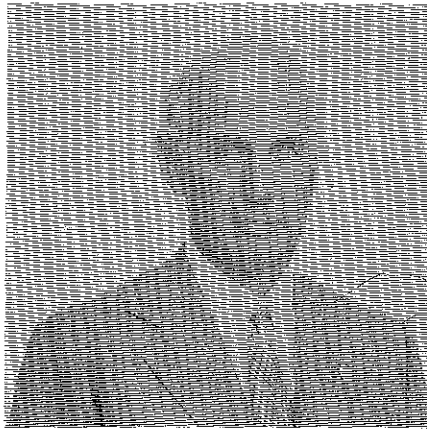




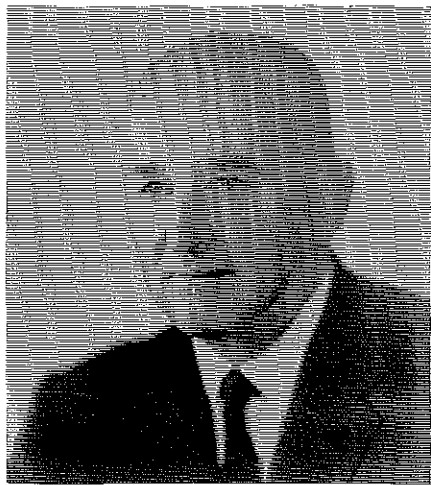
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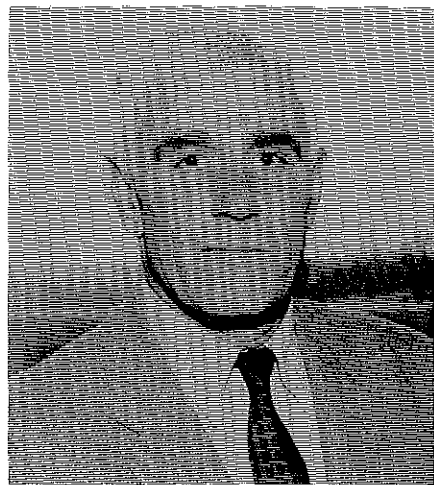
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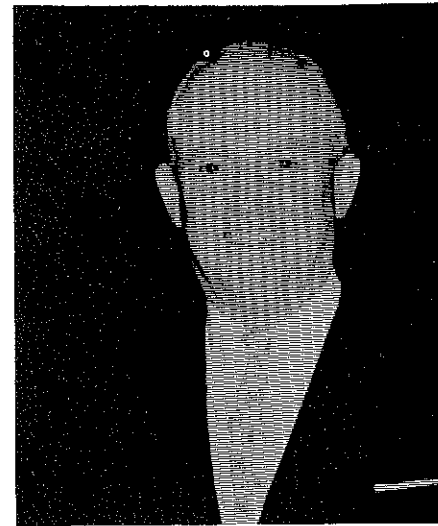
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JAMES BRITT DONOVAN
Guest Speaker



DR. JOHN T. BRYANS
Guest Speaker



Mr. Phipps welcoming participants and guests



TRA President E. P. Taylor addressing the Conference

FOURTEENTH ANNUAL ROUND TABLE DISCUSSION

on

MATTERS PERTAINING TO RACING

held by

THE JOCKEY CLUB

in the

NATIONAL MUSEUM OF RACING

Saratoga Springs, New York

SUNDAY, AUGUST 14, 1966

PARTICIPANTS:

Moderator — JOHN F. KENNEDY, *Executive Secretary of The Jockey Club*

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FRANK M. BASIL, *Vice President and Treasurer, The New York Racing Association Inc.*

JOHN A. BELL III, *Cromwell Bloodstock Agency*

TONEY BETTS, *Turf Writer*

ALEX BOWER, *Publisher, The Blood-Horse*

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THOMAS J. BROGAN, *President, The National Association of State Racing Commissioners*

DR. JOE E. BURCH, *President, American Association of Equine Practitioners*

DR. JOHN T. BRYANS, *Professor of Veterinary Science, University of Kentucky*

MARSHALL CASSIDY, *Retired Executive Secretary of The Jockey Club*

DR. J. G. CATLETT, *Steward*

JOHN F. CHANDLER, *Director of Public Relations, Laurel Race Course*

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* LESLIE COMBS II, *Member of Kentucky State Racing Commission; Breeder and Owner*

KEENE DAINGERFIELD, *Steward*

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JAMES B. DONOVAN, *Attorney*

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 THOMAS E. TROTTER, *Racing Secretary, The New York Racing Association Inc.*
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 BRIGADIER F. C. WALLACE, D.S.O., M.C., *Chairman, Ontario Racing Commission*
 GENE WARD, *President, National Turf Writers Association*
 * REGINALD N. WEBSTER, *President, Thoroughbred Owners and Breeders Association*
 * GEORGE D. WIDENER, *Honorary Chairman of The Jockey Club and The New York Racing Association; President, National Museum of Racing*

GUESTS:

TONY CHAMBLIN, *Editor of The Horsemen's Journal*
 DR. JOHN A. ESPOSITO, *Track Physician, Saratoga Race Course*
 ERNEST B. MORRIS, *President, Saratoga Raceway*
 GEORGE T. POOLE, *Trainer*
 JOHN D. SCHAPIRO, *President, Laurel Race Course*
 LOUIS M. WALGER, *Director, Mutuel Department, The New York Racing Association Inc.*

* Member of The Jockey Club.

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MR. PHIPPS: I want to welcome you all to this Fourteenth Annual Jockey Club Round Table Conference. It is very gratifying to me to see the quantity and quality of the people present. I think that Jack Kennedy has drawn up a very interesting program and I hope very much that you will enjoy it. I shall now turn over the meeting to Jack.

MR. KENNEDY: Thank you, Mr. Phipps. It certainly is gratifying to see this group of people, and to note all of the interests which they represent. It is probably one of the greatest cross-sections of racing I have ever seen.

To get right into the program — during the past racing year one of the most important topics in the limelight was the impact of certain equine diseases. In a few places it possibly got a little bit out of perspective, but through the good offices of the Grayson Foundation and some other people, it was logically decided to have a group of veterinarians at the international level get together at Stresa, Italy and figure out ways to coordinate their work. In this regard I am going to ask Dr. Jack Bryans, Professor of Veterinary Science at the University of Kentucky, whom you all know and needs no introduction, to report on what happened at Stresa and also give us some of his very good comments on the problem. Jack —

DR. BRYANS: Thank you, Mr. Kennedy.

Last August during the Jockey Club Round Table discussions, Mr. Doherty was asked by Mr. Kennedy to discuss the problem of a lack of coordination and exchange of information between programs of equine research.

Mr. Doherty as president of the Grayson Foundation "enjoys" — if that is the proper word — a position of vantage that is shared by few others in the equine industry. I refer to his constant exposure to the marvelous personality quirks and other sometimes bizarre behavior patterns of research workers — like myself. I won't repeat his explanation of the reason for the situation except to say that he discussed mainly the problems of communication between individual research workers. This is not the most serious problem so far as your interests are concerned — I will volunteer my views on that later — it is not the most serious problem because it is subject to solution by methods that are not too difficult to apply. The problem of communication between individuals is a good one to discuss here today because I can report something quite positive in the way of accomplishment. The results from the approach taken, in my opinion, will exceed our fondest expectations and I thank the Grayson Foundation for its financial support, Mr. Lou Doherty for his personal encouragement; Mr. Alvin Weil of the standardbred industry, and the Italian co-sponsors of the First International Conference on Equine Infectious Diseases are to be congratulated on their judgment.

Research workers and livestock disease control officials from 18 countries attended the conference. The organization of the conference recognized two purposes; to identify research on equine disease as a matter of international common interest and to improve communication between research workers on an international basis.

The meeting provided opportunity for formally-organized discussion in three areas, equine infectious anemia, equine respiratory diseases and African horse sickness. Less formal discussions on other equine diseases were held — sometimes at very odd hours — and in strange situations. These extra-curricular sessions between the research workers, I am sure, built mutual respect and confidence in many instances which represents an additional measure of success for this undertaking.

SWAMP FEVER

EQUINE INFECTIOUS ANEMIA, swamp fever, "this year's disease" which has been given, as you well know, a great deal of recent notoriety was the first subject discussed. We heard Dr. Ishitani, director of the EIA research laboratory in Japan, who reported the results of their work. This work could not have failed to be impressive both because of its volume and because it has provided the basis upon which most other workers in the world, including our own, are proceeding. The Japanese for example, five years ago, were the first to conclusively prove that the virus could be cultivated in the laboratory, they have reported the most advanced work on the characteristics of the virus. This is the singular, really necessary accomplishment — for unless one can do this, the difficulties in researching an infectious disease are almost insurmountable. Unfortunately, the techniques for cultivation and identification of the virus are not yet technically polished enough to be a matter of routine. If they were, this technique would of course provide an ideal method for diagnosis.

The Japanese method for control of the disease is based on a blood test. Horses which react to this test are slaughtered. The test they use was discussed at some length and was judged to be less than acceptable, a judgment with which Dr. Ishitani readily agreed.

Further reports were received from workers representing the United States, Italy and Canada. These reports described other tests and techniques for diagnosis. It was generally agreed that no single laboratory test is a totally reliable diagnostic indicator. All of the reports, however, illustrated that a great deal of progress has been made in our approach to understanding this enigma that is swamp fever. I personally feel that with the continued application of the most advanced technology we have a better chance now than ever before to gain an understanding of this disease that can be practically applied to its control.

Equine infectious anemia is now known to occur in 23 countries. These are: the United States, Canada, Mexico, Venezuela, Argentina, Brazil, Uruguay, Sweden, Norway, Finland, the USSR, Czechoslovakia, Poland, Hungary, Austria, Germany, France, Italy, Yugoslavia, Africa and Australia. It probably occurs all over Southeast Asia and the Asian mainland.

The disease has not been diagnosed in Great Britain, Ireland or New Zealand.

VIRAL RESPIRATORY DISEASE

The second subject for discussion was the one that is the most important current and continuing problem in the equine field so far as

infectious disease is concerned. This is the subject of the ubiquitous viral respiratory diseases. These diseases which include influenza are caused by a variety of viruses and therefore represent a most complex problem. Respiratory diseases in sporadic form destroy, either temporarily or permanently, an animal's ability to perform or, more subtly, to perform at its true potential. In addition, two of the viral respiratory diseases cause systemic disease and epidemic abortion.

The conference recognized that equine influenza was the foremost problem in this group of diseases. A number of papers were read that dealt with the epidemiology of this disease as it occurred in the various countries. Vaccines and vaccination programs were compared. My estimation of these discussions was that the vaccine made available to horsemen in the United States following the 1963 epidemic is the most satisfactory product available. This vaccine has been available in the common market countries since the fall of 1965. The threat posed by influenza is conditioned by the fact that these viruses are considerably plastic. They adapt themselves in an immune population to produce new types of virus. This change cannot be predicted in either time or degree. The disease produced by these variant viruses attacks horses of all ages. Such disease for logistical reasons is not susceptible to control by vaccination in the population group within which it arises. The conference therefore recognized the need for rapid exchange of information on such viruses and for exchange of the viruses. An international committee has been appointed. This committee will try to set up an international center for equine influenza viruses. This center will be located in the department which I represent at the University of Kentucky.

Other viral respiratory diseases including virus abortion, equine arteritis, equine rhino viruses and the parainfluenza viruses received a good deal of attention.

A report on the effect of streptococcal disease on the hearts of horses was received from Dr. Bergstrom of Sweden. Dr. Bergstrom illustrated the damage to heart function caused by such diseases and related this to inability of horses to perform at true potential. His paper was, in my estimation, a highly significant contribution to our understanding of one of the clinically more obscure effects of such disease.

AFRICAN HORSE SICKNESS

The third subject discussed at the conference was African horse sickness. This disease has been known in Africa for several hundred years. It is the most efficient epidemic killer of horses known. The disease is caused by a virus — it is spread **only** by biting insects. The insect that carries the disease is a gnat with the scientific name **Culicoides**. Gnats of this family are world-wide in distribution and are found in the United States. In addition to the gnat, it has recently been found that mosquitos can transmit the disease. It is obvious therefore that should this disease enter our country it would spread unless control measures were carried out rapidly and efficiently.

In 1959 African horse sickness spread from Africa through Saudi Arabia, Turkey and throughout the Middle East to India. As a result

300,000 horses, donkeys and mules died. The fatality rate is 90 per cent or higher. The disease has not occurred in Western Europe, North or South America or in Australia.

The chief livestock sanitary officer of Morocco, Dr. Laaberki, reported to the conference that African horse sickness had broken out in his country in June of this year. At the time of the conference Morocco had about 10,000 dead horses. Although vaccination for the disease is complicated by the existence of a number of different viruses, a system of vaccination is available. This was obtained years ago as a result of research carried out at the Ouderstepoort Research Station in South Africa which is one of the outstanding veterinary research laboratories in the world. In Morocco, 250,000 horses have been vaccinated in an attempt to control the disease. The official livestock sanitary reports suggest that the outbreak has been checked but the most recent field reports are not as optimistic. The disease has now spread to Tunisia. Specific reports from there are difficult to obtain but we do know that they have contracted for 300,000 doses of vaccine to help contain the epidemic.

The European countries have of course closed their borders, as have we, to horses from infected areas. This may contribute to containment of the disease. Spain, for those of you who cannot immediately orient yourselves geographically, is separated from Morocco by a 13-mile wide strip of water.

I can inform you that the Federal livestock disease control officials in the United States are acutely aware of the threat posed by African horse sickness. In addition to the routine preventive measures which are always in effect, the following requirements for importation of equines have been in effect since the Middle Eastern outbreaks:

1. A minimum 60-day quarantine has been imposed for all equine species that originate in or travel through countries in which AHS exists. (Dr. Bryans noted parenthetically that 60 days was a very "safe" quarantine period as incubation periods of the disease were considerably less.)
2. The use of insecticides is stringently enforced on all airplanes and ships carrying horses.
3. Blood tests for diagnostic purposes are available.

If, in spite of these efforts, the disease enters this country it would find insects capable of spreading it and a totally susceptible horse population.

Plans have been made for a full scale Federal eradication program. In brief, this program would involve slaughter of sick animals, absolute quarantine of the infected area, insect control and vaccination.

RESEARCH PROGRAMS

Now, before closing this report, I shall take liberty with your time and patience. Most of what I shall say is already a familiar subject to many of you. I hope that the rest will be stimulated to seriously consider the matter. I am of course approaching the subject of how the program of equine disease research can be improved.

I shall try to make two points and a few suggestions.

These are: (1) It is quite obvious to me that most of the needed research programs on equine disease are going to have to be provided for by the industry. We have tried and failed on two occasions to obtain Federal support for a national equine disease research institute. I still believe that such an institute is needed to identify research workers with the horse and to provide a continuing program of research which does not depend upon contributions. In the absence of such an institute I feel that such research should be sponsored through the agency of the only organization that truly represents the horse industry. This is, of course, the Grayson Foundation, which now represents in this field both the thoroughbred and standardbred industries, as well as several smaller groups. This organization is governed by horsemen. It has a properly constituted and sufficiently informed scientific advisory board which functions to select the areas in which sponsorship should be provided, and which assesses the results. The foundation of splinter groups from the horse industry depletes financial resources, is administratively more expensive and very seldom, because of their temporary existence do they accomplish a useful result.

The second point is: that the availability of research workers and facilities in the field of equine disease research is quite limited. This problem is recognized by the Grayson Foundation. On Tuesday of this week they established a research fellowship in memory of Mr. William du Pont Jr. for a student who will be required to perform research on some aspects of equine health while earning a doctorate degree. This is a three-year fellowship to be awarded by application approved by a committee of the Foundation. This is an enlightened approach toward providing research talent.

This approach should be expanded and I submit to The Jockey Club that they seriously consider applying their resources to expansion of this idea in the form of at least two more such graduate fellowships.

I thank you for your invitation to speak before this group.

(Applause)

MR. KENNEDY: There is really no comment needed to supplement Jack's talk. The encouraging thing is that gentlemen of his profession at this level are beginning really to help each other and coordinate. Would anyone like to direct any questions to Dr. Bryans?

MR. SCHAPIRO: I would like to direct a question to Dr. Bryans. In 1963 the vaccine for influenza was developed over here. In 1964 the same sort of epidemic devastated Ireland, England and France to the

extent that over 50% of the horses in training were affected. Many of the leading stakes horses of the year were knocked out completely. It was eventually discovered by many of the veterinarians on the other side that the same vaccine that was developed here the year before was the effective vaccine for them to use and yet there was absolutely no information on the other side, mainly in France, England and Ireland, about the development over here. Can you explain that?

DR. BRYANS: The reason that the vaccine was not available in Europe was because the few people we knew to contact would not listen to us. Not once, but several times we gave it all the publicity we could. I personally contacted the few people I knew and they were not aware of the fact that they were under the hammer of equine influenza in a new virus strain. That's about the story there. This international conference of course has resulted in the comparison of influenza vaccines. The veterinarians, who are the ones who put these things into effect, really, and the horse owners are now aware of some of the complications of producing influenza vaccines and of the various qualities of the different vaccines. I don't think we will have that problem again. It certainly was a problem but I don't know how we could have done anything more about it.

MR. KENNEDY: Dr. Peters was abroad at the time and it was very fortunate that he was. Would you tell us about that, John?

DR. PETERS: I was over in Ireland and England at the time. They were then working on and had a vaccine, but they had not used it long enough to prove its effectiveness. I talked to Dr. Bryans on the phone and gave them the information that he gave me, which helped. As I understand it they got some of the vaccine over there in time.

MR. KENNEDY: I think it just points out that in the past there has been such a bad lack of coordination. The progress made in the last year I think will help us all.

To get into the next part of our program, we will prescind from infectious anemia and other related items, and let's get into some racing.

We had a couple of late scratches because of the airline situation, but we have here this morning Jimmy Kilroe of Santa Anita, Doc Lavin of Keeneland, Churchill Downs, Delaware and Hot Springs, Kenny Noe of Hialeah and Garden State and the man from New York, Tommy Trotter. We will now expose them to you. I will ask Jimmy to moderate it and start it out, but please, gentlemen, here is your chance to get the answer to any question you may have regarding the very important function of the Secretary's office.

MR. KILROE: Since Racing Secretaries survive on the basis of every man for himself, this is not going to be nearly as orderly a discussion as Dr. Bryans' report from Stresa. We have had some questions suggested to us because we found in the past when Racing Secretaries are called upon they just grouse about what a sorry job they have. These are questions that we hope will be of general interest. I know there will

be other questions that will occur to you. We reserve the right not to answer any real tough one. But to begin with, we have a very short agenda here and one question, suggested by Pat Farrell and seconded by several other Secretaries, is how we can improve the information that is available to racing offices around the country on foreign winnings; in other words, horses that are imported into this country to race here. Since this affects all races a mile and over very seriously, I think we should get some thinking from Tommy Trotter on how The Jockey Club might serve as a clearing house for this information.

MR. TROTTER: This has been a problem for some years and I think it did come up in 1961 if I am not mistaken, in Phoenix, Arizona at the TRA meeting. It has been a repeated request throughout the country from all of the Racing Secretaries. I believe here in New York we may not be troubled by it so much, but outside of New York it is a little inconvenient to get hold of records in reference to the foreign horse coming over. It has improved somewhat in reference to the type of race and distance, but there still remains the value of the money to the winner. We had hopes that possibly The Jockey Club could break this down and give us the value of the race as well as the type of race and the distance by including this information on the winning certificate that accompanies the foal certificate for horses from foreign countries. In many cases there are maiden races in England which are early closing and horses are eligible to run in the race if they had not won prior to the closing. If they had won between the closing and the running they would still be eligible, and then if unplaced in the race there is always some misconception as to why they now are penalized for not having won a race which is called "maiden." Also, is a race still a maiden race if a winner runs in it? There is also a race known as a maiden stake, which is confusing. Many other questions arise where The Jockey Club could help us in clarifying this type of race. I guess I'll pass it on to Doc Lavin and see what he has to say about it.

MR. LAVIN: I think you covered it very thoroughly, Tommy, and I ran into this quite often down at Delaware at the meeting that just concluded. There is not enough information on the back of that certificate, and I cannot read the foreign language. We had quite a time on one particular horse, I forget its name, during our meeting. What you are suggesting I hope will be given some consideration by The Jockey Club before that foreign certificate is issued.

MR. KENNEDY: I would like to get in the act here just for a second. We will be glad to undertake to interpret the type of race, but as far as the money is concerned it would be almost impossible with changing rates of exchange and sometimes even different governments in the country, to go back to the time of the winning of the race. It does present many problems. We will put on the certificate, as well as we can, our interpretation of the type race that was won and will be glad to do as much as we can but because of the rates of exchange it is very difficult to estimate accurately the moneys won.

MR. NOE: In line with what you suggest to help the Racing Secretaries, you require under your rules that their records be sent to

you before you issue the certificate. The thought occurred to me, as far as myself is concerned, that we in turn get hold of the facts of foreign exchange and they break it down. We thought that possibly with all the prominent exchanges in New York they would be able to go back to 1958, whereas you take a little place like Cincinnati or River Downs, it is very possible they wouldn't have the rate of exchange.

MR. KENNEDY: Let me say that I will be glad to explore it, Kenny, but it is very difficult even to get a bank to tell you what an Argentine peso was in 1958.

MR. NOE: Well, we have to do it. And it seems to me that there would be better sources in New York than in Miami.

MR. KENNEDY: I still think the most practical way to handle it is the way we have been doing it. When you get an individual case where there is difficulty, we all get together and try to figure it out.

MR. NOE: Would it be possible, Jack, that when the certificate is sent from the foreign country they supply us with that information?

MR. KENNEDY: Do you know how difficult it is to get even basic information from some of these countries? I know you do. I think we have been on this one long enough. Mr. Field?

MR. FIELD: It seems to me the people at the Racing Form face this problem every day and I would like to hear how they handle it.

MR. ROSEN: We call The Jockey Club.
(Laughter)

MR. KENNEDY: Thank you, Mr. Rosen.

MR. LAVIN: Can we assume from your statement now that you are going to do more than you have been doing regarding this?

MR. KENNEDY: We have done what is required by the rules, and much more is done now, Doc, than several years ago. We give you the winning performances of every imported horse. We let you know whether it was a maiden race or not. We sometimes cannot even tell ourselves whether it was an allowance race or a handicap. We had this problem with Barry Whitehead, who unfortunately could not get here today, but when we try to get the information out of the countries, we can't get it fast enough for when your race is coming up. I agree that this is a very important thing and we probably will have to handle it the way we did before, by getting together on individual instances. But any constructive suggestion at any time that you have, The Jockey Club will do the best it can to follow through and help you.

MR. DICKINSON: One of the prime problems in foreign exchange has been multiple rates. There are official rates, commercial rates and tourist rates. When we request this information from the banks we

frequently get these variations. It might help in determining this if The Jockey Club would establish whether you would use the official rate or the commercial rate.

MR. KENNEDY: Thank you, Ed. That has been very confusing. Of course if these Secretaries would write races that didn't involve moneys won, that might be the solution to the problem.

(Laughter)

MR. KILROE: We have another question submitted to us that bears on the general problems of the Racing Secretary's office. The Racing Secretary is always haunted by the thought of the next condition book, but I guess about ten years ago Joe Estes found another spectre to terrify us in the thought of an automated Secretary's office. He was just talking at that time, but since then he's got the Statistical Bureau going and closing in on us a little bit. I would like to ask Doc Lavin, who has written an article on this subject, what use he thinks computers can be put to by Racing Secretaries.

MR. LAVIN: Well, up to this moment I haven't found anything.
(Laughter)

MR. KILROE: Tommy, would you like to elaborate on that?

MR. TROTTER: Doc hasn't been trained to go a distance. Here in New York we have had some help from the IBM machine and right now it is being used as an inventory in giving us the number of two-year-olds, three, four and up, and steeplechase horses on the grounds. I think possibly later on in the distant future there is a possibility that we will get some help from the computer. But the computer will only produce what you put into it and this will require quite a bit of help in the office. I think it is going to be necessary of course to get to the problem of feeding the work-outs into the computer, which is going to be a job also, in order to give you the classification of horses you have, to know whether they are fit or not, and then eventually this is going to work into giving you the maidens and the allowance horses. I believe Kenny may be able to give you some little advice on this. I think they had it at Garden State.

MR. NOE: I spent some time with Joe Estes and Dr. Porter last December in Lexington and went through it very thoroughly. The only thing it seemed to me the computer had available that could help the Racing Secretary was the possible classification of horses, but when I went into the area of asking whether they could tell us if a certain horse was sound, or how far he worked, or whether he was ready to run, it's of no value. They tried it about six or seven years ago at Garden State. As you know, there's the "in today" list — horses that are in the next day. They were not taking those out. We got around that area but we had horses that were strictly sprinters and they were eligible to races going a mile and an eighth and a mile and a quarter. It's a little difficult to give this list to the trainer and tell him that the computer says his horse will go a mile and a quarter. Right now I'm afraid they have a long way to go.

MR. LAVIN: Several questions I would like to feed into one of these machines would be when a trainer will tell you, "Yes, the race suits me perfectly, but my boss tells me not to run unless I can get such-and-such a rider." Now, will the computer tell us that? I've run into situations where once in a while you do call a trainer looking for a horse. I don't know whether that's against the rules completely or not, but I think we've all done that. Another is, I have three or four horses for a race and I go through some notes I have on these horses and I find one horse that you might think I owned, by the conditions of the race. So I call the trainer. He says, "This race is absolutely perfect. I have been training my horse for it." This would be for Wednesday or Thursday. But then he says, "My owner cannot be here, he is coming Saturday and I want to run the horse in a race Saturday when he is here." This is what he wants to do and he has no possible chance in the world to win. It's those little things that come up — put them in a computer.

MR. KILROE: I think Doc Lavin demolished that question before it really got out of the cradle. I think we should proceed to the next question which bears on a policy which began in California some years ago when they were confronted by a situation where their two leading trainers had 70 horses apiece in training and about 60% of the stake horses, so when they had ten horses in a stake they were liable to have four betting interests. At that time the Racing Board passed a rule in California that horses trained by the same man but not owned by the same men could be separated for betting purposes in stake races. I'd like to ask Tommy Trotter what the New York feeling is on that and how general a problem he thinks it is.

MR. TROTTER: Jim, I really don't know what the New York feeling is. I believe this would come under the New York State Racing Commission. But I don't think there is any Racing Secretary in the country that would not want to see this go through. Here we are faced with it every day and particularly in the jump races, where you will sometimes see four interests and maybe nine horses, so I think probably it would be a good thing for New York. It is working well, I think, in California, Kentucky, Illinois and Arkansas. I don't know off-hand whether there are any other states that have it.

MR. KENNEDY: If I may come in here, I think this would be a very good point for us to get some opinions. We have some of the top racing officials in the country here. We have problems now with syndication of race horses in training. It's a wonderful thing for the game, I think, to keep a horse running, a name horse, even after he is syndicated for stud purposes. I am sure that it attracts the public, but it does have some complications as far as the Secretary's office and as far as the officials are concerned. I'd like to ask Keene Daingerfield if he would let us have his impressions.

MR. DAINGERFIELD: This is primarily a Steward's problem rather than a Racing Secretary's, I believe, although of course we are all involved in the same thing. It would be possible for any Secretary today to write a pretty good handicap limited to syndicated horses. While up until now I am sure the people who participate in these syndicates and who are

involved in them are extremely high-class men, I sometimes wonder what the end effect is going to be one day when we have a race in which there are seven or eight starters and one man may own one horse outright and he may own a 5%, 10% or 20% interest in three or four other horses in the same race. We have this problem in New Jersey and Florida, the two states in which I work, and we require that every participant in a syndicate, not that he necessarily be licensed, but that he be identified. We must have a list of the participants in the syndicate, and we require then that the racing qualities of the horse be leased to an officer of the syndicate in whose name the horse runs. This used to be such an exceptional thing that you ran into it possibly once or twice a year, but nowadays it seems to me that everytime you pick up a paper they are syndicating yearlings, two-year-olds, horses of all ages. Without any disrespect to the persons involved, or without any wish per se to oppose this practice — I know it is coming, it is here, and it will become more and more general — but I wonder if there are not some dangers inherent in it.

MR. KENNEDY: Thank you, Keene. We have a question from the back of the room. Mr. Clay?

MR. CLAY: We have heard how this affects the Racing Secretaries and the Stewards, but what about the public? If on the program you have different owners with the same trainer but different betting interests, it seems to me that would raise some question, although a small one, on the part of the public. Not that that is our foremost consideration since it is a problem for the Racing Secretaries or the Stewards. An owner who moves into a public stable with a trainer who has 40, 50 or 60 horses in his care should take the calculated risk of having to run as an entry. I think racing should do all that is possible to control the situation.

MR. KENNEDY: Thank you, Mr. Clay. I would like to ask Mr. Dunne if he would be kind enough to tell us the way this has been handled in New York because I know they have put one man completely on checking on any cross-ownership up to a certain point.

MR. DUNNE: As I understand it, the rule now provides that if I own a horse and lease it to you and own another horse and lease it to Keene Daingerfield, and then they are both in the same race, they have to be coupled because they belong to me, although they are leased to two other people. That's a little involved, and that's the reason we have this man who spends all his time doing that. Formerly, I'd lease a horse to you and I'd lease one to Keene and they'd run against each other, but that isn't possible under the present arrangement.

While I've got hold of this microphone I'd like to disagree with my former colleagues over there. I got kicked out of that Racing Secretary racket, but I think this thing of taking entries apart for betting purposes is horrible and I would be very, very much against it. Sooner or later somebody is going to have to buy a new grandstand. I'd like to go on record on that. I am very much against it. Nobody asked me, but I thought I'd say it. Thank you.

MR. KENNEDY: This just indicates the complications of this

problem. I think that with the brains that we have in this business we can regulate it and still get its benefits. But I think it is very stimulating to have a discussion like this. I will send it back to you, Jimmy.

MR. KILROE: One of our questions disappeared in the discussion of the other one so we are already in Topic 4.

MR. SALMON: Jack, may I ask a question? In Chicago in the Arlington Classic Kauai King and Creme dela Creme, two truly great horses, ran as separate betting interests, but in New York they would have to be coupled, wouldn't they?

MR. DUNNE: I believe that's true, they would have to be coupled.

MR. SALMON: You'd have a minus pool.

MR. DUNNE: We're used to that.
(Laughter)

MR. LAVIN: I'd just like to comment on what Mr. Dunne mentioned — that he is strictly against this uncoupling of entries. Well, of the six meetings during the year where I am employed, at five meetings we operate under that system of uncoupling. In Kentucky the rule states that any two horses, trained by the same trainer and owned by different interests, shall be uncoupled in the wagering in a non-claiming race. It does not say "may." It says "shall be." That's worked out wonderfully for several tracks, and Keeneland would be Number One at the moment. I will give you an example to show you just what I mean. A couple of years ago, or three years ago, (this rule has been in effect in Kentucky I believe now for two years), we were very short of high caliber fillies and mares down there and I think the count, on my computer, of top fillies and mares on the grounds was eight. That does not mean that all eight were ready to run. Three of these top mares were trained by Bryant Ott. One was owned by Mr. Arnold Hanger, one was owned by Mr. Gay Drake and one was owned by the Fourth Estate Stable. I think all of you gentlemen have heard of these people. If I had four horses in a race and then Mr. Ott would put in the other two (one of Mr. Hanger's or Mr. Drake's or one of the Fourth Estate Stable), without the rule a race of this type would wind up with a maximum of four betting interests. With the rule we wound up with six. Now the gentleman in the back mentioned something about the public. I think that the public would rather see six horses run than a shorter field, although we will run four at Keeneland when the situation calls for it.

I'd like to bring up one other point, and it is a bit unusual for me to bring this up because it concerns the Kentucky Derby. In the 1965 Kentucky Derby two horses in the race were Bold Lad and Dapper Dan. This rule was in effect in 1965 because it involves this. Although it was the Derby, the same situation existed — the Wheatley Stable and Mr. Phipps. We were in quite a quandary down there, we wanted to uncouple the horses, the Association wanted to, and under the rules of the Commission we could, but we had to find out something. So we appealed

to the chaplain of racing to find out if there was registered a partnership of any kind between Mr. Phipps and the Wheatley Stable. We found out, through Mr. Kennedy, that although some mares on the farm and this and that were owned in partnership, the racing stables were separate and they had no partnership listed in Bold Lad or Dapper Dan. So with that in view, we uncoupled the entry, as you well remember. Now, the gentleman in the back was speaking of the public. Bold Lad went off at 2 to 1 in the race (I've looked this up), and Dapper Dan went off at 30 to 1. 30 to 1 seems like an outlandish price on a horse, but when you have over \$2,000,000 bet on one race, it even takes quite a bit of money to make a horse 30 to 1. As you remember, Dapper Dan got beat a diminishing neck in the race. If these horses had been coupled, with Bold Lad being 2 to 1 and the other horse 30 to 1, we'd have seen they would have been 9 to 5, maybe 8 to 5. Suppose Bold Lad had been hurt at the starting gate and had to be scratched. The followers of Dapper Dan, and there were many of them, would have been taking 8 to 5 on a horse which figures prove was a 30 to 1 shot, and I don't think there is anything worse for a patron than to have part of an entry scratched on the track and he has the other horse going for him which he wouldn't have bet a lead nickle on. I think the rule actually gives protection to the public.

MR. KENNEDY: Doc, let me ask you this and then maybe we can get off this subject. We can't leave out the human equation here. When an entry is uncoupled are we going to depend on the connections to declare their intent if one is a speed horse and may be sent out to make a sizzling pace? Have you thought of that angle? I am sure you have, and how about the public interest there?

MR. LAVIN: The gentleman in the back, or someone mentioned — I think it was Mr. Dunne — about tearing the stands out from under you. Thirty years ago they would have. I think that one of the greatest things in racing now is public confidence.

MR. KILROE: I should say that although the rule in California permits the uncoupling of entries, we have not gotten around to doing it yet at Santa Anita. But there has been a long experience in the State, and to reassure Mr. Dunne, I can tell him that while several grandstands in California could stand burning down, none has been recently.

I think Doc Lavin wanted me to mention just one case last summer in which an even-money favorite and a 20 to 1 shot were uncoupled. It was quite a good handicap and the 20 to 1 shot beat the favorite right on the wire and the track is one that could stand some remodeling, but it didn't get any.

Jack, I think that ends any contribution we have. I am very much concerned about the syndicate problem because it seems to me it is unavoidable. Now any time a horse gets to be worth \$500,000, which is about after he wins three other than maiden or claiming, he's too valuable for any one man to have and we are just going to be having every decent horse in the country eventually in multiple ownership. In California the rule states that when there is a community of interest, in the judgment of the Stewards the horses shall be coupled. In New York as I under-

stand it, if they pursue this thing, even a minuscule interest in a syndicate may be grounds for coupling.

MR. KENNEDY: Thank you, gentlemen. I had one thought that is not my own. Jimmy, maybe you would explore this a little bit, it concerns the last race each day on the program.

MR. KILROE: Jack, that's sort of a minor point, but there is a considerable problem in placement of races. We are dealing with customers, and some people have felt that we are missing a bet, maybe, by sending too many home losing on the last race. Edgar Horn, some years ago, studied 40,000 races and found that the percentage of winning favorites in the last race, which is almost by the book a claiming distance race, was 12% against the national average of 33% winning favorites in all the races. It may be that just following this traditional thinking of giving the public a distance race as the wind-up, we are sending home too many losers and not enough winners where we could possibly pick another race on the card where they would have a better chance. I think it is a technical question. I don't think we ought to get into it now, Jack. I'd rather hear Mr. Donovan.

MR. KENNEDY: Do any of you gentlemen want to talk about that? Tommy?

MR. TROTTER: The only thing I can say in regard to this is, you will find different areas where, like in Maryland, they will bet more on certain horses wherever the race is set, so I think it is strictly a local situation. There is a different type of public in different areas and they will bet on distance races at \$15,000 or at \$3,000. I think it depends on the locality.

MR. KENNEDY: Thank you. Mr. Taylor?

MR. TAYLOR: I assume we can open a new subject, can we?

MR. KENNEDY: Certainly.

MR. TAYLOR: I would like to speak on behalf of the owners. After all, there are two classes of people who keep the race tracks going: the public who pay their admission fees and who bet and there are the owners who lose tens if not a couple of hundred million dollars a year keeping the stables going. As I travel around this country I find many owners ask me about certain aspects of the rules of racing at different tracks. Their principal complaints — of course after that the purses aren't adequate, we know the reasons for that — but their principal complaint is that they don't know with any assurance at all when their horse is going to run unless it is a stake race. It is very frustrating and very annoying to have condition books that only last one week, and sometimes not to be out all but before the week starts; to have all these extra races and to have the trainer call up the day before, or the night before, and say, "Your horse is in a race tomorrow" and the owner will say to the trainer, "Well, that race was not in the condition book;" and to have races cancelled on account of short fields of four or five horses,

especially if it is a fairly good race. I think that this subject should receive the real attention of the management and directors of racing associations and a sympathetic consideration from the Racing Secretaries. Thank you.

(Applause)

MR. KILROE: I am the most fortunately situated of the four members of our panel. At Santa Anita we run with our nearest competitor 2,000 miles away and only two major competitive tracks in the country at the time, but the people on my left live in a much more hazardous area and I'd like to ask Tommy Trotter, Doc Lavin and Kenny Noe to respond to Mr. Taylor's question from their own experience.

MR. TROTTER: This is very true, Jimmy. As you know, we are O.K. up here at Saratoga which is almost similar to you at Santa Anita and Kenny at Hialeah. The horses are here and there is nowhere else to go. But when we get back to Aqueduct and we are racing there, we have three Jersey tracks, the Maryland tracks, the New England tracks, and trainers will carry as many as three or four condition books in their pockets. So you have your inventory of horses, you have the knowledge that you have possibly six horses to go in a certain type of allowance race, you have watched your workouts, you see that the horses are fit and are ready to go, and all of a sudden, the day before the race comes up, one horse is going down to a Jersey track, one is down in Maryland and one may be in Delaware. So you end up with three horses in the race. Possibly during the afternoon of this particular type of race you may run into several other trainers that have horses that would fit this category. Sometimes a day later than the race has been scheduled, the race could possibly fill. So you could take this allowance race that did have six horses eligible and you ended up with three, rewrite the race bringing in the horses that the other trainers spoke about, put it on as an extra race, and possibly the following day you could end up with a very nice type of allowance race that would benefit both the three owners that did remain and the other three that came into the race. I am not in favor too much of extra races, but I find that they are necessary and I believe that the owners profit from it. I think any Racing Secretary can sit down and write a condition book where every race will go in the condition book, but I am not too sure that this is going to be top racing. We found where, and I think you will hear from Doc Lavin and Kenny Noe on this, the allowance race I just spoke about that did not fill for you on one particular day and would come back the next day as an extra race, would possibly be your feature race. So here I feel that the owner benefits from it.

MR. LAVIN: I think Tommy and myself are in the middle here, with Mr. Kilroe at Santa Anita on my right and Mr. Noe at Hialeah on the left. As for writing races I think either one of them could write a race for one-eyed grays and fill it, with what they have to work with at their particular meetings. At Delaware Park I went for four years without putting up an extra race, but I had two substitute races in the book. I thought it went very well, but several horsemen did not like it. We changed that two years ago and there are no substitute races in the book. They wanted the extra race, so I put anywhere one, two, three or

maybe four extra races up because of requests from people. I don't think they will fill, but I will try them. We were much better off with the two substitute races. I do not like extra races but sometimes they do help the situation.

MR. NOE: In regard to a long condition book, Jimmy and myself are very fortunate with a lot of horses. I could probably write a 40-day condition book at Hialeah but I don't say I'd have the best racing because there are a lot of times when you write the book and a horse would win two in the first fifteen days and be shut out for the next fifteen days, and I don't think that is fair to the horsemen. In regard to extras, I don't like them either. But there are many, many times, even at Hialeah, when I'd have a prep race on for a stake on the grass, that it would come up mud. Either it wouldn't fill or we couldn't run on the grass. I put it back on the next day and it went. It would give the man an opportunity to get a prep race under his horse for the grass. I think the same thing happens on the dirt. I can't see that extras are that bad. We've got nine or ten races to fill in Florida. Maybe you might talk about the caliber racing and why we shouldn't. Maybe if we didn't have so many races and so many days to run we'd have some decent horses instead of all cheap ones.

MR. KENNEDY: Gentlemen, I think that this has been very stimulating. Does anyone want to direct a further question to or continue the discussion in the secretariat division?

MR. TAYLOR: I would just like to thank them for their comments on my question, Jack. I also would just like to say that we have a little race track of ours in Canada, we have the 48 hour closing rule, we have no extra races, haven't had for years, and we run with small fields. The point is that it works and we have been able to attract much more interest; we are getting more owners and they are not having the disappointments they had in the past. I think it really should be taken very seriously that the 21- and 24-day book that we use has worked, and the majority of our owners and trainers are all in favor of it. Thank you very much.

MR. KENNEDY: Thank you, sir. If I may, I would like to ask an old friend to open up a discussion for just a few minutes to see with all the good minds here if we could approach a situation which I think is one of the most important in racing today. Mr. Jimmy Jones, I want to ask you to say what you think we can do to try to develop a better type stable help or how to even keep the supply coming. Would you go to a microphone, Jimmy?

MR. JONES: I'm a little hoarse today, I guess I sang too much last night. But seriously, the stable help situation is a horrible thing. I suppose it is in all businesses, for that matter, but we do have a most serious problem in racing and it is getting worse, as you all know. Particularly the horse trainers realize this. I'll say that it has had something to do with the decisions I've made in the last two or three years. I felt you couldn't exist or maintain a stable under these conditions. I just don't know what we are going to do. I do know that we just have to make all the effort we can to get more and better help into the stable

areas. I don't know how we are going to maintain the stables with the present help and with the trend that we are following. We are not getting young men into it, and our exercise boy problem is becoming worse by the day. Of course we have these problems of child labor laws which keep us from having the young fellows in the stable areas, the school laws and things. I think it is something that takes a smarter man than me to figure out. I'm going to open it up for somebody else.

MR. KENNEDY: We have all tried to do what we can to encourage fellows to get interested in rubbing horses, walking horses, galloping horses, whatever they can, but it is true, we are in the face of many public agencies that won't let minors start to work on the backstretch. But one thing I would like to point out. I think we are a much maligned people. There have been some noises made around recently that nothing is done for those people back there. I think this is very incorrect and I would just, if I may again impinge upon a friend, ask Frank Basil if he would say what the backstretch welfare plan is in New York.

MR. BASIL: It seems I did a little singing last night too. All I can do is report on the benefits we have in NYRA's backstretch. We should give credit to Mr. Hanes for creating the plan and to the Trustees of The New York Racing Association for providing the funds for such plan. We started out with limited funds and limited benefits. We have seen the plan grow to where it now provides, in addition to other benefits, major medical insurance for the backstretch employees and their dependents. The hospital daily rates compare more favorably than the Blue Cross — and all the other benefits are equally high. I believe this plan has helped the atmosphere in the backstretch and has maintained the stability of personnel in the backstretch. We keep a record of the personnel there and have noted that the turnover becomes less and less each year. If anyone is interested in receiving a booklet describing these benefits we'd be very happy to send it to them.

MR. KENNEDY: Thank you, Frank. You also should take some credit for the excellent recreation program here at Saratoga and at the New York tracks. Is there any other comment in this area? Mr. Hancock?

MR. HANCOCK: Jack, I don't know anything about making exercise boys or jockeys, but Trotsek who trains for me has been very successful. He brought out Rotz, Sellers, Cooke and Knapp and a lot of those boys. I talked to him about it quite a lot and he told me that even though he has been very lucky in some of these contracts, he has lost a good deal of money over the years trying to make these boys. He has got a place and would love to try to make some boys, but he can't afford it. I asked him what it cost him and he said about \$150 per month per boy. I don't know where it could be underwritten. He will take and try to make twenty or thirty boys a year if he could get the kind of money it will cost him to bring them out.

MR. KENNEDY: Thank you, Bull. Mr. O'Farrell?

MR. O'FARRELL: I really believe that working on the same basis as Bull has talked about, the place to make this help possibly is on the

farm. Actually, all of us who have major racing operations have a farm or at least are closely associated with a farm. It seems to be easier to get some help of the type that would go on and become grooms and exercise boys. It is much easier to get them on the farm and keep them going and develop them I would think than it is on the race track. The only problem is the fact that you make these boys, as Harry Trotsek found out, and as soon as you get them developed to the slightest degree they're gone from you. In other words, it cost you money to make them and you get them developed to the point where they are either real good exercise boys or have a possibility of becoming jockeys and there is no way you can hold them. Actually, this year I worked about 165 men on the farm. I decided this year I would sign a contract on every boy, and immediately I lose half the boys I have that are good prospects because they won't sign a contract. This is the problem we have on the farm, but I think we ought to get together to try to develop some help on the farm and then bring them out to the racing stable. I think the whole industry would be far ahead of where they are today in developing some help. I can't see how you can do much developing and get any decent help on the race track. They start out as green men, they have got to start as hot walkers which is undesirable, and they really don't get the chance they might have if they started their ground work down on the farm.

MR. KENNEDY: Thank you very much. I don't think that anyone has done any more research and placed more effort in this field than Marshall Cassidy. Would you give us your comments on this problem?

MR. CASSIDY: I don't know that I can give much help on that. I think that any boy who works on a farm for a short time is first desirous to get on the race track. It would be very difficult to train grooms and keep them there where they have no chance of participating in the winnings of races, or to keep boys on the farm who want to become jockeys. It would require quite an effort. I think the best work that I have ever seen done in that category was in Japan. They have an equestrian school there where they develop a large group of boys and teach them all factors in riding and taking care of horses. The Jockey Club, with Mr. Widener, tried to establish a school here some years ago and we found it very difficult to obtain a spot where boys could be taught and trained. They tried it in California, they were going to try to have a place out there, but it is difficult to get the boys to go a long distance and have the horses and accommodations for them. It is going to be difficult as long as there are two fields for them to work — at the farm and at the race track.

MR. KENNEDY: Thank you, sir. It is very evident, as Jimmy Jones pointed out, that it is a very, very critical thing in our business, and I think it is something to which all the minds in racing should be directed to try to figure out a way to either get the right type of person interested in working around horses or provide a school or something of that nature. Are there any other suggestions or comments in this area? Mr. Webster?

MR. WEBSTER: Someone made the observation a couple of days ago at the meeting of the TOBA that in industry today you have set

wages for certain types of skills. I believe in our backstretch situation each trainer hires help at different rates. The owners are going to have to get together and say that so much a month is assured to a man, say \$350 or \$400 a month for the type of work that he does, so that when these men come in for employment they will know there are certain rates they can depend on. One stable pays a hot walker \$200 a month, and the next stable pays \$250 a month. I think if the owners would set fair rates and see that they are enforced on the backstretch you would give more confidence to the employees.

MR. KENNEDY: Thank you, sir. Anyone else?

MR. HANCOCK: I disagree with Mr. Cassidy. I've sent about 30 men from my farm to the race track and they all came back. They don't like the race track.

MR. KENNEDY: Mr. Donovan, did you want to say something?

MR. W. DONOVAN: I just wanted to say that some years back after the war, as you will remember, the Government was subsidizing a lot of young fellows for education purposes, and we started a school at Garden State. We had it qualified for Federal aid so they were getting paid while they were being instructed and it seemed to work out all right up to a point. We got a man who seemed to know his business, he was a good instructor, but later in making a check on him we found out he had a stimulation record, and there goes our professor.

(Laughter)

The response of the students at that time as far as effort was concerned was real good. Now I am wondering whether or not with all this money that is being handed out in Washington on vocational training we might get back to some sort of a program like that now where men interested in taking vocational training could be subsidized by the Government. This might be the beginning of what Bull was talking about — this man will take 30 or 40 boys if he could get the money. The Government is subsidizing vocational training in many ways, and perhaps since we qualified once, we might again get a chance to qualify for a subsidy.

MR. KENNEDY: Thank you, Walter. I think that is something we should really look into. Anyone else?

MR. PRICE: I don't think that you'll ever get any high type people to want to work around the race track because a man can go in the factories and make \$2.50 an hour and work 40 hours a week, and nobody now wants to put in seven days a week from six o'clock in the morning until six o'clock at night, especially when he is running a horse. You are not going to get good people and interested people to do this because of the other opportunities. I think if we want to develop a higher type of help they would have to work a decent number of hours. We'll have to compete with industry that way and pay that money. I think myself that these people want to go home nights. They all have families and they don't want to sleep in the tack room. You might give them showers and good toilets and things like that, but they want to go home. The

only way you can do this is to put these people on a 40 or 50 hour basis. The race tracks themselves could hire a crew of men who would run the horses. If you had a horse in the first race, you could have ten grooms, and these ten grooms would get these horses ready and run them, bring them back, wash them off, cool them out and that's it. In this way these people would work regular hours, they would be home at night, and you wouldn't even have to have any sleeping quarters except maybe for a night watchman. The race tracks could probably train these people who would be night watchmen and one could take care of four or five barns and have a direct line to a veterinarian. If they found a horse was cast or something like that they would know what to do about it. You wouldn't even have to have these dormitories for the men. But as I say, I don't think you can ever get the high type of person around the race track when you are competing with industry unless you compete with them on that basis.

MR. KENNEDY: Thank you, Jack. Would anyone else like to say anything here on this subject? Mr. Salmon?

MR. SALMON: We've had very good experience in Kentucky. I've heard all about IBM and how they draw from our labor supply. Bull knows about that, but we have had the experience that men who have left have come back to the farm. They don't like it and aren't used to working in those places. Most of the employees on our farm have been with us five, six, seven years. We have housing for most of them. They do work seven days one week and six the next, but we haven't lost anybody from our farm to industry.

MR. KENNEDY: Thank you, Walter.

MR. VAN CLIEF: I would just like to back up what Walter Salmon just said. In the area we are in we have had an 800% increase in light industry which is attracting a lot of these boys out of high school with vocational training programs. It has not affected our help on the farm because the ones who work on the farm or on the race track are a certain type person and it isn't going to change very much. Like Bull says, some of them may go on to college, but the rest of them stay with you and their sons stay with you. Some go to the race track and then come back, they vary. The going home thing that Jack Price mentioned is important, but you get the turn-over of the young ones leaving the farm, as far as we are concerned, and the older ones coming back to the farm. I think the thing we need for development on the farm is better public relations and understanding about pensions, security and so forth. I am sure most of the big farms have some sort of a plan. I know we do. We have to educate these people to know what the benefits are on the farm. It's the same as industry going to the universities to speak to the young men in the last term in college to get them to go into the various firms. If we would go down to the high schools, or Boy Scout troops, and talk to these kids, some of them are going to want to come and lots of them don't know how to go about it. Our labor problem isn't any worse than it was twenty years ago except for the accelerated number that are going on to college, even with the 800% increase in industry in our area.

MR. KENNEDY: Thank you, Danny.

MR. WARD: I just want to back up what Danny said. I receive a lot of mail from boys who are interested in getting into racing, and they want to know how to go about it. I think this is a program that could well be put forward by racing.

MR. KENNEDY: Thank you, Gene. Would anyone else like to be heard on this? Nick Jemas?

MR. JEMAS: Jack, we get a lot of mail from young boys who want to be jockeys, and to answer all of these we have a sort of form letter. Also we have a lot of stables asking us for boys. We send letters to these boys telling them to get in touch with such and such a stable and I think that is helping quite a bit.

MR. KENNEDY: Thank you. If we can get along now — recently it came to our attention that a very well-known, fine American citizen had commenced to take an active role in various aspects of racing. Because of his unusual background the Chairman, Mr. Phipps, and the Stewards of The Jockey Club invited him to address us today on his observation of our sport. I am speaking of James Britt Donovan.

James B. Donovan was born in New York City in 1916; he is a graduate of Fordham University and Harvard Law School. His career has encompassed many fields, including:

1. During World War II, military service as a naval Commander in O.S.S. for strategic intelligence and espionage, later being associate prosecutor at the principal Nuremberg Trials;
2. A trial lawyer, he was selected by the bar association in 1957 to defend Colonel Rudolf Ivanovich Abel, chief of Soviet espionage in the United States; in 1961 he was requested by our Government to undertake a secret mission behind the Berlin Wall to exchange Abel for U-2 pilot Francis Gary Powers and another American;
3. In 1962 and 1963 he negotiated with Fidel Castro for the release of over 9,700 American and Cuban prisoners (including all survivors of the Bay of Pigs invasion and their families) in exchange for American Red Cross gifts of medicines and baby foods to the Cuban people;
4. In the field of education, he has served as President of the Board of Education of the City of New York, the largest school system in the world; has been director and trustee of many educational institutions; has lectured at a score of American colleges and universities; and has been awarded honorary degrees by seven of them;
5. In insurance, he has been Chairman of the Section of Insurance Law of the American Bar Association, the New York State Bar Association and the Association of the Bar of the City of New York. He has received the Tyne Award of the Federation of Insurance Counsel, the Gold Medal of the General Brokers Asso-

ciation of New York and the Humanities Award of the College of Insurance;

6. He has been Democratic candidate for the United States Senate; has been chairman of many civic boards and bar association committees, locally and nationally; has been the author of a best-selling book; and holds numerous military and civic decorations and awards.

It is with pleasure that I introduce to The Jockey Club Annual Round Table Discussion for 1966 our guest speaker, the Honorable James B. Donovan.

MR. DONOVAN: Mr. Chairman, Members of The Jockey Club and their Guests:

It always is difficult for a stranger to comment upon any established institution. The most an audience may expect is what can be charitably described as a "fresh approach". Regrettably, in every American dictionary there are several definitions of the word "fresh".

However, in this hallowed temple of thoroughbred racing, Saratoga Springs, N. Y., a lawyer may feel at home and quite free to discuss any given subject. For in August, 1878 the American Bar Association was founded in this very community and the first eleven annual meetings of the Association were held here. Every effort was made by the attorneys and their ladies to strive at this spa to improve jurisprudence, their bodily health and "the breed". But by 1889 it had become apparent that the improvement of jurisprudence had to give way to improvement of the breed. In urging the lawyers that year to concede defeat and leave Saratoga, the President of the American Bar Association declared rather testily in his annual address:

"One of the disadvantages — and a very important one too — of assembling in Saratoga, is that we are utterly ignored by the public press. There is nothing reported. No interest is taken in our gathering. **The races** fill a greater space in the newspapers in this section of the country than is occupied by the American Bar Association."

Your speaker today was invited as an innocent, one who had almost never set foot upon a race track until some eighteen months ago. It was suggested by your committee that it could be of interest to this informed and distinguished conference if a newcomer told you a few of his reactions and impressions during this brief period, based upon prior experience in law, education, public affairs and international relations.

First, to anyone interested in international relations it is evident that the sport of horse racing has made a significant contribution to the easing of international tensions and the creation of good will among the peoples of the world. Progress in this area has never approximated the success of the Olympic Games or some other people-to-people sporting competitions. However, it is not difficult to envision how a far greater

effort could be organized to utilize the universal appeal of thoroughbred racing in a manner calculated to serve the objectives of greater international understanding and peace.

As to public affairs and education, it is astounding the extent to which this sport has generated tax revenues which have been applied to the public good, including the specific need of educating our youth. For example, in New York State during the past five years the tracks operated by the New York Racing Association contributed approximately \$375,000,000. to New York State in direct taxes. In 1964 alone the state governments collected almost \$320,000,000. from pari-mutual receipts. The significance of these amounts can be gauged when one considers the required expenditures for education in most communities.

Your sport receives surprisingly little credit among the general public for such contributions, which supplement its primary value as spectator entertainment for millions of Americans. Not only does the industry generate tax revenues of every description, but racing also provides gainful employment for tens of thousands of individuals throughout the United States, from direct participants to those who service the tracks in scores of different ways. These facts are well known to all here today. But what are the reasons why you do not occupy a more powerful position in legislative halls or enjoy greater recognition of the tremendous influence which this sport today wields among the American public?

To a newcomer seeking to understand, the foremost reason would appear to be the almost incredible number of separate organizations which undertake to speak for segments of this interstate industry. Each organization undoubtedly had valid reasons for its independent creation, but you will pardon the observation that a measure of private empire-building seems to have triumphed over common sense. A study of comparable industries in dollar volume in the United States shows none so abounding in separate organizations — local, state, regional and National — all serving certain specific goals but ultimately devoted to the common objective of preserving and improving the sport.

So long as no efforts are made to better harness the collective influence of the various segments of this industry, you can never hope to realize the inherent potential of your influence upon the general public and their elected representatives.

Indeed, that potential is so great and the need for more effective coordination is so obvious, that a note of caution should be sounded before arousing a foolish enthusiasm. Both Federal and State laws contain many provisions to protect the public from combinations seeking to monopolize, or otherwise to restrain the free forces of competition. Nevertheless, much could be done within a proper legal framework to assure that your common ultimate ends are better understood and more effectively protected during the period ahead.

Turning to the field of tax law, there have been fascinating developments in thoroughbred racing since World War II. Many of the pioneers in this field are in the audience today and need no reminder from the

speaker that virtually every new venture was one as courageous as it was unaudited by Internal Revenue.

The ordinary rules of the road now are established and known to you, your lawyers and accountants. One of the difficulties for any commentator is that the tax consequences of your every business transaction in racing must be weighed on an individual basis. In other words, it is treacherous and could be misleading for any lawyer or accountant to generalize and not have each individual or organization weigh the specific income, expenses, capital gains or losses with due regard for the total financial position of that particular taxpayer. Broad guidelines prescribed for general application, could have disastrous results for an individual and there can be no substitute for the expertise of your personal counsel and accountants.

There are areas which especially attract the attention of a lawyer new to your field, e.g., the syndication of outstanding horses (for prices which would have seemed astronomical a few years ago) and the increasing volume of purchases and sales of yearlings, race horses and broodmares. These represent fields which should receive most careful deliberation by those assembled at this conference. It has been assumed that what an owner does in syndicating a horse is solely the business of himself and the relative few invited to participate at a stipulated price. It is doubtful that this sort of thinking will prevail for long. The great amounts of money involved are matched by the intensity of public interest on the part of tens of thousands who have developed a deep personal stake in the future of an animal with which they have literally fallen in love.

Sooner or later there will be a demand for established standards by which the fairness of such transactions can be gauged, not only by the participating owners but also by the racing public. Carried to its logical development, there will be an increasing interest in the incorporation of individual horses, with an everbroadening public ownership of the shares. The public will seek, however unreasonably, to be permitted to participate in the ownership of a great horse whose public career they have followed; ingenious owners will seek ways and means of inducing members of the public to share in such ownership at a price. This inevitably will lead to louder demands for public regulations of every such transaction, the full disclosure of indicia of animal value such as veterinary tests, and public supervision of the syndicate managers.

These are only a few of the areas which attract the interest of a newcomer to your field. But our discussion this morning is limited in time and one must resist the temptation to make a sweeping but superficial survey of the myriad of problems — from excessive taxation or off-track betting to labor relations — which must be your daily concern. However, there is one particular aspect of racing which is commended to your immediate attention for careful study. This is the field of insurance.

It has been surprising to find that so little has been done in your industry toward securing proper standards of coverage and equitable

rates designed to protect the interests of all concerned in the hundreds of millions of dollar value at risk. Furthermore, is there any way in which part of the tens of millions of dollars in insurance premiums could be used in the interest of thoroughbred racing on a non-profit basis? We refer now to: fire and other property insurance on your buildings; livestock insurance; liability insurance with respect to injured participants or spectators; workmen's compensation insurance; group life, accident and health or vested pension plans for various participants, including such unorganized groups as those in the "backstretch". Each one of these risks include hazards peculiar to racing.

At present, so far as an inquiring newcomer can ascertain, every person in this industry handles his insurance problems on his own with the aid of his particular agent or broker. As we know, the percentage of thoroughbred livestock insurance written by the domestic United States market is relatively small. Even when it is nominally written in a domestic company, their net retention may be quite negligible while the bulk of the hazard is reinsured abroad.

There appear to be no national standards of policy coverage and the rates are virtually made on a judgment basis, with respect to livestock. Most of you would freely admit to unfamiliarity with the coverages provided in exchange for your payment of very substantial premiums. Some of you may be self-insured, either for tax reasons or because you regard current premiums as excessive. Yet for the average participant in the breeding or racing of horses, there is a great need for adequate insurance protection whereby his individual risk, in an equitable manner, is shared with many other insureds for the mutual protection of all.

What is the answer to such problems? Study is recommended. It could be, at one end of the spectrum of possibilities, that a selective group of interested persons could sponsor a specialty insurance company which would carefully underwrite the risks and adjust the losses, perhaps issuing participating policies so that a fair dividend would be returned to those with favorable experience. Such a company would reinsure, but with a combined premium volume that should obtain preferential rate treatment in the world market.

A more conservative approach to the problem would be the creation, under proper auspices, of what the New York Insurance Law defines and authorizes as a "service or advisory organization". This is basically a research group which could assist in the formulation and recommendation of standard policy forms; the development of proper rates and rating plans; the establishment of proper insurance values; track safety and animal health programs which could reduce the insured hazards, with ultimate premium savings to policyholders but also the general improvement of the sport.

In short, the vehicle of insurance can be properly employed as a mechanism for a wide variety of cooperative activities in this industry. It is of interest that to the extent such cooperative activities are authorized and regulated by the state insurance laws, they are exempt from the application of the Federal anti-trust laws.

These remarks this morning have been delivered with some trepidation, for as said at the outset it is difficult for a stranger to comment upon an established institution. Nevertheless, it is not difficult for a stranger to become quickly adapted to thoroughbred racing. Quite apart from its increasing importance financially and in the daily life of the American people, racing of course provides an entertainment fascination for all people of all ages probably unequalled in the field of sports.

But most impressive to the newcomer is the extraordinary degree of democracy found among the humans involved. A self-made financial genius shares his best judgment, and enjoys a sincere camaraderie, with a patrician whose family has devoted generations to the steady improvement in America of what once was the sport of kings. The personal relationships cross all ethnic and religious boundaries. At a recent race one found an Arabian-named horse, bred in France, trained by an Irishman for a Jewish owner, and ridden by a Panamanian. Probably the colt was raised on a Mormon ranch.

(Laughter)

Any sport so embodying the ideals which made our country great, deserves the respect and support of the American people. The extent to which such public respect and support are made realities for the future, depends in no small measure on the collective judgment and effort of those assembled in this conference today. Thank you.

(Applause)

MR. KENNEDY: There's no adequate way to thank Mr. Donovan for coming here today and giving us his thoughts. I am sure you all reacted the way I did. Please don't forget to take your memento of the occasion which is in front of you. I will now ask the Chairman to close the meeting.

MR. PHIPPS: Thank you very much for coming. I hope you enjoyed it as much as I did.