution pipelines). In the sports market, convergence most commonly was realized through the acquisition of franchises by media companies who spent considerable sums purchasing the broadcast rights to games that they relied on for content. The appeal of sports franchises as assets to media companies was that they represented "another entertainment product, able to fill the broadcast pipeline for ever-expanding networks and consumer appetites" (Swift, 2000: D1). Some of the American examples cited most often included Disney's ownership of television interests (ABC, ESPN) and Anaheim sports franchises (Angels and the Mighty Ducks) or the inclusion of both the Fox brand of media entities and the Los Angeles Dodgers within Rupert Murdoch's News Corp. For these conglomerates, as media analyst Mark Quigley noted: "You could run a sports franchise and lose money at it … but the brand awareness that's gained by that association both regionally and nationally is something that can be quite powerful" (cited in Swift, 2000: D4)

Not so, apparently. The convergence bubble has burst. It is, according to reviewer Dianne Buckner, "an idea whose time has come—and gone" (Buckner, 2002). Beginning in 2000, the implosion of the e-commerce 'new economy' and the corrections in international stock markets have, according to Randal Vataha, of the sport investment banking firm Game Plan LLC, put "a lot of pressure on media companies to focus on core assets right now, because Wall Street more than ever has turned to earning as an evaluator of value" (cited in Blair, 2002: B7). This makes it difficult to justify keeping a sports franchise drowning in red ink on the books. Disney has certainly had a change of heart, and the World Series-champion Anaheim Angels are for sale. American media analyst David Miller notes that “there are just no synergies for Disney in owning a sports franchise—not with the overall costs involved” (cited in Blair, 2002: B7). While convergence as both a buzzword and business practice may well be subsiding, there is no doubt that corporate, media, and sport interests in Canada remain intimately linked. BGM’s February 2003 acquisition of a 15% equity position in MLSE is evidence of this. In the U.S., as well, there remain working models of sport-media convergence in New York, Boston, Chicago, and Philadelphia, as well as a group in Denver structured along similar lines to MLSE.

In Toronto, the corporate ownership of sports franchises and the convergence of media, sport, and business interests have coalesced around two ownership groups, MLSE and RBJ. It is to these two organizations that we now turn and to which the remainder of this study is dedicated. This section— in some sense the ‘macro’ view— explores the wider business interests of MLSE and RBJ, the individuals who comprise their boards of directors, the media interests associated with each group, and the partnerships each group has established in the wider corporate community. The following section—the ‘micro’ level—narrows the focus to a core group of 47 individuals intimately connected to the operation of pro sports franchises in Toronto and reveals the public and private connections that predominate among Toronto’s sport elite.

Maple Leaf Sports and Entertainment Ltd. (MLSE)

MLSE owns and operates two sports franchises in Toronto, the Maple Leafs and Raptors, and two facilities, the ACC (home to aforementioned teams) and Maple Leaf Gardens (the ACC’s historic predecessor which now lies essentially dormant, a heritage building designation likely preventing massive redevelopment on the valuable downtown lot). In September 2001, MLSE joined the convergence marketplace by launching two digital television stations, LeafsTV and RaptorsTV. The new ventures were headed by John Shannon, a former executive producer with CBC’s “Hockey Night in Canada”.

As already outlined, until the corporate reorganization in February 2003, MLSE was owned by two parties: the Ontario Teachers' Pension Plan (OTPP: 49%) and Maple Leaf Gardens (MLG) Holdings (51%), the latter in turn owned by Stavro Investments (essentially Steve Stavro: 55% of MLG), Kilmer Sports (a division of Kilmer Van Nostrand, and controlled by Larry Tanenbaum: 25%), and TD Bank Financial Group (the parent company of Toronto-Dominion Bank, and a number of other financial companies: 20 %). Rumours of Stavro's desire to divest himself of his MSLE holdings surfaced in November 2002 (Tedesco 2002). It was argued that the only way Stavro could meet the debt obligations he incurred with the failure of Knob Hill Farms Ltd. was to sell his share in the $1 billion (CDN) sports entertainment conglomerate. The most likely suitor was seen as Ken Thomson, Canada's wealthiest man (whose net worth *Forbes* estimated at $14.9 billion [US]) [Forbes, 2002]. As Tedesco noted:

> In a deal signed with The Woodbridge Co., the billionaire Thomson family's private holding company in August, 2000, Mr. Stavro granted Woodbridge the rights—though not exclusive—to buy his controlling block of shares in the Leafs, Raptors and the arena in exchange for helping him redevelop his real estate properties and shut down his 10 Knob Hill Farms outlets in Ontario (Tedesco, 2002: FP6).

Woodbridge along with Thomson Corp., own 29.9% of Bell Globemedia (BCE owns the remainder; see below) and a stake in MLSE would fit nicely with BGM's sport media interests [Reguly et al, 2003].

Throughout the public debate surrounding Stavro's debt woes, it was generally assumed that Larry Tanenbaum would emerge as MLSE's next controlling partner. And so it was, on 11 February 2003, that the reorganization of MLSE–effective on 1 July 2003—was announced. The deal essentially involved all the usual players. OTTP's share (owned by its private equity interest, Teachers' Merchant Bank) increased to 58%, TD Capital Group increased its position to 14%, and Tanenbaum's Kilmer Sports raised its equity stake to 13%. The final 15% investment belongs to BGM, for which Woodbridge paid an estimated $120-150 million (CDN). The other three partners increased their stakes by converting debt to equity and rumours persisted that Tanenbaum was looking to increase his ownership position in MLSE (Tedesco, 2003).

In terms of effective managerial control it is not difficult to see why Jeff Blair of the *Globe and Mail* labelled this reorganization little more than a “boardroom shuffle” (Blair, 2003). The MLSE board of directors will increase from six to nine members, but the only actual changes on 1 July 2003 will be Larry Tanenbaum’s and Richard Peddie’s assumption of active roles on the board, the addition of Jim Leech of Teachers’ Merchant Bank (an OTPP division) and Ivan Fecan (CEO of BGM, see below), and the departure of Brian Bellmore. Aside from Bellmore, the five holdover members (including Stavro—but no longer with operating control—who will fill one of two BGM seats until a replacement is named) will all remain on the MLSE board of directors.

The board members that operated MLSE between 1998 and 2003 are listed in Table 2. They, along with Tanenbaum and Peddie, are profiled below in an effort to expose the backgrounds and interlocks of the men who control professional sports in Toronto.

Board Member	Representing
Steve Stavro, Chairman	Stavro Investments
Brian Bellmore	Stavro Investments
Robert Bertram	Ontario Teachers’ Pension Plan
Dale Lastman	Kilmer Van Nostrand (Tanenbaum)
John MacIntyre	Toronto-Dominion Bank
Dean Metcalf	Ontario Teachers’ Pension Plan

Table 2: MLSE Board of Directors (pre-July 1, 2003)

Steve Stavro became a director at Maple Leaf Gardens in 1981. A first-generation Macedonian-Canadian, he built his fortune in the grocery business through his chain of Knob Hill Farms stores. He has also invested heavily in thoroughbred breeding. Tedesco has described Stavro, in comparison to the Maple Leafs’ two previous owners, as: “the reclusive grocer—whose pugnacious style more closely resembles that of Conn Smythe than [Harold] Ballard” (Tedesco, 1996: xlviii) The completion of MLSE’s reorganization in July 2003 marked the end of nearly a decade, 1994 to 2003, during which Stavro was the managing partner for Maple Leafs' ownership groups.

In a heated legal battle that lasted over two years and was not resolved until 1996, Stavro went from running the Maple Leafs and Maple Leaf Gardens as one of three executors of late Maple Leafs' owner Harold Ballard's estate (Ballard died in 1990) to the controlling partner of an ownership syndicate that some claimed essentially sold a hockey team and arena to itself (Tedesco, 1996). This became especially contentious when it was revealed that Stavro and his partners may not have revealed information (and failed to use it as the basis for their purchase price offer) they had about future television deals that would have greatly increased the franchise's value. Nevertheless, Stavro had converted the publicly traded company, Maple Leaf Gardens Ltd., which Conn Smythe had created in 1931 to build his new arena, into a privately held concern.

Stavro was aided in this deal by his longtime personal lawyer and ally **Brian Bellmore**. Bellmore is a Toronto lawyer, partner in the firm of Bellmore and Moore, who was once described by a Toronto columnist as an "icily dispassionate sycophant" (cited in Tedesco, 1996: 351). He was involved on Stavro's behalf in the takeover of Maple Leaf Gardens in 1994-96 and again involved in the 1996-98 negotiations that resulted in the creation of MLSE. Interestingly Bellmore's firm, though not Bellmore himself, represented MFP Financial in a 2002-03 public inquiry into a contract tender scandal within Toronto City Hall. "The inquiry, under Madam Justice Denise Bellamy, is probing how the $43 million [CDN] computer leasing deal signed in 1999 with Mississauga-based MFP nearly doubled in value, apparently without council's authorization" (Small, 2003). Bellmore is also a childhood friend of Maple Leafs' president Ken Dryden.

Robert Bertram and **Dean Metcalf** represent OTPP on the MLSE board of directors. Both also hold the title of executive vice president with OTPP, Bertram in Investments and Metcalf in Merchant Banking. Betram's involvement with the Maple Leafs predates the 1998 creation of MLSE. OTPP manages a fund of $68 billion (CDN) in assets that represents the retirement income for 154,000 elementary and secondary school teachers, and 88,500 retired teachers and their families. Besides its equity stake in MLSE, OTTP also owns Cadillac Fairview Corp. Ltd., a major real estate development and management firm and on whose board Bertram also sits. OTPP is also one of two founding equity investors (Scotia Capital was the other) in Osprey Media Group, which owns over 30 community newspapers in Canada, including including a number in southern Ontario such as the *Kingston Whig-Standard*.

John MacIntyre represents TD Bank Financial Group on the MLSE Board. He has worked for TD, in a variety of divisions, since 1987 and was involved on TD's behalf in negotiations surrounding the bank's participation in the Stavro consortium that purchased Maple Leaf Gardens Ltd. from the Ballard estate. As of 2001, MacIntyre was a senior vice president (investment banking) for TD Securities.

Dale Lastman is the son of Toronto mayor Mel Lastman. A partner with the Toronto law firm Goodmans, he represents Larry Tanenbaum's Kilmer Sports Inc. on the MLSE board. He was instrumental in brokering the 1998 deal that saw the ownership group of the Maple Leafs and Maple Leaf Gardens merge with the ownership of the Raptors and ACC project to form MLSE.

Larry Tanenbaum is the president and CEO of Kilmer Van Nostrand, whose subsidiary, Kilmer Sports, controls 13% of MLSE as of 1 July 2003, the same date on which Tanenbaum assumes his duties as managing partner. Like Maple Leafs President Ken Dryden, Tanenbaum is a graduate of Cornell University. His net worth of $700 million (CDN) ranks him 38th on the *Canadian Business* "Rich 100" (Canadian Business, 2002). Despite rumours of a rift between Stavro and Tanenbaum (they apparently haven't spoken in two years [Reguly et al, 2003]), Tedesco notes that the original MLSE partnership in 1996 included:

> Stavro's good friend Lawrence Tanenbaum, president and controller of a private holding company called Kilmer Van Nostrand Co. Ltd., which controlled Warren Paving and Materials Group (a road building and construction company) and a stake in CUC Broadcasting Ltd. Stavro, who knew Tanenbaum's father, Max, was linked to Tanenbaum's application

> [an ultimately unsuccessful bid for an NBA expansion franchise, known as the Palestra Group] (Tedesco, 1996: 244).

Kilmer Van Nostrand is an equity investment firm that is involved in a number of industries and has significant investment in building and construction supplies, primarily through Lafarge North America.[11] A friend of Toronto Mayor Mel Lastman, Tanenbaum was also part of a now-stalled, contentious (because of links like those between Tanenbaum and the mayor) plan to renovate Toronto's Union Station. Tanenbaum has long been interested in franchise management. He first invested in Maple Leaf Gardens Ltd. in 1996 and has been involved with the Raptors as a member of the NBA board of governors. Tanenbaum and Dale Lastman were important players in bringing about the merger that created MLSE in 1998. As Kilmer's website touts, the logic of sport-media convergence and an older notion of business synergy propelled both Tanenbaum's interest and this partnership:

> Due to its immediacy and its ability to cross horizontal and vertical demographics, sports represented ever increasing value as content in a competitive distribution environment. In addition, the southern Ontario geographic region represented a large sports market. As a means of capitalizing on this trend and leveraging its construction industry expertise with respect to a need for a new arena, Kilmer initiated the NBA franchise competition in Toronto in 1992 (Kilmer Capital, 2003).

One final important player, though he only becomes a board member on 1 July 2003, is **Richard Peddie**, MLSE's president and CEO. For all his influence at MLSE, Peddie's stature within the Toronto sport elite is also predicated upon past experience. From 1994-96 he was president and COO of Netstar Communications, which at the time was the parent company of TSN, and prior to that he was president and CEO of the Stadium Corporation of Ontario, which owned and operated SkyDome.

Besides the connections that board members bring to MLSE, the consortium has partnerships with a number of major Canadian companies. MLSE's corporate partners, listed in Table 3, are divided into categories, platinum, gold, and silver, depending upon their level of financial support. As with all franchises in this study there are a number of food/concession suppliers on this list.

Platinum Partners	**Air Canada**
	Bell Canada
	Coca Cola
	Ford Motor Company of Canada
	IBM Canada
	Molson Canada
	TD Waterhouse
Gold Partners	Burger King
	Cadbury Trebor Allan Ltd.
	Casino Rama
	Colgate-Palmolive Canada Inc.
	Danka
	Home Depot Canada
	Imperial Oil
	Kellogg's
	Mr. Sub
	Nike
	Paramount Pictures Canada
	Warner Bros. Canada
	Pizza Pizza
	Sears Canada
	Sony of Canada Ltd.
	Toronto Dominion Bank
	Tim Horton's
	The Toronto Sun
Silver Partners	AMEX Canada Inc.

	AMJ Campbell Van Lines
	Canada Post
	Federal Government of Canada
	MBNA
	Motorola
	Nortel
	Ontario Lottery and Gaming Corporation
	Playdium
	PlayStation
	Powerade
	Shoppers Drug Mart
	Speedy Auto Service
	Toronto Ford Dealers
	TSN

Table 3: MLSE Corporate Partners

For the purposes of this study, attention will be paid to the companies in the ‘Platinum Partners’ category, specifically those four that are not subsidiaries of American multinationals and that have boards of directors based in Canada: **Air Canada**, **Bell Canada** (whose parent, BCE Inc., also owns BGM), **Molson Canada**, and **TD Waterhouse** (a member company of TD Bank Financial Group and the most visible of all MLSE sponsors). Selected members of the boards of directors of these four companies will be discussed at greater length below. At this preliminary stage, however, the connection of these partners to the important financial and media complexes identified by Clement (1975) should be clear.

Rogers Blue Jays (RBJ)

Rogers' sports interests (i.e., direct ownership) are confined to its 80% stake in the Blue Jays and its outright ownership of the now-defunct Phantoms. Nevertheless, RCI is connected to virtually every professional sports operation in Toronto in slightly less direct ways, through its media outlets. After purchasing the Blue Jays, RCI acquired Toronto's primary all-sports format radio station and its network that broadcast Blue Jays games, the Fan 590. In 2001, Rogers successfully challenged—though it was a long and bitter struggle—Canadian Radio and Telecommunications Commission (CRTC) regulations that prevented cable stations from owning analog television stations and purchased a 40% stake (to add to its existing 29% interest) in Sportsnet, which it renamed Rogers Sportsnet (RSN) [Pitts, 2002a]. RSN now televises the majority of the Blue Jays' games.

Today, through direct ownership, radio or television broadcasting rights, or sponsorship support using its local Rogers Cable stations, RCI is involved with nearly every professional sports franchise in Toronto (see Table 4). As Iain Grant, telecommunications analyst, noted (in advance of BGM/BCE becoming involved in the MLSE ownership group):

> All of the new media players are trying to get into the content business … You have BCE which is actually buying television stations, Rogers has decided to go one step further and is buying the athletes themselves … [Now] your eyeballs and mine will be watching Rogers product, we'll be reading Rogers magazines and watching Rogers programs about the Blue Jays (cited in Arab, 2000).

	Baseball	**Basketball**	**Football**	**Hockey**	**Indoor Lacrosse**	**Soccer**
Primary	Blue Jays (R_1)	Raptors (R_2)	Argonauts (R_2)	Maple Leafs (R_2)	Rock (R_2)	Lynx
Secondary	Maple Leafs (semi-pro)		Phantoms (indoor—defunct) (R_1)	Roadrunners (begin play in 2003) (R_2)		Thunderhawks (indoor—defunct)

				Aeros (+ 3 regional teams)		
Tertiary				Majors (+ 3 regional teams) (R_3)		4 CPSL franchises (+ 5 regional teams) (all semi-pro) (R_3)

Table 4: RCI involvement in the Toronto pro sports marketplace
(Key—R_1: RCI ownership & broadcast rights; R_2: RCI broadcast rights; R_3: RCI broadcast rights & sponsorship)

These sports-media interests are but one component of the larger RCI media and communications empire, the foundations for which were laid by RCI President and CEO Ted Rogers in the 1960s and 1970s with early forays into FM radio and cable television. Rogers Cable is now “the country’s largest cable system” and the core business of RCI (Pitts, 2002a: 173). In the 1990s, RCI entered the convergence marketplace. RCI purchased Maclean Hunter, one of Canada’s largest magazine and digital media producers, and Rogers Media was born. In addition to its cable, satellite, and digital television pipelines, Rogers Wireless Communications is Canada’s largest wireless network, serving more than 3 million customers, and Rogers@Home offers high-speed cable internet access. Besides its delivery networks, RCI operates two analog and four digital television stations and more than 30 radio stations, with the latter “covering approximately 35% of the market” in Toronto (Rogers, 2001: 5). It was largely at the end of this convergence expansion that RCI purchased the Blue Jays. The appeal of the club was not merely the usual “content for the pipeline” convergence-speak, rather Ted Rogers articulated a vision of branding and cross-promotional opportunities:

> We believe professional sports teams have a great future, particularly in the hands of an organization like ours with so many cross-promotional opportunities. Rogers Cable, Media and Wireless divisions will promote the Jays and Phantoms through their distribution and content platforms.

Likewise, the Rogers brand will be promoted by our sports teams (Rogers, 2001: 6).

The Blue Jays, unlike the Maple Leafs and Raptors, do not have a board of directors responsible to a consortium of shareholders. Rather RBJ, controlled by RCI's 80% equity stake, is governed by an advisory board, which is not surprisingly dominated by Rogers executives and board members. The members of this advisory board are outlined in Table 5 and discussed in more detail below.

Board Member	Organizational Affiliation
Herb Solway	Chairman, RBJ Advisory Board
Rudy Bratty	Bratty & Partners
Albert Gnat	Lang Michener
Paul Godfrey	President & CEO, Toronto Blue Jays
Phil Lind	RCI
Jeff Lyons	Lyons Group
Nadir Mohamed	RCI
Edward Rogers	RCI
Ted Rogers	RCI
David Smith	Fraser Milner Casgrain
John Tory	RCI
Anthony Viner	RCI

Table 5: RBJ Advisory Board

Edward (Ted) Rogers is the founder and patriarch of the RCI empire. *Forbes* rank him as the 13th wealthiest person in Canada with a net worth of $1.2 billion (US), while *Canadian Business* places him at #22 (net worth: $1.14 billion US) on its list of the "Rich 100" (Forbes, 2002; Canadian Business 2002). A lawyer by training (he articled at the firm co-founded by John Tory's grandfather), Ted Rogers preferred business to law. And, by the late-1970s, his acquisition of cable television assets had made him "the cable king of Ontario" (Pitts, 2002a: 21). As outlined above, under Rogers' guidance the original cable business pursued an aggressive convergence strategy during the 1990s. At the centre of this strategy was the acquisition of the Toronto Blue Jays. Despite the fact that Ted Rogers "isn't much of a sports fan" (Brunt, 2002: 44), his influence in the corporate and media worlds led him to be named the most influential man in Canadian sports in 2000, the same year as the Blue Jays purchase (Houston, 2000). But, as Gordon Pitts notes, a love of the game is not why Ted Rogers entered into sports ownership. Rather,

> Ted Rogers became a Blue Jays fan for one compelling reason: he was concerned about the future of mass-audience television and the advertising model on which it was based. In this uncertain future, live sports were something a lot of people still wanted to watch, and they wanted it in real time, not taped for a later showing. So maybe the Blue Jays weren't the most attractive franchise in Toronto's biggest market—that was clearly the Toronto Maple Leafs, the iconic hockey club, but the Leafs weren't available, at least at that moment. But Ted could see the synergies—the Blue Jays were irreplaceable content, to help fill up the television channels and radio sports and talk shows. Not only that, but the opportunities for cross-promotion were endless, especially in Rogers' core Toronto market. Ted Rogers, the non-jock, was having a convergence vision" (Pitts, 2002a: 175).

John Tory is chairman and co-CEO of Rogers Cable. He has been called Ted Rogers' "old and dear friend" and "able lieutenant" (Pitts, 2002a: 15, 20). A lawyer by training, he is the son of establishment Toronto lawyer John A. Tory, a longtime adviser to both Ted Rogers and Ken Thomson and a former RCI and Thomson Corp. board member. He is also grandson of the man who founded the powerful Toronto law firm now known simply as Torys. John, Jr., has both experience and connections in the world of professional sport, having once been the commissioner of the Canadian Football League. A longtime Progressive Conservative party member, Tory has been quite active in political backrooms. He was an advisor to former Ontario premier Bill Davis and co-chaired each of Mel Lastman's last two campaigns for the Toronto mayoralty. In 2003, Tory moved into the spotlight by announcing his intention to run for Lastman's vacated post in the November 2003 Toronto municipal elections. This is expected to result in Tory's departure from RCI at the next annual meeting, on 27 May 2003 (MacDonald, 2003).

While Ted Rogers lauded Tory's "proven track record, community activism, and love of this city" (Cowan, 2003), others were not so sure. Columnist John Barber countered that "any cardboard cutout—provided it fronts for the right vested interests—can win the mayoralty" and went on to observe that "Mr. Tory has no popular support, either, so nor could he afford to run without 'the boys' and their money and their networks carrying him along" (Barber, 2002).

Besides Tory and Rogers, there are a number of other RCI board members and executives on the RBJ advisory board. This includes the president and other co-CEO of Rogers Cable, **Edward Rogers** *fils*, son of the RCI chairman, who in his mid-30s is already being rumoured as the successor to his father as head of the communications conglomerate (Pitts, 2002b). **Phil Lind** is vice chairman of RCI, a firm with which he has been employed for nearly 35 years. Honoured as a cable television 'pioneer', Lind sits on the board of directors of the Banff Television Festival, a body that also includes Leonard Asper, president and CEO of CanWest Global. Lind also sits on the board of Toronto's Power Plant Art Gallery, along with Kaye Beeston, wife of the former president of the Toronto Blue Jays. **Nadir Mohamed** is the president and CEO of Rogers AT&T Wireless Communications, a network that serves over 3 million customers in Canada. He has been rumoured as a long-shot candidate to replace Ted Rogers as RCI CEO (MacDonald, 2003). **Tony Viner** is the president and CEO of Rogers Media, the publishing and broadcasting division of RCI that includes the sports television network RSN.

Some of Toronto's most influential law firms are also well represented among the non-RCI directors on the RBJ advisory board. **Albert Gnat** is a partner with Lang Michener, a firm that has made contributions to all three centre-right political parties in Canada, most significantly to the governing Liberal Party. Gnat has also served on the boards of RCI, Rogers Cable, and Rogers Wireless. Senator **David Smith** is chairman of Fraser Milner Casgrain. Well connected to the Liberal Party of Canada, he is a former member of parliament, cabinet minister, and party executive. Currently Smith is a member of the Canadian Senate and his firm was the 17th largest corporate supporter of the federal

Liberal Party in 2001 ($37,192.05 [CDN]), as well as a contributor to the Progressive Conservative Party of Canada (Elections Canada, 2001). Though a senior partner in Bratty and Partners, **Rudy Bratty** is best known as a real estate developer. Ranked as the 79th wealthiest Canadian in 2002, with a net worth of $344 million (CDN), by *Canadian Business*, he and partners Alfredo De Gasperis and Marco Muzzo (#48, $560 million [CDN]) made their fortunes building suburban residential developments on the sprawling outskirts of Toronto (Canadian Business, 2002). Bratty has served on a number of other boards (including Canada Trust, now part of TD Bank Financial Group) and is a Liberal Party supporter. Like Bratty, **Jeff Lyons** is not best known for practicing law. In 2000 he formed Lyons Group, a self-described 'government relations firm' that acts as a lobbyist at both the municipal and provincial levels. His work has been linked to both questionable campaign financing and to MFP Financial, the company that was at the centre of a municipal scandal in 2002-03 and the subject of a public inquiry in Toronto (Ontario NDP; Small, 2003).

Finally, **Herb Solway** and **Paul Godfrey** most directly represent baseball interests on the RBJ advisory board. Godfrey's career started in municipal politics, and from 1973 to 1984 he was chairman of the Metropolitan Toronto Council, during which time was instrumental in lobbying for Toronto to acquire the American League expansion franchise that became the Blue Jays. He has also been associated with efforts to bring an NFL team to Toronto. Before becoming Blue Jays president and CEO, Godfrey served in the same role with Sun Media Corporation and as a director for SkyDome Corporation. He is also widely considered to be a key advisor to Toronto Mayor Mel Lastman (Lorinc, 2002). Solway too is a hold-over from the original Blue Jays partners. He worked with Don McDougall of Labatt Breweries to secure the expansion franchise in 1977. Though little is publicly available on Solway, his long-standing connections to corporate partners, political backrooms, and sports entrepreneurs is clear. As Stephen Brunt notes:

> Solway was a lawyer, a backroom boy at City Hall who represented numerous developers and who could bridge the public and private sectors. He was known for his dry sense of humour. He also had extensive experience in the world of professional sports, serving as a director of the

> Toronto Argonauts of the Canadian Football League, bringing the Rifles of the Continental Football League to Toronto, and working with John Bassett Jr. to bring a World Football League team—the ill-fated Northmen—to the city. (Brunt, 1996: 29)

Like MLSE, RBJ has a series agreements with corporate partners through which the baseball team is promoted. However, unlike MLSE, RBJ does not classify its partners according to the level of corporate/financial support. As with most franchises, RBJ's partners include a number of food/concession suppliers such as Mr. Sub and Cadbury Trebor Allan (sandwiches and confectionery, respectively, sold during Blue Jays game) or Labatt Breweries (who hold the beer concession at SkyDome). This study will focus on three RBJ partners: **Dynamic Mutual Funds**, (owned by Dundee Wealth Management/Dundee Bancorp, and a highly visible lead sponsor on many Blue Jays promotions), the **Royal Bank of Canada**, and the *Toronto Star* (specifically its parent, **Torstar Corp**.). As with the MLSE partners included in this research, the connections of these partners to both financial and media complexes should be clear.

The Toronto sport media marketplace

While the argument can be made that MLSE and RBJ are the two most important sports franchise ownership conglomerates in Toronto, they do not control all the media outlets that are vital to the financial viability of each team. **Torstar Corp**., for example, while not involved in direct ownership of any sports properties is a key RBJ corporate sponsor and operates the largest circulation daily in Canada, the *Toronto Star*, and other important daily newspapers in cities near Toronto. The **Canadian Broadcasting Corporation** (CBC), meanwhile, is Canada's national public broadcaster. CBC broadcasts CFL football games, including the annual Grey Cup league championship game. But the CBC is best-known for its regular Saturday night broadcasts, "Hockey Night in Canada". The hockey telecast is the CBC's highest-rated production. During the weeks of both 20-26 January 2003 and 3-9 February 2003, it ranked 15th in the Nielsen Media Research television ratings for the Toronto/Hamilton region, making it both the highest-rated sports broadcast as well as the highest-rated domestic production of any genre on Toronto television (Nielsen Media Research, 2003). A brief look at the sports media marketplace in Toronto reveals some of the other key corporate players.

National television coverage is provided by CBC, RSN, and TSN, while local coverage is televised by Global, VR, and Rogers local cable stations. Virtually all live sports radio broadcasts in the Toronto area are carried by one of two stations, the Fan 590 and MOJO 640. Print coverage is provided by the two 'national' dailies located in Toronto (*Globe and Mail* and *National Post*) and the two 'local' dailies (*Star* and *Sun*), as well as a number of regional dailies (e.g., *Hamilton Spectator*). Finally, the major internet outlets tend to operated by the more traditional media outlets: for example, Canada.com is part of CanWest Global and Canoe is part of Sun Media/Quebecor.

One of the largest players in the Canadian sport-media nexus is the Bell Canada Enterprises (BCE), the descendent of the former national telephone monopoly. In 2000, BCE was Canada's largest public company, earning profits of $4.2 billion (CDN) on revenues of $18.2 billion (CDN) that were generated by 75,000 employees in its various phone system, wireless, and digital businesses (Pitts, 2002a). Led by then-CEO Jean Monty, BCE launched a convergence play of its own in 2000 when it purchased the CTV network, which included ownership of the sports cable station, TSN. Another part of the BCE family is Bell Express Vu, one of two digital television networks in Toronto through which viewers can access MLSE's LeafsTV and RaptorsTV. (Not surprisingly, RCI owns the other digital network.) Later in 2000, BCE added the national newspaper, the *Globe and Mail*, and its online properties—part of the Thomson family assets—and combined its television and newspaper holdings with its Sympatico internet service to create **Bell Globemedia** (BGM), owned by both BCE (70%) and Thomson companies (30%).

BGM is headed by former CTV president **Ivan Fecan**, who joins the MLSE board of directors on 1 July 2003. BGM, the hub of BCE's convergence efforts, includes under its corporate umbrella newspaper (including the *Globe and Mail*), television (including TSN), and now sports (MLSE) properties. A recent BCE reorganization, however, shifted online assets (primarily Sympatico) back to Bell Canada (Chu, 2003). Pitts has called Fecan “next to [CanWest CEO] Leonard Asper, the most important media executive in the country” (Pitts, 2002:306). Indeed, Fecan is well connected within Canadian media circles, having worked for CTV, CBC, and local Toronto television station CITY-TV, in addition to spending four years at the American network NBC.

There is speculation that BGM’s interest in acquiring an equity position in MLSE was a precursor to BCE divesting itself of all or part of its ownership of the media company (Shecter, 2003). Rumoured suitors include OTPP and **Corus Entertainment**. Corus is the ‘content’ arm of Shaw Communications, a Western Canada-based cable television competitor of RCI. Corus’ current involvement in the Toronto sports-media nexus is limited to its ownership of radio station MOJO640, which broadcasts Maple Leafs hockey and Argonauts football games. Another potential player in sport-media in Toronto is the Winnipeg-based and Asper family-controlled **CanWest Global Communications**. CanWest owns the Global Television network, a series of newspapers, including the *National Post*, and the Canada.com web portal. They are often rumoured to be interested in acquiring sports interests, and CanWest board member David Asper is chairman of the Winnipeg Blue Bombers football club. CanWest’s connection to the Toronto sports scene is limited primarily to Global television, which televised 7 Raptors games during the 2002-03 season.

6. THE TORONTO SPORT ELITE: YOU CAN'T TELL THE PLAYERS WITHOUT A SCORECARD

A useful starting point in trying to characterize the nature of the people and groups that control access to professional sport in Toronto is to examine the composition of the boards of directors of the two primary sport ownership groups (MLSE and RBJ), their ownership interests, and their corporate partners. The composition of these 11 boards is summarized in Table 6. As can be seen, the 11 organizations most intimately connected with sport in Toronto are run almost exclusively by white men. To go beyond generalizations such as these, however, and to gain a more precise understanding of the operation of professional sports in Toronto, a more nuanced understanding of these people and organizations is both possible and necessary. What follows are the results of an analysis of what can be considered, to borrow from Clement, the 'Toronto sport elite'.

	Company	**Board Members**	**Men**	**Women**	**Minorities** [i]
MLSE		9 [ii]	9	0	0
Owner	Ontario Teachers' Pension Plan	9	7	2	0
Partners	Air Canada	13	12	1	1 [iii]
	Bell Canada (BCE Inc./BGM)	13	11	2	0
	Molson Inc.	12	12	0	0
	TD Waterhouse (TD Financial Group)	16	13	3	0
RBJ		12	12	0	1
Owner	Rogers Communications (RCI)	11 [iv]	10	1 [v]	0
Partners	Dynamic Mutual Funds (Dundee Wealth Management/ Dundee Bancorp)	8	7	1	1

	Royal Bank of Canada	19	17	2	0
	Torstar Corp.	14	11	3	0
Totals	11 companies	136	121 89%	15 11%	3 2.2%

Table 6: Other selected individuals connected to pro team sports in Toronto
Sources: OTPP Press release: Maple Leafs Sports and Entertainment announces ownership structure, 11 February 2003; OTPP website: www.otpp.com, 26 February 2003; Air Canada, 2001 Annual Report; BCE Inc., 2001 Annual Report; Molson Inc., 2002 Annual Report; TD Financial Group, 2001 Annual Report; RBJ: bluejays.ca; RCI: rogers.com; Dundee Bancorp, 2001 Annual Report; Royal Bank of Canada, 2002 Annual Report; Torstar Corp., 2001 Annual Report.
Notes:
i—It is important to acknowledge that this is, at best, an arbitrary and imprecise assessment. Pictures of board members were consulted where possible. However, the paucity of minorities on the boards of these corporations in this data—if not an accurate figure—at least paints a representative picture.
ii—Data for the MLSE board reconfigured as of 1 July 2003.
iii—The female and minority member of the Air Canada board are the same person: Eva Lee Kwok.
iv—Includes only RCI board members not on the RBJ advisory board. Five people, all men, sit on both boards.
v—Ted Rogers' wife, Loretta.

From among the boards of directors of the 11 organizations listed in Table 6, a group of 42 people was chosen. They include, with one exception[12], all the MLSE and RBJ board members profiled above. To this group of 19 were added another 23 chosen from the boards of MLSE/RBJ ownership interests (e.g., RCI and OTPP) and from the boards of the seven key MLSE/RBJ partners identified in the previous section (Air Canada, BCE Inc., Molson, TD Bank Financial Group [Toronto-Dominion Bank], Dundee Bancorp, RBC Financial Group [Royal Bank of Canada], and Torstar Corp.). Also added were five individuals, one associated with the St. Michael's Majors (Sheldon Plener) and four key political figures representing the three levels of government: the mayor of Toronto (Mel Lastman), the premier of the province of Ontario (Ernie Eves) as well as the past premier (Mike Harris), and an influential federal MPP from Toronto (Dennis Mills). Collectively, for the purposes of this study, this group of 47 men is the 'Toronto sport elite'.

Who was not included on this list is as interesting a group as who was. A number of influential Canadian companies, and hence their senior executives as well, are headquartered outside of Toronto (often in Montreal). This includes BCE Inc., Air Canada, and Molson Inc., and individuals such as Robert Milton (Pres/CEO, Air

Canada: Montreal) and Michael Sabia (Pres/CEO, BCE: Montreal). Also, there is no representative in Appendix A from Molson, an MLSE platinum sponsor. Molson Breweries was a long-time family owned business (the Molsons of Montreal) and the current well-connected board members tend not to be in Toronto, including Lloyd. I Barber (Regina) and H. Sanford Riley (Winnipeg). Eugene Melnyk, the owner of the St. Michael's Majors and the wealthy founder of the pharmaceutical company, Biovail, lives year-round in Barbados and is therefore not included among the Toronto sport elite. However, one of the Majors' directors, Sheldon Plener, has been included on this list. As well, the co-owners of SkyDome's parent company, Sportsco International, Alan Cohen and Harvey Walken, reside in the U.S. and were not included in this study.

Finally, there is a 'B' list of Toronto sport elite who are associated with teams that have limited access to the centres of sport power (and these individuals were therefore not included in this study). This list includes: Argonauts' owner Sherwood Schwarz; Lyle Abraham and Ernie Coetzee of the Roadrunners; the Rock's Brad Watters; and former Phantoms' president Rob Godfrey (who is currently an RBJ vice president, and whose father is a more interesting inclusion on this list). Nevertheless, as evidenced by Rob Godfrey's link to the MLSE/RBJ oligopoly, the same processes that interconnect the 'A' list also operate within the 'B' list. As will be discussed in more detail below, political contributions can be used as a barometer of the linkages between sport and civic interests. For example, Sportsco International (SkyDome) co-owners Alan Cohen and Harvey Walken donated $3,895.25 each and former president Jake Geleerd another $200.00 to the governing Progressive Conservative Party of Ontario in 2001. At the local level, Coliseum Renovation Corp., owners of the Roadrunners, donated $200.00 to the 2000 election campaign of city councillor Joe Pantalone, whose ward 19 encompasses the Exhibition Place site where the Coliseum is located and who is chair of the Exhibition Place board of governors that approved the city's financial contribution to the Coliseum renovation. While a $200.00 donation is not a sign of anyone buying or selling influence, it is at the least evidence of a connection between team owners and those civic officials whose assistance is often needed to promote sporting interests.

It is important to acknowledge that the inclusion of these 47 people among an ‘elite’ is not an impartial designation, and a brief word on the collection of this data is warranted. A series of choices (hopefully informed ones) went into selecting these individuals, some of whom in their day-to-day lives may well not give much thought to the operation of professional sports in Toronto. The seven MLSE/RBJ corporate partners whose boards became the focal point for the selection of individuals were chosen to include those MLSE platinum partners who were not multinational subsidiaries and had boards of directors in Canada. For RBJ, the decision was made to focus on the team’s lead sponsor as well as important Canadian companies in key industry sectors (i.e., banking and media). Once it was determined which corporations were to be included, a further determination was made to focus on board members based in Toronto. By no means has the search for biographical details on these Canadian executives been exhausted.[13] Even with the selections made at each level of analysis narrowing the focus of inquiry, this research does not purport to represent everything there is to know about each of these corporate directors. Nevertheless, the implications of the linkages between these board members paints a picture that a nod to completeness and some supposed level of objectivity cannot undo. There is a preponderance of evidence that connects the ownership interests of Toronto professional sports franchises to the Canadian corporate elite.

The ties that bind: A profile of the Toronto sport elite

The data gathered on the group of 47 people connected to pro sport team ownership in Toronto can be found in Appendix A. These data, examined in greater detail below, reveal that sport in the city is controlled by an upper-class, white, male vanguard. The 47 people are all men, including only one visible minority, and all but three (Anthony Fell, Mel Lastman and Steve Stavro) have at least an undergraduate university education. The categories of analysis discussed below include: gender, geography, social class, profession, education, social club memberships, ethnicity/religion, philanthropy, political affiliation, and other board memberships and the resulting interlocks.

Gender

All 47 members of the Toronto sport elite are men. This is perhaps not surprising, given the composition of the complete boards of directors shown in Table 6. In fact, for Clement in 1975 gender (or more likely 'sex' at that time) did not even factor into his analysis. The assumption was that the people with access to corporate boardrooms and political backrooms would be men. Even the only women's team playing in Toronto, the Beatrice (Toronto) Aeros, have a virtually all-male personnel. The team manager/CEO is a woman (Barb Fisher), but the president/owner, general manager, and the entire coaching and training staff are men.

Geography

This is admittedly an arbitrary measure of the character of the Toronto sport elite, since identifying Toronto-based executives was a criteria in selecting the directors to study. Nevertheless, it should be emphasized that the kinds of interlocks suggested by this analysis are, as Clement and others have identified, not unique to the Toronto situation. Guy Saint-Pierre represents an excellent example of the operation of corporate interlocks in Montreal. Saint-Pierre is the Chairman of the Board of SNC-Lavalin Group Inc.—a major engineering and construction company that contributes significantly to both national and provincial political parties in Canada, as well as Toronto Mayor Lastman's 2000 re-election campaign—*and* the Royal Bank of Canada. He is also on the board of directors of BCE Inc. as well as the boards of other major Canadian corporations such as Alcan Aluminum Inc. and General Motors of Canada. It could be argued that Saint-Pierre is a useful link between RBJ and its corporate partners (e.g., Royal Bank) and the MLSE ownership group (i.e., BGM through BCE). Similarly, Regina's Lloyd I. Barber is another good example of this boardroom convergence, having sat on the boards of Molson Inc., the Bank of Nova Scotia, and CanWest Global Communications.

Social class

While there is no definitive data on the class status of the Toronto sport elite, it is clear, with a preponderance of executives from some of Canada's largest corporations, that this is a wealthy group of individuals. A number of them can be found on the *Globe and Mail's* list of the "50 Best Paid Executives" (see Table 7). Even discounting the substantial perks that many executives receive within their compensation packages, this subset's average base salary of $680,000 (CDN)—let alone their average total compensation packages of more that $10 million (CDN)—puts them among the wealthiest of Canadians. Add to these figures, the presence of four individuals in this analysis on the *Canadian Business* list of the wealthiest Canadians, the "Rich 100" (all $CDN): Ted Rogers (#22: $1.14 billion); Larry Tanenbaum (#38: $700 million); Rudy Bratty (#79: $344 million); and Richard Currie (#92: $285 million) [Canadian Business, 2002]. This does not include Ken Thomson (#1: $21.48 billion) and Eugene Melnyk (#11: $2.26 billion), the former operating in the shadows of Toronto sport and the latter existing, for now, on the periphery. There can be little doubt, if we take personal income as a measure of social class, that the Toronto sport elite are well represented among Canada's economic elite.

Name Position Company	**Rank**	**Base Salary ($CDN)**	**Annual Bonus ($CDN)**	**Long-term Incentive ($CDN)**	**Total Direct Compensation ($CDN)**
Charles Baillie Chair/CEO, TD	14 (2002)	1,270,000	3,325,000	7,182,000	11,778,000
Gordon Nixon Pres/CEO, RBC	15 (2002)	900,000	1,714,000	9,085,000	11,699,000
David Wilson Co-Chair/CEO, Scotia Capital	24 (2002)	275,000	6,401,000	2,703,000	9,379,000
Ted Rogers Pres/CEO, RCI	28 (2001)	900,000	1,950,000	6,014,000	8,864,000

Nadir Mohammed Pres/CEO, Rogers Wireless	30 (2002)	522,000	328,000	7,638,000	8,488,000
Tony Fell, Chair, RBC Dom. Sec.	46 (2001)	302,000	6,500,000	0	6,802,000
'B' List					
Eugene Melnyk, Chairman, Biovail Corp.	6 (2001)	746,000	186,000	20,141,000	21,073,000
Michael Sabia, Pres/CEO, BCE	47 (2001)	525,000	792,000	5,470,000	6,787,000
Averages ($CDN)		680,000	2,649,500	7,279,125	10,608,750

Table 7: Compensation packages for selected Canadian executives
(Source: Globeinvestor.com, 2003)

Profession/Firm

The importance of financial interests to sports ownership groups has long been recognized in Toronto. The Canadian Imperial Bank of Commerce was among the partners in the Blue Jays' original ownership group in 1977 (Brunt, 1996). Clement goes on to note that "…interlocks with dominant banks and insurance companies are of such import for access to capital, the essence of economic growth" (Clement, 1975: 156). Not surprisingly, then, the two dominant organizations within the Toronto sport oligopoly are well-connected to the Canadian financial/banking community. Both have corporate partners in this sector (MLSE: TD Waterhouse; RBJ: Royal Bank) and MLSE counts a financial institution among the members of its ownership consortium (TD Capital Group, 14%). Furthermore, nearly 30% of the Toronto sport elite (14 of 47) is employed by a bank or investment firm, helping to cement the link between pro sports teams and access to investment capital.

A second prominent occupation among the sport elite in Toronto is the legal profession (a point that will be further emphasized below in a discussion of educational backgrounds). The 11 lawyers (23% of total) found among the Toronto sport elite add credence to Clement's observation that "law partnerships add another dimension to interlocking" (Clement, 1975: 219). These lawyers bring to this group their connections at some of Toronto's most powerful law firms. Of the 11, four are with Cassels Brock & Blackwell, while Blake Cassels & Graydon, Fasken Martineu, Fraser Milner Casgrain, and Goodmans are all represented by a single partner. Moreover, there are strong links to Torys, one of the most prominent firms in corporate Canada. John Tory's grandfather founded the firm, both Tory and W. Geoffrey Beattie were Torys' partners in the past, and RCI chairman Ted Rogers articled at the firm in the 1960s. This is to say nothing of other influential Toronto law firms, such as McCarthy Tetrault (who have acted on behalf of SkyDome owner Sportsco International in the past) and Osler Hoskin Harcourt, who if lacking direct linkages to pro sports teams in Toronto are intimately connected to the city's corporate community.

There are other links between these firms and Toronto's corporate and political power brokers. Goodmans, the firm at which MLSE board member and son of Toronto's mayor, Dale Lastman, is a partner hired former Ontario premier Mike Harris as its 'senior business manager' in October 2002. The law firms represented in the Toronto sport elite are also major contributors to federal and provincial political parties, especially the ruling federal Liberal party. These contributions are summarized in Table 8. Fraser Milner Casgrain chairman David Smith is a liberal Senator, a former Liberal cabinet minister, and a member of the RBJ advisory board.

Law Firm *(all $CDN)*	**Liberal Party of Canada * (2001)**	**Progressive Conservative Party of Canada (2001)**	**Canadian Reform Conservative Alliance (2001)**	**Progressive Conservative Party of Ontario* (2001)** *(limit: $7500)*	**Ontario Liberal Party (2000)** *(limit: $7500)*
Blake Cassels & Graydon	12,550.89	7,913.86	3,020.00		

Cassels Brock & Blackwell	5,005.20	4,759.30			
Fasken Martineau	17,052.22	4,759.30		3,290.50	
Fraser Milner Casgrain	37,192.05	2,790.03			
Goodmans	5,916.00	951.86			
Lang Michener	5,995.75	603.92	250.00		
Torys	5,005.20	4,759.30			5,520.00

Table 8: Political contributions from law firms connected to the Toronto sport elite
(*Governing incumbent at the time funds collected)
[Sources: 2001 Political Parties' Financial Reports, Elections Canada; Ontario Liberal Party 2000 Annual Return & Progressive Conservative Party of Ontario 2001 Annual Return, Elections Ontario.]

Included among the educational backgrounds of these 47 men are 20 law degrees (LLB/LLM) in total. As Clement observed in the early-1970s: "There has been a substantial increase in the number and proportion of lawyers in the economic elite with this change coming almost exclusively from those who have law degrees but chose to work their way into the elite via the corporate rather than legal world" (Clement, 1975: 178). Examples of this phenomenon within the Toronto sport elite include RBJ advisory board members and RCI board members Ted Rogers and John Tory, as well as Woodbridge Company president W. Geoffrey Beattie and Ontario premier Ernie Eves.

Education: secondary and post-secondary

There is not an overwhelming amount of data on the secondary educations of the Toronto sport elite, but exclusive Toronto-area boys' private schools are well represented. As Clement observed of the Canadian corporate elite, "private schools are most appropriately understood as class institutions designed to create upper class associations and maintain class values both by exclusion and socialization; that is exclusion of the lower classes and socialization of the potential elite" (Clement, 1975: 244). Most prominent among these schools is Upper Canada College (UCC). There are three UCC graduates on the list of Toronto sport elite, including RCI chairman Ted Rogers, and two alumni of University of Toronto Schools (UTS), including John H. Tory of the RBJ advisory board. The John A. Tory Shield for Intermediate Public Speaking at UTS is named for the younger Tory's father. The Toronto sport elite also includes a graduate of St. Michael's College, a Catholic boys' school, and out-of-town schools St. Andrew's College (Aurora, ON: 2 alumni) and Ridley College (St. Catharines, ON: 1 alumnus). Clement goes on to note of private boys' schools: "Attending 'dad's' old school is another form of inheritance preserving the continuity of the elite" (Clement, 1975: 244). And, indeed, these cross-generational connections exist within the Toronto sport elite where at least three are fathers of UCC Old Boys. Another two have volunteer/fundraising links to UCC and Crescent, another exclusive Toronto boys' school.

These kinds of connections are also common at the post-secondary level as well, especially the linkages formed between the Toronto sport elite's University of Toronto (U of T) alumni. Of the 41 known undergraduate degrees among the sport elite, nearly half (18) were obtained at U of T. Eastern Canada's other high profile universities are also well represented: University of Western Ontario (London, ON: 4), Queen's University (Kingston, ON: 3), McGill University (Montreal, PQ: 2), and York University (Toronto: 2). At the graduate level, of the 32 known degrees, 25% (8) were obtained at U of T and six of those were law degrees. Another 10 were acquired at Toronto's other famous law school, Osgoode Hall (formally associated with York University). These Toronto-based law degrees account for 16 of the 20 found among the Toronto sport elite (a preponderance of lawyers that was noted above). The other common graduate degree within this population is, not surprisingly, the MBA. Of the 10 MBAs on the list, five are graduates of the Harvard business program (all graduating between 1957-70).

As Clement noted: "The value of university attendance extends well beyond the training gained there. It is also a breeding ground for elite connections and lasting associations" (Clement, 1975: 242). An examination of the U of T community confirms that these connections have persisted among the Toronto sport elite. This group includes two former U of T presidents: John Evans (1972-78) and Robert Prichard (1990-2000). The 2002-03 Governing Council of the University of Toronto included government appointees (and sport elite members) Paul Godfrey, David Peterson, John Tory, and Shari Graham Fell (wife of Anthony Fell). Furthermore, C. Edward (Ted) Medland is on the University of Toronto Foundation Board of Directors. The foundation's fundraising efforts in the late-1990s relied heavily, not surprisingly, on its alumni networks. Looking only at significant contributions to this fund (i.e., greater than $25,000) between 1995 and 2002, we find donations from 13 individuals, 9 corporations, an additional 6 law firms, and 4 foundations associated with the members of the Toronto sport elite. (See Table 9.)

Donation Category ($CDN)	Name
$5,000,000 to $50,000,000 or more	Ted & Loretta Rogers
	Bell Canada
$1,000,000 to $4,999,999	The Evans Family
	Rogers AT&T Wireless
	RBC Foundation
	TD Bank Financial Group
	Torys LLP
$100,000 to $999,999	H. Garfield Emerson
	Anthony Smithson Fell
	Robin W. Korthals
	J. Robert S. Prichard and Ann E. Wilson
	Larry and Judy Tanenbaum
	Richard M. and Heather Thomson
	Blake Cassels & Graydon LLP
	Cassels Brock & Blackwell LLP
	Fasken Martineau DuMoulin LLP
	Goodmans LLP
	RBC Capital Markets

	TD Meloche Monnex
	The Toronto Star
$25,000 to $99,999	Marilyn and Charles Baillie
	David and Judy Galloway
	Paul V. Godfrey
	Ted and Julie Medland
	The Honourable David R. Peterson
	Fraser Milner Casgrain LLP
	The Molson Foundation
	Raptors Foundation
	Rogers Communications Inc.
	Rogers Group of Companies
	Lawrence & Judith Tanenbaum Family Charitable Fdn.
	TD Securities

Table 9: Contributors to the University of Toronto fundraising campaign, 1 May 1995 – 30 April 2002
(Source: University of Toronto, 2002)

Club Memberships

In an examination of the changing origins of the Canadian industrial elite between 1880 and 1910, Acheson notes that "an interlocking corporate elite of Montreal and Toronto entrepreneurs generally held memberships in the Mount Royal and St. James clubs of Montreal, the Rideau of Ottawa, and the Toronto and York clubs of Toronto" (Acheson, 1973: 215). A century later these clubs are still important intersections for the corporate and sport elite. As Clement notes these excusive men's clubs are "the preserve of the upper class male". He continues:

> 'the club' is a meeting place, a social circle, where businessmen can entertain and make deals. It serves as a badge of 'social certification' but is more, in that 'the club' is a place where friendships are established and

> old relationships are nourished…To participate in the club life is to be known 'by those who count' (Clement, 1975: 247).

While the data on club membership is incomplete, members of the elite social and recreational clubs in Toronto are well represented among the Toronto sport elite. Included on this list are six members from both the York and Toronto clubs, four from the Albany club, two National club members, as well as a single member from each of the Mount Royal (Montreal) and Rideau (Ottawa) clubs. Beyond social clubs, recreational clubs are also important places of connection, especially when examining sport. The Toronto sport powerbrokers include five members each at the Rosedale Golf Club and the Badminton & Racquets Club, as well as two members of the York Racquets Club. As to the influence of these clubs, Barber noted that it was the "Albany Club powerbrokers who put Mr. Lastman into office" (Barber, 2002), while Pitts writes of "Ted Rogers's turf, the exclusive, darkly luxurious Toronto Club" (Pitts, 2002a: 35).

Ethnicity/religion

Data on the ethnic origins and religious backgrounds of the Toronto sport elite is incomplete, and any observations that can be made are provisional at best. Toronto sport has long been a WASP bastion, from Conn Smythe and the Maple Leafs to the Basset family and the Argonauts, and the current Toronto sport elite is still predominantly white. Moreover, the composition of this group is increasingly less representative of Toronto as the city becomes increasingly diverse. There is only one visible minority (Nadir Mohammed) on the list, in a city where 36.8% of the population of greater Toronto is a visible minority (this figure rises to 42.8% when only the core 'city' of Toronto is considered)[Statistics Canada, 2001a].

There is data on the ethno-religious backgrounds of 23 of the people on the list of Toronto sport elite. These include: eight Jews, seven Anglicans, two Roman Catholics (though the list also includes an Italian-Canadian and a Polish-Canadian, either of whom may well be Catholic), and two Baptists. In Toronto, 3.5% of the population characterizes their ethnic origin as Jewish (though this figure may well under-represent the number of Jews in Toronto, who could have identified a number of other possible national-ethic origins) [Statistics Canada, 2001b]. While the presence of Anglicans is not surprising among the corporate elite who influence sport in Toronto, people of Jewish ethnic origins (34.7% of the available data, 17% of the total) are relative newcomers. As Clement noted in 1975: "Although over one quarter of Canada's population is made up of ethnic groups other than the two charter groups (26.7 per cent), they have almost no representation in the economic elite, except for Jews" (Clement, 1975: 237). However the change evident in the current makeup of the Toronto sport elite can be observed when Clement continues his discussion of the Canadian corporate elite in 1975:

> Jews have not, and do not, play a dominant role in the economic elite in Canada. Their participation is, for the most part, peripheral to the economic elite and located in the high risk sectors of trade and real estate. Although in proportion to their representation in the population Jews are over-represented in the elite, this participation is so confined to a very few family firms that it does not give an adequate indication of their participation in the elite as a whole …With few exceptions, these 32 individuals [Jews that Clement identified as being among the corporate elite] are more correctly understood as an elite of the Jewish community, separate yet interlocking in a peripheral way with the national Anglo-dominated elite (Clement, 1975: 238).

This separation of Jews (and other ethnicities) from the mainstream of Toronto economic and political power is no longer as straightforward as Clement suggests, at least when in comes to influencing professional sport. The city's mayor is Jewish, the province's premier Anglican. RCI is headed by an Anglican, the president and CEO of its baseball club is a Jew. MLSE is led by a Jew, while the two most recent CEOs of its largest shareholder (OTPP) are an Anglican and a Catholic. Of the three wealthiest men on the list of Toronto sport elite, one is an Anglican (Rogers), one a Jew (Tanenbaum), and the third an Italian-Canadian (Bratty).

Philanthropy: Charities, foundations, and institutes

Mention has already been made of charitable work done by members of the Toronto sport elite to benefit their secondary and post-secondary alma maters, but volunteer work in a variety of endeavours is typical among this group. These kinds of opportunities provide an excellent opportunity for building and reinforcing networks. The most common philanthropic activity is fundraising and health care facilities are the most common institutions where this group is involved. There are 20 hospitals or health care facilities listed among the volunteer work of the Toronto sport elite. It is at the meeting of the fundraising boards and foundations of these hospitals that a number of the sport elite meet. Of the 20 medical philanthropic positions, six are at Mt. Sinai Hospital, five at the Baycrest Centre, and two at Sunnybrook Hospital.

There is ample anecdotal evidence of the kinds of sport-media linkages that can be built through volunteer/philanthropic work. Phil Lind, RCI vice chair, sits on the Power Plant Art Gallery board with Kaye Beeston, wife of former Blue Jays' president and major league baseball executive Paul, and on the Banff Television Festival board with Leonard Asper of CanWest Global Communications, one of the most influential men in Canadian media.

Another way of exerting influence in a 'volunteer' role is to contribute to political policy think-tanks. Dobbin (1998) notes the power, influence, and impact corporate executives wield both within these institutes and over more traditional lobbying bodies such as the National Citizen's Coalition. Two of Canada's most prominent think tanks are represented within the Toronto sport elite: former Ontario premier Mike Harris is a fellow of the Fraser Institute and Robert Peterson, president of Imperial Oil and RCI board member, is associated with the C.D. Howe Institute.

Philanthropic activities have created other opportunities for MLSE- and RBJ-affiliated elite members to interact. The B'nai Brith Foundation, a Jewish community service organization, has made it a practice to grant its Award of Merit to successful members of the business community, regardless of their faith. One recent recipient of this award was Charles Baillie, Chairman and CEO of TD Bank, a primary MLSE partner. The 2002 Award of Merit Dinner honoured Ted Rogers. The Dinner Chair was Peter Godsoe, chair and CEO of Scotiabank. (David Wilson, the co-CEO of Scotiabank's subsidiary, Scotia Capital, sits on the RCI board of directors.) What's more the honourary chair for the Rogers' award dinner was MLSE managing partner Larry Tanenbaum.

Finally, in an interesting link between the ethno-cultural backgrounds, club affiliations, and philanthropic interests of the Toronto sport elite, this group includes four members of the Canadian Council of Christians and Jews (CCCJ), including one each from the MLSE and RBJ boards. A non-sectarian organization that promotes education and research in aid of cultural, racial, and religious equality, the CCCJ hosted its Spring CCCJ Governors' Forum on 1 May 2002. The guest of honour was Supreme Court Justice Louise Arbour, the former Chief Prosecutor for the International Criminal Tribunals for the former Yugoslavia and for Rwanda. Aside from the four known CCCJ members among the Toronto sport elite who would have been invited to this event, the evening was hosted by the law firm, Fasken Martineau, whose national chair, H. Garfield Emerson, is also on the list of the Toronto sport elite. Moreover, the event was held at the National Club in Toronto.

Political affiliation

The connections between sport and politics are overt and long-standing. These range from government involvement (including financial support) for cities bidding on and hosting major international sporting events to the fact that virtually every professional sport team in Toronto enjoys some level of government sponsorship. There are less obvious connections, however, and the dominant sport organizations in Toronto have considerable access to political backrooms. MLSE board member, Dale Lastman, is the son of Toronto's mayor. A recent published account discussed the important advisors surrounding Mayor Lastman: "Besides his son Dale, it's mostly Paul Godfrey—a long-time North York crony, former publisher of *The Toronto Sun* and current head of the Blue Jays" (Lorinc, 2002: 82). On the federal level, Toronto Liberal MPP, Dennis Mills, whose "amateur sport and hockey policies have made him the darling of the sporting set", includes Toronto real estate developer and RBJ advisory board member, Rudy Bratty, within his circle (Zolf, 2002).

Among the 47 members of the Toronto sport elite are seven people with acknowledged Progressive Conservative party affiliations as well as two Liberals. More than this, there were 25 personal contributions made by this group to political campaigns at all three levels of government. These are summarized in Table 10, and these include 11 contributions to "conservative" parties and 10 to "liberal" ones of similar dollar amounts. It should be noted that the federal contributions are inflated by Ivan Fecan, BGM CEO, who made the second-largest individual contribution to the Liberal Party of Canada in 2001 ($25,000.00 CDN) and Ted Rogers, whose $26,000.00 (CDN) donation was the third-largest individual contribution to the Progressive Conservative Party of Canada (Elections Canada, 2001).

	Liberal Party of Canada * (2001)	**Progressive Conservative Party of Canada (2001)**	**Canadian Reform Conservative Alliance (2001)**	**Progressive Conservative Party of Ontario* (2001)** *(limit: $7500)*	**Ontario Liberal Party (2000)** *(limit: $7500)*	**Mayor*, City of Toronto (2000)** *(limit: $2500)*
Number	7	6	0	5	3	4
Total $CDN	29,153.32	30,947.52	0	1,658.78	807.00	8,000.00

Table 10: Personal political contributions by members of the Toronto sport elite
(*Governing incumbent at the time funds collected)
[Sources: 2001 Political Parties' Financial Reports, Elections Canada; Ontario Liberal Party 2000 Annual Return & Progressive Conservative Party of Ontario 2001 Annual Return, Elections Ontario; Mayor Mel Lastman Campaign 2000, City of Toronto.]

One might presume a preference for the Progressive Conservative party among this group, especially within Toronto's blue-blood law firms and Bay St. boardrooms, but the data does not bear this out. Porter (1951, cited by Clement) found an almost equal distribution of Liberals and Conservatives among the economic elite, and more than 20 years later Clement could not gather enough data to dispute this conclusion. Indeed, in today's political climate there is often little ideological difference between being Liberal and Progressive Conservative. Clement does note that support of the federal Liberal party tends "to reflect the long pattern of dominance by the Liberals in federal Canadian politics" (Clement, 1975: 179). So that supporting the Liberals, federally at least, might have ancillary benefits. They have been the ruling party in Canada since 1993 and their current mandate runs until November 2005. (The Progressive Conservatives have been the party in power in Ontario since 1995 and their mandate runs until June 2004.)

Company *(all $CDN)*	**Liberal Party of Canada * (2001)**	**Progressive Conservative Party of Canada (2001)**	**Canadian Reform Conservative Alliance (2001)**	**Progressive Conservative Party of Ontario* (2001)** *(limit: $7500)*	**Ontario Liberal Party (2000)** *(limit: $7500)*	**Mayor*, City of Toronto (2000)** *(limit: $2500)*
MLSE Owners/Partners:						
MLSE	---	---	---	---	5,000.00	---
Kilmer Van Nostrand	---	1,000.00	---	3,265.75	---	---
Cadillac Fairview (OTPP)	---	---	---	3,833.91	---	2,500.00
Air Canada	31,671.13	4,769.60	3,020.00	2,253.50	---	---
Bell Canada	83,660.49	23,435.25	3,500.00	4,731.91	---	2,500.00
Molson Canada	11,419.70	32,000.36	514.80	7,249.96	5,434.00	2,500.00
TD Bank	68,786.05	54,668.60	29,770.00	6,047.75	8,292.00	2,500.00
RBJ Owner/Partners:						
Rogers Comm. Inc.	49,882.60	5,062.56	10,000.00	3,290.50	6,000.00	2,500.00
Dundee/Dynamic	---	---	---	---	---	2,500.00
Royal Bank of Canada	73,225.22	46,084.31	48,428.42	8,727.08	12,500.00	---
Torstar Corp.	---	---	---	---	---	---

Table 11: Political contributions from corporations interlocked with the Toronto sport elite[14] (*Governing incumbent at the time funds collected)
[Sources: 2001 Political Parties' Financial Reports, Elections Canada; Ontario Liberal Party 2000 Annual Return & Progressive Conservative Party of Ontario 2001 Annual Return, Elections Ontario; Mayor Mel Lastman Campaign 2000, City of Toronto.]

Even with the potential advantages of supporting the governing party, it is not impossible to separate a sense of one's corporate welfare from one's personal convictions. While Ted Rogers is among the largest individual contributors to the Progressive Conservative party, his Rogers companies donated nearly $50,000 (CDN), the seventh largest corporate donation, to the federal Liberal party (Elections Canada, 2001). The political contributions of the 11 organizations that comprise this study are summarized in Table 11. For additional detail, refer back to Table 8 to see the political contributions of the law partnerships associated with this group. These figures reveal a preference, in terms of dollars contributed, for the Liberals, but by no means is this corporate community abandoning the Progressive Conservatives.

Other board memberships and the nature of corporate interlocks

A recent *Globe and Mail* study rated the governance practices of Canada's 270 top publicly traded companies (McFarland, et al, 2002). It looked at the composition of boards of directors and the independence of board committees. A majority of the MLSE/RBJ corporate partners considered here (including BCE, RBC, TD, and Air Canada) ranked among the top 25% of this survey. Molson was in the second 25% while RCI was in the bottom 25%, scoring only 46 out of a possible 100 points. For firms ranked near the bottom of the list, the study concluded that: "In the case of most boards, a large number of their directors could not claim complete independence, a feature that government experts maintain is crucial to ensure that the board serves its main function of representing the interests of shareholders" (Nguyen, 2002).

These less than arms-length connections identified by Nguyen are clear among Toronto's sport elite. She goes on to note that: "Consulting fees, familial ties and professionals who serve dual roles as board members and providers of legal or financial services all contributed to the lack of independence found among Canada's worst governed companies" (Nguyen, 2002). The number of lawyers associated with the Toronto sport elite who also sit on the boards of MLSE/RBJ partners is evidence of this latter trend. Moreover, nepotism is also a popular hobby among the Toronto sport elite. It is most evident between fathers and sons: Ted and Edward Rogers on the RCI board, Mayor Mel and MLSE board member Dale Lastman, and Paul and Rob Godfrey, both executives with the Blue Jays, are the most prominent examples of this trend. But Maple Leafs hockey executive Bill Watters and his son Brad, president of the Rock, as well as John Tory and his grandfather's, father's, and uncle's connections to the Toronto law firm Torys are further cases in point. As well, Ted Rogers' wife, Loretta, sits on the RCI board.

Another important issue affecting the independence of corporate governance raised by the *Globe and Mail* study is the phenomenon of interlocking directorships. Also a key element in Clement's analysis, this practice results in a relatively small group of executives sitting on the boards of multiple corporations. "In Canada, it is common for companies as well as individuals to have informal connections through shared board relationships" (McFarland, 2002: B6). The result is:

> That many directors rub elbows with colleagues they see frequently at other board meetings, or who are friends and former colleagues. The most prominent directors in Canada are a tight group who travel in the same circles, making boards cozier than they might appear to shareholders" (McFarland, 2002: B1).

David Beatty, a University of Toronto professor studying Canada's boards of directors has noted that: "The interlocks are very close. It is a small country" (cited in McFarland, 2002: B6). And, indeed, this is not a state of affairs that necessarily troubles all involved. The Cassels Brock website proudly boasts of Ralph Lean, a partner in the firm who also sits on the OTPP board, that

> Ralph possesses the largest business card Rolodex of any lawyer at Cassels Brock. He takes pride in using his network of contacts throughout the province, Canada, and the world to bring companies together in profitable alliances that are mutually beneficial. In his own words, "This is the most rewarding part of my work with companies" (http://www.casselsbrock.com/profiledetail.asp?sid=159).

Within the Toronto sport elite, there are a number of cross-referenced Rolodexes. Larry Tanenbaum of the MLSE board sits on the board of Lafarge North America, as does Marshall Cohen. Cohen, in turn, sits on the board of TD Bank and was president and

CEO of Molson (1988-96), both of which are MLSE partners. This linkage also includes Cassels Brock, Cohen's law firm, and the volunteer/fundraising committees at Mt. Sinai Hospital and the Baycrest Centre, on which both Tanenbaum and Cohen are active.

Another interesting figure is Ronald Osborne. When he was the head of Maclean Hunter, he tried to block Ted Rogers' 1994 takeover of the Canadian publishing giant. "The gregarious Osborne made no secret of his distaste for cable-TV billionaire Ted Rogers and the aggressive, debt-fueled takeover bid" (MacIsaac, 1996: 104). When his opposition failed, Osborne joined BCE, an MLSE partner and a bitter rival of RCI in the battle for control of the Canadian convergence marketplace. Today, Osborne sits on the board Air Canada, an MLSE partner. He is now the president and CEO of Ontario Power, on whose board sits Richard Thomson, a TD Bank director. TD, of course, is an MLSE platinum partner and co-owner. Richard Thomson is also a board member of Ken Thomson's Thomson Corp., thus linking two MLSE owners, TD and BGM.

Janet McFarland's account of the interconnections between the RBC and BCE boards highlights more important linkages as the former is an RBJ partner and the latter an MLSE partner:

> Anthony Fell, chairman of RBC's brokerage arm RBC Dominion Securities is on the BCE board. Geoffrey Beattie, who is president of the Thomson family holding company Woodbridge Co., is on the RBC board and the board of Bell Globemedia—a company owned by BCE, Thomson Corp. and Woodbridge (McFarland, 2002: B6).

McFarland omits Fell's link to the Loblaw Companies' board, where Richard Currie is the president of Loblaws. Currie, in turn, also sits on the board of Imperial Oil (an MLSE 'gold' partner and long-time NHL sponsor). The president of Imperial Oil is Robert Peterson. He sits on the board of RBC, an RBJ partner.

These are far from the only 'six degrees (or less) of separation' boardroom connections between MLSE and RBJ. Ivan Fecan, BGM's president and CEO and an MLSE board member, is the former president of CTV. Tony Viner, who sits on the RBJ advisory board, is a former CTV board member. More interestingly, Robin Korthals is the chairman of MLSE's largest shareholder, OTPP, yet he also sits on the RCI board of directors with Ted Rogers.

But the lynchpin of the MLSE-RJB interconnections is the Toronto-Dominion Bank and its subsidiary companies, one of which, TD Waterhouse, is the MLSE lead sponsor. Richard Thomson, in his former role as chairman of TD Bank, has a long association with Ted Rogers, and TD has often been a primary lender for RCI (Pitts, 2002). Thomson also sits on the Thomson Corp. (controlled by the Thomson family) board with Woodbridge Co. president Geoffrey Beattie. Thomson Corp. and Woodbridge are both minority shareholders in BGM, the newest MLSE co-owner. Charles Baillie, chairman of TD Financial Group sits on the board of real estate development firm Cadillac Fairview, which is owned by the OTTP, the MLSE majority shareholder. Finally, it is not surprising, given his longstanding relationship with the bank, but Ted Rogers sits on the board of TD Bank, whose subsidiary (TD Capital Group) owns 14% of his 'rival' in the Toronto sport marketplace, MLSE.

7. CONCLUSION: IMPLICATIONS AND FUTURE DIRECTIONS

The intimate connection of pro sports team ownership to Toronto's economic and political elite outlined here is a relatively recent trend. This is not to say, however, that corporate interests have not been involved with professional teams from the virtual beginnings of commodified sports in the city. Rather, the rapid growth in the number of teams and the concurrent explosion of media outlets in Toronto since the early-1990s have led to closer (i.e., more interconnected) ties between the sport and the corporate elite as the latter pursue the perceived benefits of convergence.

Beyond a brief reference to Maxwell A. Bell, the first chairman of Hockey Canada, the only reference Clement (1975) makes to sport in his study of the Canadian corporate elite is the inclusion of the Basset family (and a mention of its sports holdings) within his discussion of the media elite. Nevertheless, links between pro sport and corporate interests in the city predate Clement's study. When Conn Smythe purchased the Toronto NHL franchise in 1927—which he renamed the Maple Leafs—he was financed by wealthy members of the Toronto commercial elite. By 1930-31, as he sought to finance the arena project that would become Maple Leaf Gardens, he continued to nurture these relationships. "Maple Leaf Gardens' resulting list of directors was an impressive cadre of Toronto's socially and financially established; the insurance, banking, mining, and petroleum industries were all well represented" (Field, 2002a: 43).[15]

In addition to Smythe, the Bassets were important figures on the Toronto sport scene. Patriarch John Basset was "publisher of the Toronto *Telegram*, owner of CFTO-TV, a director of the CTV television network, president of the Toronto Argonauts football club, and at the time the largest individual stockholder in Maple Leaf Gardens, which owns the Toronto Maple Leaf hockey club" (Kidd and Macfarlane, 1973: 154). In exploring the history of a connection between sport and media ownership in Toronto, Gruneau (1983) highlights the Basset family interests and goes on to note: "More recently, the Western Broadcasting group has ties to several sports franchises in western Canada, and the

Global Television network has purchased the Toronto Blizzard soccer team" (Gruneau, 1983: 88).

Gruneau also outlines the historic connection between sport and the beer industry in Canada: from Carling O'Keefe and Molson with the NHL's Nordiques and Canadiens, respectively, to Labatt's ownership of the Blue Jays. The $7 million (US) expansion fee for the Blue Jays in 1977 was put together by an ownership group that consistend of Labatt Breweries (45%), R. Howard Webster, who also owned the Globe and Mail (45%), and the Canadian Imperial Bank of Commerce (CIBC:10%). Banks at the time could only own a maximum of 10% of a sports franchise according to the Bank Act. By 1991, John Labatt Ltd. owned 90% of the club, having bought 45% of the team from estate of the late R. Howard Webster. CIBC retained its 10% stake (Brunt, 1996).

Today, more than being just the assets of beer companies, pro sports teams are both integrated within and integral to the success of complex corporate-media strategies. In Toronto, the control over commercial sport is consolidated within the hands of a very small group, which can be narrowed to two key organizations (MLSE and RBJ) that have significant ties to the city's corporate, economic, and political elite. This group—MLSE/RBJ and their key partners—dictates the strategies by which pro sport is managed in Toronto. They operate as an oligopoly. That is, the presence of more than one firm within the marketplace would seem to indicate that a level of competition exists and that Toronto sports fans have a degree of choice that influences this marketplace. But, as we have seen, there is little real competition in this market and there is as much evidence to indicate that MLSE and RBJ coexist and cooperate as there is to suggest they compete. The short-lived Toronto Phantoms—owned by RBJ, playing in an MLSE facility, and purporting to offer a lower-priced spectator opportunity to compete with the alternatives owned by MLSE and RBJ—is just the most obvious example of the level of oligopolistic cooperation. (The widespread coverage of MLSE's Maple Leafs and Raptors on RCI's RSN is another example.)

While the MLSE/RBJ oligopoly operates in their (and their partners') best interests, a word of caution is important: where there is smoke, there is not always fire. Involvement by a corporate partner does not necessarily reflect the degree of control they have over shaping the sport product either on or off the field. Rather, corporate involvement in sport can simply reflect the pursuit of basic business objectives. A visit to, quite literally, all of the different pro sports venues in Toronto will reveal the sponsorship presence of local fast-food outlet, Pizza Pizza. This does not imply, however, that Toronto sport is controlled by some vast pizza conglomerate. Rather, companies such as Pizza Pizza are drawn by sport's ability to attract a "young, 18- to 35-year-old demographic" (Daniels, 2001).

For MLSE and RBJ, however, the appeal of sports team ownership goes beyond demographic aggregation. The delivery of this market segment to advertisers remains important, but the generation of marketable content for converged print-radio-television-online media conglomerates has become of preeminent importance. In mature sports markets, such as Toronto, saturation is a concern for pro sports teams trying to increase revenue. As NBA commissioner David Stern has noted: "The domestic market for basketball is getting to be mature" (cited in Thomsen, 2002: 75). For Stern and the NBA, this means contemplating expansion into the European market. Stern's vision involves "bringing together corporate investors and media moguls" who will build and operate "entertainment hubs in which modern soccer and basketball facilities stand side by side with a shopping mall in between" (Thomsen, 2002: 77). In Toronto, content-convergence strategies are a less grandiose attempt to confront similar realities.

One strategy MLSE has pursued is to vertically integrate. With the Maple Leafs and often the Raptors selling out the ACC, MLSE can only increase gate revenue by increasing ticket prices (which they have not hesitated to do). As a result, MLSE has made an effort, though largely unsuccessful to-date, to move into controlling the broader media distribution of their sports products—through the digital satellite stations LeafsTV and RaptorsTV. An alternate strategy is to pursue horizontal integration. That is, widen the sport product offering by selling teams and sports that, in marketing terms, compete at different ‘price points’. For MLSE this has meant, welcoming (though not operating) both the Rock and the Phantoms into the ACC. For RCI, horizontal integration means acquiring more content for their sports media products. The Blue Jays are the most obvious example of this, but their ownership of the Phantoms and exposure of the team on RSN is consistent with this strategy.

RCI’s overall strategy concerning pro sports has been, as the company has acknowledged, about creating cross-promotional opportunities between the various RCI divisions. In essence, the Blue Jays have been integrated into what Whitson (1998) would call RCI’s “circuits of promotion”. Danielson (1997), however, argues—and no doubt would include RCI in his assessment—that many corporations that acquire sports teams actually have strong local ties (e.g., Cubs and the Chicago Tribune, Cardinals and Anheuser-Busch, Ted Turner's one-time interests in Atlanta). According to Danielson, this may make owners less likely to move franchises. While this is debatable (as we shall discuss), ownership groups couch their interest in supporting local franchises in the language of civic duty. The reality, however, is somewhat different:

> Whether owned by corporations or rich individuals, sports teams increasingly are acquired to serve an owner’s principal business—beer, television, pizza, blue jeans, or whatever. Teams advance primary business interests by attracting publicity for an owner’s firm or product (Danielson, 1997: 57-8).

The convergence boom of the late-1990s has taken this argument one step further. Sports teams are no longer intended solely to highlight a company’s core products, be they beer or pizza. Instead, teams are integral corporate assets. This is what makes Damsell’s assertion concerning RCI’s purchase of an arena football league franchise—“The indoor football team was acquired almost as an afterthought to the communications company’s high-profile purchase of the Jays a month earlier” (Damsell, 2002)—so problematic. The Toronto Phantoms were no “afterthought”. Their $7 million (US) price tag is sufficient to demonstrate this. But the indoor football team was another piece in RCI’s expansion into the convergence marketplace and search for cross-promotional and branding opportunities. Corporate sport-media entities such as MLSE and RBJ have argued that "…to a large extent, profits or losses don't matter. As investments, sports franchises are asset plays" (The world's most valuable, 2002: 53). The is the 'asset-base' argument. Sports teams are not evaluated as profit centres; their value as content for the convergence pipeline cannot be easily captured by a balance sheet.

The emergence of pro sports teams as assets to be bought and sold in the convergence marketplace and their subsequent integration into corporate strategies is an important development in Toronto's turn-of-the century sports market. However, the language and logic of convergence obscures the reality that this process revolves around the consolidation of economic power by established elites. Unlike the past, where economic elites were connected to individual sports franchises, the proliferation of teams in the marketplace and their integration into corporate structures are more recent phenomena. As we have seen, through their social backgrounds, their connections (both personal and public), and interlocking directorships the Toronto sport elite displays significant interconnections. It remains, then, to assess the implications of these linkages for the operation of sport in Toronto and the product(s) available to consumers. Clement's observations on the influence wielded by the Canadian economic elite in the early-1970s are a useful starting point for this discussion:

> Interlocking directorships are of interest because they are common expressions of social and economic networks, indicating common commitments and shared relationships. Those members of the corporate elite who sit on more than one dominant board do so because they are recognized by their peers as men of power and import. The practice of interlocking directorships serves to further concentrate power even beyond the already highly concentrated corporate structures of the 113 dominant corporations (Clement, 1975: 155-56).

To understand the benefits that connection to the modern-day Toronto sport elite offers, consider the following two comparisons: the Majors vs. Aeros, and the Phantoms vs. Thunderhawks. The Majors and Aeros are both Toronto-based hockey teams and a tier below the most popular clubs in the city, though these are perhaps their only similarities. The St. Michael's Majors are a junior-age team that plays in a 1,600-seat arena. After the Maple Leafs and soon the Roadrunners they are likely no more than the third most-popular draw for hockey in Toronto. The Aeros are the preeminent women's team in Toronto, and indeed one of the best women's hockey club teams in the world. Yet the Aeros' management is under no illusion that their team is competing with the Maple Leafs, or even the Roadrunners, for fans and media attention. The Aeros general manager, Don Heys, is quite up-front about comparing his club most directly with the Majors. He notes that his operating costs are 20% of those of the Majors, and the reason the Aeros entered into a cross-promotional agreement with St. Mike's was because “they have a much higher profile than we do” (personal communication, February, 19 2003). This “profile” is one thing that separates the two clubs; its basis—the Majors' superior connections to the Toronto sport elite—is another. The Majors are owned by Eugene Melnyk, a billionaire who is Canada's eighth wealthiest person. The Aeros are a labour of love for Colin MacKenzine, sales manager at a local optical firm. Moreover, to negotiate their marketing agreement with the Majors, the Aeros had to deal with federal MPP and St. Michael's College School alumnus Dennis Mills (D. Heys, personal communication, February, 19 2003). The Aeros have no similar connections to use to their advantage.

A comparison between the Phantoms and Thunderhawks similarly reveals the advantages of being well-connected to the Toronto sport elite. Both franchises are now defunct and both offered fans the indoor variety of sports (football and soccer) that had little history in the marketplace. This, however, is where the similarities end. The Phantoms were majority owned by RCI and as we have already seen were fully integrated into RCI's convergence strategy. This resulted in televised games on RSN and deals with other players in the sport-media market for both a venue (MLSE: ACC) and radio broadcasts (Corus/Shaw: MOJO 640). The team was run by Rob Godfrey, son of RBJ president Paul Godfrey. The Thunderhawks, by comparison, had no connection to the sport elite. They were forced to play their games in Mississauga for lack of more centrally located alternatives. Without a powerful parent company, they could also not rely on being given preferential media access and lasted barely one season in Toronto.

While the benefits a team can reap from connections to and interlocks with the “right” people are clear, the question, remains: why are interlocks and the emergence of a Toronto sport elite so important? (Or, why is the identification of these connections a worthwhile exercise?) The answer revolves around the influence the elite has over the control of choices. Choices about what sport alternatives are offered to the marketplace, choices about how these alternatives are structured and promoted, and choices, ultimately, about the prices fans will have to pay as spectators and the nature of the media coverage they will receive. These choices are ultimately dictated by the already outlined linkages that convergence has created between sport and the media, by the access the sport elite has to elected officials, and by the power the elite has to control the sport marketplace. This is the influence that the corporate elite, often in ways undetected by the public, exerts over sport in Toronto. As Clement notes of the corporate elite: “From private schools to private clubs, they lead a life quite apart from, although very much affecting, the existence of the vast majority of Canadians” (Clement, 1975: 243).

Recalling the emphasis that Whitson and Gruneau (1997) place on sport franchises’ access to local governments and the corresponding value political leaders place on developing their ‘entrepreneurial cities’, it is worth noting that the Toronto sport elite has considerable connections to political leaders at all levels of government. MLSE board member Dale Lastman is the son of and advisor to Toronto city mayor, Mel Lastman, as well as being partner at a law firm that includes former Ontario premier Mike Harris. RBJ president Paul Godfrey is a former Toronto municipal politician and also an advisor to the current mayor. His colleague on the RBJ board, Rogers Cable president John Tory, is a leading candidate to succeed Mayor Lastman. Finally, BGM CEO Ivan Fecan and RCI CEO Ted Rogers are among the largest individual political contributors in Canada.

While it is difficult to quantify the impact of these political connections, anecdotal evidence offers useful qualifications. In arguing for public (financial) support—for example, in financing facility construction or in seeking tax relief—pro sports teams use not only their connections to political backrooms, but also instrumental language suggestive of their providing a civic good. Sports teams rely on civic loyalty, but they are nevertheless private businesses. “Community assets but privately owned, increasingly publicly funded but resolutely private businesses, professional sports have secured the best of both worlds, winning public investments while maintaining private control” (Danielson, 1997: 66). This is certainly true of Toronto’s newest hockey team, the Roadrunners, who are using a municipal grant as well as municipal loan guarantees to finance the renovation of the Ricoh Coliseum, which, on completion, will be a privately run sports and entertainment venue. To kick start this private business venture, the people of Toronto are, quite literally picking up the tab. As *Stadia* magazine comments: “In effect, Toronto citizens are underwriting the redevelopment of the arena and the team in it. For its part, the city will retain ownership of the building and will receive some CanD2.2-4.2m per annum in lease, tax and revenue-share payments” (Toronto’s minor league, 2002).

Beyond perhaps influencing or benefiting from political/municipal decisions, the Toronto sport elite exercises a significant degree of control over the sport marketplace in the city. According to Gruneau: “What makes such corporate ties even more appealing for the parties involved, is that their essentially instrumental character can be masked by suggesting that a ‘service’ is being provided to the community” (Gruneau, 1983: 88). In the sport marketplace, the “service” team owners most often claim they are providing is a greater number of choices for fans, with the implication being that increased choice translates into lower costs that are passed on to consumers. The growth in the number of pro sports franchises in the greater Toronto area (from 5 in 1995 to 25 in 2003) allows for the possibility that fans/consumers may well have benefited from increased choice. And, indeed, this logic enters the discourse surrounding each new arrival on the sport scene:

> The Phantoms are one of a growing number of second -tier sports franchises that promise low costs and growing fan support (Damsell, 2002: B11).
>
> Taking into account group rates, youth discounts, special promotions and corporate freebies, the average ticket price early in the season was $12,

> Mouradian says. But as the Rock caught on and paid attendance soared, so did the average ticket price: by the end of the playoffs, it was at $15…Compared with other sports, that's still pretty reasonable, and it helped to attract lacrosse's blue-collar fan base (Chidley, 1999: 66, 69).

The reality, however, is somewhat more nuanced. As president of a team well connected to the sport elite, it was easy for the Phantoms' Rob Godfrey to claim: "I think there's room for every sports team without a great overlap of fans. We're going after the people who can't afford to go to Leafs and Raptors games" (Campbell, 2000: E9). But this magnanimous claim obscures the fact that the ownership interests who control the high-cost options are also the ones controlling the low-cost options. Godfrey's team was seeking to attract a fan base that his ownership group (RBJ) and its partner in the Toronto sports oligopoly (MLSE) had alienated in the first place. The discourse of instrumentality may have made the Phantoms "low" ticket prices appear to be a generous offering, nevertheless, when it comes to a choice between the high and low-cost sport alternatives, the latter operation invariably loses. Not surprisingly, the Phantoms were folded so as not to "compete" (both for fans and for favourable home dates at the ACC) with the more profitable and higher priced Maple Leafs and Raptors.

This study has attempted to illustrate a number of key issues: (i) that despite the presence of a record number of pro sports franchises in Toronto, the actual ownership of these assets is effectively controlled by two ownership groups (MLSE and RBJ) that operate in an oligopolistic fashion; (ii) that these ownership groups have emerged within the logic of corporate media convergence that dominated Canadian business in the late-1990s and early-2000s; (iii) that this Toronto sport oligopoly is integrated into the corporate, economic, and political elite in the city to an unprecedented degree, and that this integration can be revealed by an examination of the public and private connections within a 'Toronto sport elite' (defined here by 47 individuals); and (iv) that the presence of this elite dominating sport in Toronto has practical consequences for the sport products from which fans can choose, the prices they pay, and the media coverage they receive.

This being said, there are a number of directions in which future research on the issue of corporate-sport interconnections can be taken, adding layers of detail to the evidence already gathered. At its broadest level, future studies could incorporate all the pro sport teams in Canada and determine the nature of the 'Canadian sport elite'. Additional studies could examine the emerging women's commercial sports (e.g., NWHL) as well as explore any interlocks that exist between commercial sport and elite 'amateur' sport. There is certainly anecdotal evidence of the latter. For example, the former owner of the Toronto ThunderHawks, Neil Jamieson (who landed on his feet after the indoor soccer team folded and ended up as managing partner of the AHL's Hamilton Bulldogs), sits on the board of the Canadian Special Olympics Foundation with Bob Nicholson, the head of Hockey Canada (as well as a number of other key corporate figures).

There are certainly other 'hidden' linkages that can be explored. Residences, both primary and recreational, have not been part of the present study. Yet in Toronto there are residential neighbourhoods (e.g., Rosedale and Forest Hill) where the elite congregate. As well, only the wealthiest Torontonians can afford the cottages on the premier lakes of the Muskoka and Haliburton regions north of Toronto. Sharing residential neighbourhoods is another opportunity for the elite to interact. As Pitts notes of the Montreal elite, specifically, Jean Monty (BCE CEO) and Charles Sirois (President and CEO,Bell Cellular): "The two friends had neighbouring summer homes on Lake Memphremagog in Quebec's picturesque Eastern Townships, a playground of the Montreal business elite" (Pitts, 2002a: 105).

Further research at the corporate level could also look beyond the interlocks between the RBJ/MLSE boards and their corporate partners' boards and begin an examination of the links among the corporate boards themselves. This would eliminate the direct sport connection on which this study was premised and enhance McFarland's (2002) study of interlocking directorships. Finally, future research would highlight the American corporations involved in partnerships with the sport oligopoly as well as exploring the companies who are not sport oligopoly partners but who chose to advertise on sport broad/telecasts and their links to the sport elite. Additional details such as these will help to more fully reveal who controls sport in Canada and offer greater scope for evaluating the implications of their influence.

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Endnotes

[1] Ontario professional sports teams were rebated the employee health tax they withheld when paying their athletes for games played outside the province. The rebates were based on the argument that 'away' games represented a time when the athletes were not 'employed' in Ontario and thus shouldn't have to contribute to the public health care as all other workers employed in the province are required to do. The Toronto Blue Jays were the biggest beneficiary, receiving rebates for the 1999-2001 tax years. Other teams were rebated for 2001. The rebates totaled $10 million (CDN) but were never debated in the Ontario legislature. Instead, on 2 April 2002, in the final days of the Mike Harris premiership an order-in-council was signed (and never made public) granting the rebates. (See: Ontario game pro teams, 2002.)

[2] Rogers is CEO of Rogers Communications, which owns the Toronto Blue Jays; Godfrey is president of the Blue Jays, one-time publisher of the *Toronto Sun* newspaper, and a former municipal politician in Toronto; 'the Grocer' is a reference to Steve Stavro, who made his fortune operating Knob Hill Farms, a chain of grocery stores in Ontario, and who recently sold his controlling interest in Maple Leafs Sports and Entertainment; Bryden is the owner of the NHL's Ottawa Senators; Mike Harris was the one-time premier of the province of Ontario; and Ernie Eves is his successor as leader of the Progressive Conservative Party of Ontario and is the current premier.

[3] A more detailed set of objectives for this research project included:

i. To determine the exact nature of the ownership of professional sport franchises in Toronto within the six most popular spectator sports: baseball, basketball, football, ice hockey, lacrosse, and soccer.
ii. To examine the composition of the boards of directors of professional sport franchises in Toronto.
iii. To examine any linkages that exist between the ownership groups of professional sport franchises in Toronto.
iv. To explore any relationships that exist between the members of professional sport franchise boards of directors and major media conglomerates and/or other corporate entities.
v. To assess the business practices of professional sport franchises in Toronto and determine the extent to which their overt and subtle linkages to larger conglomerates influence their operations and inhibit their ability to operate as independent corporate entities.
vi. To outline the impact of these linkages on the marketing of professional sports franchises in Toronto.
vii. To critically analyze the ownership and operation of professional sports franchises in Toronto and explore the nature of the consumption choices they offer sports (or more broadly, entertainment) consumers.
viii. To assess the implications of interlocking corporate structures and the business practices they produce for public policy makers concerned with both sport and combines policy initiatives.

[4] A more detailed research methodology is outlined in Field, R. (2002). Sport-media-business convergence: Professional sport team ownership in Canada and its linkages to media and corporate conglomerates. Unpublished doctoral research paper.

5 On the same day that the restructuring of MLSE was announced and Kevin Lowe was trying to attract attention to the Roadrunners, halfway around the world, in South Africa, the Canadian team defeated Bangladesh for its first-ever win at the Cricket World Cup. This prompted renewed discussion in the media over whether Canada should be granted one-day international status by the International Cricket Council. Despite this success, it seems justified not to expand this study beyond the six team sports considered. (This decision is made easier by the fact that the Canadian cricket side, a week after its stunning victory over Bangladesh, set a record for the worst batting performance in World Cup history in a one-sided loss to Sri Lanka.)

6 The CFL announced a new five-year television contract with CBC and TSN on 27 February 2003.

7 The CBC-Maple Leafs connection extends back to the early network radio broadcasts of Hockey Night in Canada from Maple Leaf Gardens in the early-1930s (see Field, 2002a; Kidd, 1996).

8 News of the Roadrunners moving to Toronto surfaced in the spring of 2001, when the dormant franchise was part of the International Hockey League (IHL) [Minors throw down, 2001]. The IHL folded in 2001, and six of its franchises, plus the Roadrunners, were incorporated into the AHL, North America's other elite minor hockey league.

9 The Mammoth are owned by Kroenke Sports Enterprises—another example of corporate convergence— which also owns and operates Denver's Pepsi Center arena, the NHL Colorado Avalanche, NBA Denver Nuggets, and is a partner in the AFL Colorado Crush, Shell Grand Prix of Denver, and other regional concert and entertainment venues.

10 Sportsco International has been through a number of presidents in its short existence. Lawrence Dale, a Toronto lawyer who had been vice president, business development, and general counsel for the former SkyDome corporation, was originally named president of Sportsco. Dale was replaced, amid contentious circumstances—he was apparently squeezed out by Cohen and Walken who were trying to buy the Blue Jays from Labatt Breweries, who in turn would not complete such a deal if it involved Dale; Sportsco has subsequently never purchased the Blue Jays—with Michael Downey, who interestingly had been with MLSE. He, in turn was replaced by, Jake Geleerd, a Chicago executive, who had been part of the original Sportsco consortium, but who has since returned to Chicago as managing partner of the real estate development firm, Turnberry Properties (now known as Terrapin Properties). Repeated requests to learn the identity of the current president went unanswered (Skydome fires president, 1999; Jake Geleerd named, 1999; Turnberry names, 2000).

11 Repeated requests of PCL Construction, the lead contractors on the ACC construction project in 1998-99, to learn if firms connected to Larry Tanenbaum were involved in the building of the ACC went unanswered. PCL Construction is also the firm undertaking the renovation of the Ricoh Coliseum.

12 The exception is Herb Solway, chair of the RBJ advisory board, who has been involved with the Blue Jays since their inception in 1977 (see above) but for whom few biographical details are available.

13 Time and resource constraints prevented detailed research into the background of every director from every MLSE/RBJ corporate partner.

[14] This campaign contribution summary includes multiple donations from the same firm and/or subsidiary firms. These are details of how these summary figures were arrived at :

Liberal Party of Canada

- Bell Canada: 49,047.00 (Bell Canada) + 20,611.14 (Bell Globemedia) + 4,780.93 (BCE Inc.) + 908.14 (Bell Express Vu) + 3,507.28 (Bell Intrigna) + 4,806.00 (CTV Inc.)
- Molson Canada: 10,919.70 (Molson Inc.) + 500.00 (Molson Breweries)
- TD Bank: 38,512.48 (TD Securities) + 26,467.57 (Toronto-Dominion Bank) + 3,806.00 (Toronto-Dominion Financial Group)
- RBC: 36,986.30 (RBC Dominion Securities) + 29,114.51 (Royal Bank of Canada) + 1,371.75 (RBC Capital Partners) + 4,346.30 (RBC Dominion Valeurs Mobilières) + 1,406.36 (Royal Bank Financial Group)

Conservative Party of Canada

- Bell Canada: 16,992.33 (Bell Canada) + 4,759.30 (Bell Globemedia) + 1,000.00 (BCE Inc.) + 683.62 (Bell Canada International)
- Molson Canada: 30,484.06 (Molson Inc.) + 1,516.30 (Molson Breweries)
- TD Bank: 32,788.20 (TD Securities) + 20,951.28 (Toronto-Dominion Bank) + 929.12 (TD Canada Trust)
- RCI: 4,759.30 (Rogers Group of Companies) + 303.26 (Rogers Communications)
- RBC: 28,959.30 (RBC Dominion Securities) + 15,608.71 + 1,516.30 (Royal Bank of Canada)

Canadian Reform Conservative Alliance

- TD Bank: 15,000.00 (TD Bank) + 11,750.00 (TD Securities) + 3,020.00 (TD Canada Trust)
- RBC: 41,105.70 + 242.10 + 557.52 + 2,881.50 (Royal Bank of Canada) + 3,020.00 + 621.60 (RBC Dominion Securities)

Progressive Conservative Party of Ontario

- RBC: 4,044.98 (RBC Dominion Securities) + 4,682.10 (Royal Bank of Canada)

Ontario Liberal Party

- TD Bank: 5,792.00 (TD Canada Trust) + 2,500.00 (Toronto Dominion Securities)
- RBC: 7,500.00 (RBC Dominion Securities) + 5,000.00 (Royal Bank of Canada)

Mayor, City of Toronto

- Bell Canada: $2,500.00 (CTV Inc.)
- TD Bank: $1,000.00 (Canada Trust Mortgage Co.) + $500.00 (TD Securities) + $1,000.00 (Toronto-Dominion Bank)
- Dundee/Dynamic: $2,500 (Dundee Realty Management Corp.: 40% owned by Dundee Bancorp)

[15] The 22 members of the Maple Leaf Gardens Board of Directors, listed in the 1931 prospectus, included: Sir John Aird (President, Canadian Bank of Commerce), A.L. Ellsworth (President, British American Oil Co., Ltd.), Geo. H. Gooderham (President, Northrop-Strong Securities, Ltd.), Harry McGee (Vice President, The T. Eaton Co., Ltd.), J.Y. Murdoch (President, Noranda Mines Ltd.), Frank A. Rolph (President, Imperial Bank of Canada), Victor Ross (Vice President, Imperial Oil Co.), R. Home Smith (Chairman of the Board, Algoma Steel Corp.), and John A. Tory (Supervisor for Western

Ontario, The Sun Life Assurance Co.) [Conn Smythe Papers, Archives of Ontario, MU5968, cited in Field, 2002a: 50, fn44].