

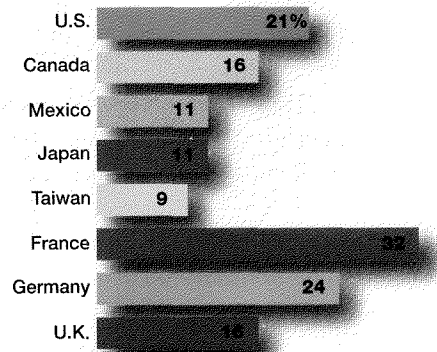
By Karl Zinsmeister and Eli Lehrer

Indicators

MANUFACTURING HURDLES

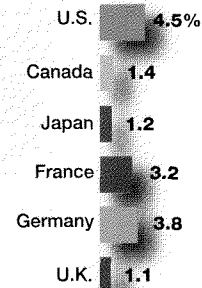
A recent study by the National Association of Manufacturers points to two factors that reduce the ability of U.S. factories to remain competitive and keep manufacturing jobs alive: the cost of benefits (primarily health insurance and Social Security taxes), and legal costs (due to lawsuits). These particularly harm companies facing Asian competitors.

Benefits as a percentage of total compensation



Source: U.S. Bureau of Labor Statistics.

Legal tort costs as a percentage of manufacturing output

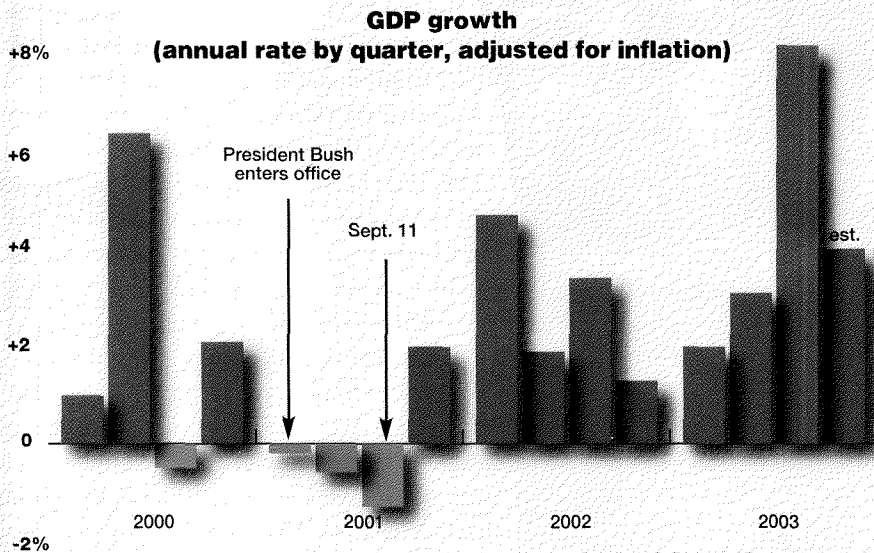


Source: Manufacturers' Alliance.

WHOSE RECESSION?

New data from the U.S. Bureau of Economic Analysis show that the American economy edged into recession months before President Bush even began his term in office, and that within seven

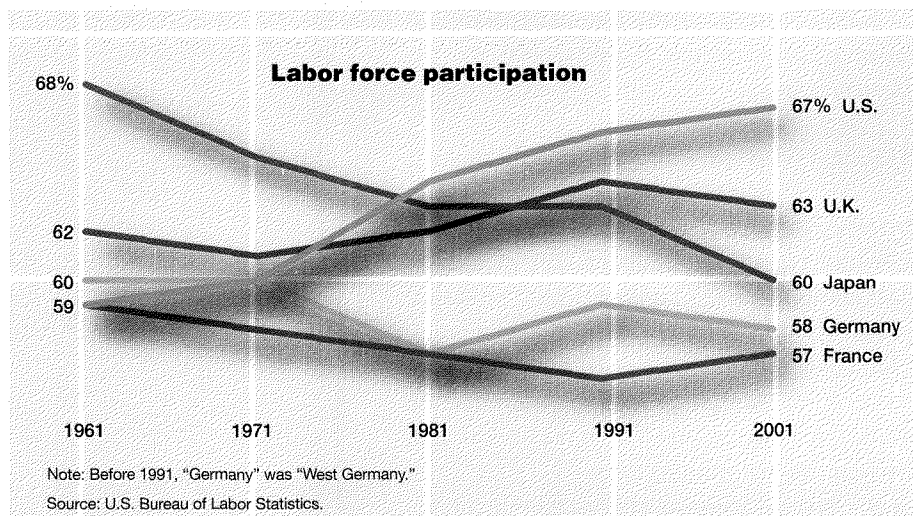
months of his inauguration the economy was again growing. Those looking to blame the President for the mild recession that took place in 2000-2001 had best look elsewhere.



THE WORK ETHIC

It's desirable that some working-age people stay out of the labor force—to care for their children, to go to school, and so forth. But there are many reasons for not working that are socially undesirable: receiving welfare benefits, serving time in prison, collecting disability payments, sloth.

Over the last four decades, most wealthy countries have become less hard working. The clearest exception is the United States—which now has the highest labor force participation among major nations.



APRIL/MAY 2004

“Live with TAE

He is the guru who invented a whole new way for Americans to partake of the national pastime from their reading chairs. More recently he has gone to work in the major leagues to see if he can translate his baseball theories into wins on the field. Meet an American sporting icon.

Bill James

Bill James has been called “the most influential baseball writer in the sport’s history.” In a sport shrouded in myth, James’s success is itself the stuff of legend. Thirty years ago, while working in the boiler room of a pork and beans cannery in Lawrence, Kansas, James produced a series of self-published Baseball Abstracts, which analyzed the game and its players with wit, irreverence, and the orthodoxy-smashing use of statistics. (Using James’s logic, bunting, stealing, and the use of a bullpen “closer” are sucker’s plays.)

The Abstracts attracted a cult following, then major publishers, and eventually a wide readership that included, among others, future Boston Red Sox general manager Theo Epstein.

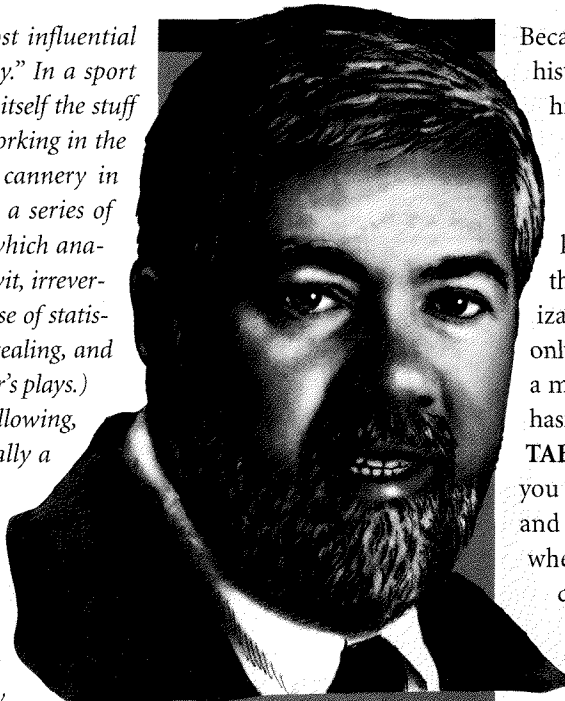
Michael Lewis’s recent best-seller, *Moneyball*, described how the Oakland A’s have used the insights of James and his fellow “sabermetricians” to outfox far wealthier teams. Last season, after years of writing his mordantly erudite fan notes, Bill James left the bleachers and joined the game as a senior baseball operations adviser for the Boston Red Sox.

Kansas historian Tim Rives interviewed Bill James at the Emerson Biggins sports bar in Lawrence, Kansas.

TAE: Just what does a so-called “sabermetrician” do?

JAMES: The human mind searches for order in everything it perceives. What a sabermetrician does is search for order and patterns—objective proof—on questions that are debated by baseball people. Sabermetrics starts with the question, “What are the characteristics of winning teams?” and then moves to “Why are these things characteristics of winning teams?”

We take an historical approach to the game.



Barry Bonds
may be as good
as Babe Ruth,
but Ruth had
more impact.

Because baseball is inherently meaningless, its history is more clear and less clouded than the history of things that are meaningful.

And we rely heavily on statistics (though no good analysis in any sport is driven solely by statistics). I’ve tried for 25 years to keep sabermetrics from being taken over by the bad habits of academicians—overspecialization, discussing issues that are of interest only to other academics, and discussing them in a manner which is inaccessible to anyone who hasn’t been following the discussion for years.

TAE: Was there a specific Eureka! moment for you when you were working at the bean plant and analyzing patterns in baseball on the side when you realized you had something that could become your vocation?

JAMES: Well, there was a period when all of my friends were getting married and I was going to weddings and talking to people. And it seemed like at every wedding I would run into somebody who was fascinated by my baseball analysis. Most of the world was trying to tell me I would never earn my keep by doing this. But I began to think, “If these people are so interested in what I’m doing, how can it not be possible to make a living at it?”

TAE: Michael Lewis’s *Moneyball* cast sabermetricians as heroes and the old-school baseball men as hidebound dunces. Was the book widely read by people in major league baseball? Did it cause you—as one of its heroes—any discomfort?

JAMES: None whatsoever. I think it may have caused a few awkward moments for Billy Beane [the Oakland A’s general manager], but hell, Billy can handle that. The book was very kind to me, and I appreciate that. I didn’t read the book as portraying old-school baseball men as hidebound dunces. Nobody who has talked to me about it was offended.