

MO-Csp.

**Part of the Annual Report
of the Committee of**

**Connaught Park
Jockey Club**

**referring to the temporary suspension of
RACING IN CANADA**

**and its effect on the
Horse Breeding
Industry**

After commenting on the business affairs of the Club for the past year and referring to the lamentable death of three esteemed members of the Board, viz: Sir F. W. Borden, K.C.M.G., Dennis Murphy, and F. A. Gendron, M.L.A., and briefly referring to the desolating European war, the report continues:—

We feel satisfied that in carying on racing during the war we have added to other utilities direct benefit to the defenders of our liberties. That we have acted wisely finds confirmation in the fact that His Majesty has kept his racing stable in active commission, supported in that respect by the great leaders of public opinion in Great Britain.

The war has demonstrated the value of racing and explains fully why so many private individuals are maintaining expensive studs both in England, Australia and Canada to keep secure for the British Empire advantages gained in Foreign Countries where costly establishments are kept up at Government expense; it further points to the necessity for the proper conduct of a sport which serves such high aims.

In this respect we can claim that nowhere on this continent is racing better conducted than at Connaught Park. The attainment of this has been largely helped by the abolition of the Books; the cleansing influences of the pari-mutuel machines and the searching investigations into all infractions of rules.

1918-42

Apart from this aspect altogether racing is the sport of gentlemen. In England, France and the United States and especially the State of New York, membership in a Jockey Club is a distinction eagerly sought by the best people. It is an acknowledgment that a man is honourable and upright in his dealings, a fit and proper person to direct the sport of gentlemen.

It is certainly true of Connaught Park which had, as its first Honorary-President, The Earl of Minto; since 1912 His Royal Highness The Duke of Connaught and is now similarly honoured by His Excellency The Duke of Devonshire, Governor General of Canada.

There are those who feel that there should be a cessation of racing during the continuance of the war; many have conscientious convictions that they are right, but they little understand the vital importance of a supply of well bred horses for the Empire and especially in such a country as Canada.

HOW IT HELPS

The question might be asked, how does racing help thoroughbred horse breeding?, because it distributes large sums of money in prizes to horsebreeders, many of whom could not continue in the business if no encouragement were afforded such as is given by high class proprietary Clubs. Our Government does aid breeders but not in such a direct way.

GOVERNMENT LEGISLATION

For several months prior to the opening of the Season rumors were afloat about a possible legislative movement against the continuance of racing, but it was not anticipated that any drastic action would be taken as applicable to this year, since all Clubs and horse breeders had been permitted to complete preparations and make contracts for the usual Meetings. The Order-in-Council therefore, prohibiting race meetings with the *pari-mutuel* privileges after August 1st certainly came as a surprise and caused great dislocation of both plans and finances among all Jockey Clubs, but especially with our own organization which has had a severe struggle for existence.

This Club has not been run for profit and the shareholders have not complained although they have had only a 6 per cent. return in four years or, at the rate of $1\frac{1}{2}$ per cent. per annum; the object being to initiate fashionable and clean sport in Ottawa and to encourage thoroughbred horse breeding, that policy has been strictly adhered to.

No fault can be found with the Government for the action taken as exaggerated reports came to them from various sources and everything appertaining to racing was placed in a false light; in fact, incidents of a mere sporting character were made to appear almost as crimes and the extraordinary feature of the situation was that not a word of defence was ever uttered by the Clubs or the Associations, on the supposition that the Government would not be influenced by these reports. The work of so called "Social Reformers" was pursued with

great energy; wagering on the result of racing contests greatly magnified and made to appear as though humanity at large was being contaminated. The whole campaign was a mere series of assertions unsupported by a single tangible incident of dishonesty or corruption and was pursued with a contempt of shame and indifference to truth; as a matter of fact, when finally a deputation of horsebreeders waited on the Prime Minister to ask that the Order-in-Council suspending racing should date October 1st, instead of August 1st, they were told that the Government had been obliged to listen to, and act upon the representations made by the Social Reform organizations because no defence had been made, no other voice had been heard, that the Government had been obliged to yield to these representations owing to the disturbed state of the public mind, and when it was learned that the Order-in-Council had already passed, the deputation accepted the decision without further entreaty.

While the officers of this Club yield to no one in patriotic zeal, yet they are conscious of the fact that much misapprehension exists as to the real character of the work and the sport of Jockey Clubs. It was, in any case, apparent that a sudden stoppage in the middle of the Season could do no special good while it would seriously affect the Jockey Clubs and work positive disaster to a number of horse breeders.

The position of our own club is a case in point. Our commitments in preparation for the Season involved us in a

clear loss of above \$5000. and if we add to this, interest at 6% on our lands and buildings which must remain idle and which cost \$304,000. it can be seen what a serious matter it was.

SERIOUS FOR HORSEBREEDERS

The case of the horse breeders is much more serious, several owners have been stranded; others have only been able to get their stables home with assistance.

As to the action taken we have already stated that no blame attached to the Government as the case was allowed to go almost by default but it is not inappropriate to refer at this meeting to the anomalous position that Canada is in as regards Jockey Clubs. One would suppose that the experience of older countries such as England, Ireland, Scotland, France, Belgium, Australia, Denmark, Norway, Sweden and the United States would be valuable knowledge for Canada to profit by and act upon.

At the beginning of the war there was an Order-in-Council passed in England suspending racing in the British Isles during the war, but after the situation was properly placed before the English Government the Order was rescinded, so that Canada today is the only country in the world that has taken such action.

MR. RANEY'S CHARGES

In the representations made to the Government the chief

agent of the organizations referred to was Mr. Raney, K.C. of Toronto.

Mr. Raney's pamphlet covered about thirty pages denouncing Jockey Clubs and the sport which has come down from the ancients and is today conducted under similar conditions to what it was at the time of "Ben Hur" depicted by General Lew Wallace.

He, Mr. Raney, denounces it for what? Read it as often as one will there's not a specific accusation of corruption or dishonesty proven; better still, there is not such an accusation made.

Some Jockey Clubs have made money, that's all, and the members of some are disliked by Mr. Raney. But Mr. Raney admits that "Racing contests with horses may serve a worthy purpose in improving the breed of horses, as efforts in another direction helped the breeding of cattle and sheep," but he "asserts that the motives of those who wager on the results of contests between thoroughbred horses are motives of crime.

It only needs such language as this to convince anyone that the writer had no personal knowledge of racing contests or the arrangements and rules under which they are conducted. We venture to assert that neither Mr. Raney or the Editorial writers of the "Globe" have ever obtained their information from personal observation or investigation. It is all very well to use strong language in condemnation of a crime but Mr.

Raney in this instance conjures up crime out of wholesome sport and a necessary and useful occupation and forthwith waxes eloquent in condemning it. It must seem passing strange that every enlightened country in the world except Canada attaches such importance to the development of the thoroughbred and that in every country **racing contests** are recognized as a "**sine qua non**" to success in breeding them.

In the present great European struggle hear what a Military Officer has to say as to the real reason for racing.

"None of those who do not go to races know it, and "those who do go but few realize or reflect on it, but these "short comings in no way affect the everlasting principle that "it is the spirit that matters; lacking the spirit of the **thoroughbred** an animal or a man or a whole people become degenerate " . . . the courage, the endurance, the heart that admits "no defeat are developed and determined in the horse by one "and only one method—**the test of the race course**; in the time "of moral stress the cold-blooded and the coward, man or beast, "fails, but the thoroughbred ever struggles on; she may take "no notice when you pet her, you may not be able to fondle her "but she's true as steel; she knows by instinct to hurry away "from the guns and the shelled areas, she might fall in a shell "hole but she'll never stay there, God bless all thoroughbred "horses and curse all others."

For the possession of that saving blood, the Russian, German and French Governments laid down fortunes in the purchase of winners of England's great races.

Since the days of the Assyrians predominance among the nations of the earth has been co-incident with, and in large measure dependent upon the possession of the best horses.

Mr. Raney characterizes wagering at Jockey Clubs as gambling; even if this is admitted it is almost infinitesimal as compared with the most prevalent methods of wagering, or, for arguments sake, gambling.

In the first place Webster defines gambling as "to play or game for money" whereas wagering is defined as "something deposited or hazarded on the event of a contest."

Again, at common law a wager is considered a **legal contract** which the courts must enforce, whereas gambling is prohibited by law; this distinction is universal and it is important to note the obvious difference, not because this difference in itself vindicates wagering but because Mr. Raney improperly confuses the two in somewhat vitrolie language, and on the hypothesis that "wagering" and "gambling" are interchangeable or synonymous terms he proceeds to condemn clubs organized to encourage and assist the breeding of thoroughbred horses. He and the Toronto Globe assert that the latter is but an impudent pretense and the sweeping charge is made that all clubs where contests take place between thoroughbred horses for purses are gambling clubs.

Presumably, neither Mr. Raney or the editors of the Globe are aware that the thoroughbred horse is at the base of all horsebreeding; the standard bred, the hackney or the hunter

would be poor stock without the spirit, the courage, the movement infused by the blood of the thoroughbred.

They little realize the incalculable injury and mischief which might result from the success of their irresolute campaign; on this point they might be enlightened by consultation with some of the officials of the Dominion Government in charge of "Live Stock Records" or the government officials in charge of the Live Stock Branch; or with the Directors of the Standard Bred Horse Society, the Canadian Hackney Horse Society, the Canadian Horse Breeders or the Canadian Trotting Horse Association; if these do not approve of the thoroughbred and the only established way of his development then there can be no defence for the existence of the Canadian Thoroughbred Horse Society.

Mr. Raney was asked through the medium of "The Globe" to state some specific case of trickery or cheating that could be proven against any Jockey club; his reply was a voluble and fiery generalization without mentioning a specific case in support of these charges. The only horrifying indictment was that some Jockey Clubs in Ontario had made excessive profits and that they had watered their stock, as though this were a crime to be charged against a Jockey club. He omits all mention of the fact that the two clubs he denounces viz: Ontario Jockey Club and Hamilton bought the land on which their race tracks are built in the suburbs of both cities many years ago for a few hundred dollars and that by reason of the growth of the population in these cities the unearned increment in these

lands increased their value to hundreds of thousands, and because these clubs gave stock dividends or bonuses Mr. Raney is horrified and tries to make it appear that it is the result of huge profits made in the conduct of race meetings. His attacks would not be worth notice had he not disguised this feature; but if the Ontario Jockey Club or Hamilton Jockey Club are to be condemned for having watered their stock what are we to say of all the corporations throughout the Dominion, both industrial and others whose stocks have been watered, not once or twice, but some of them three or four times?

The matter was first taken up by the late Mr. Wilcox, M.P. for Essex, but his complaint was chiefly against the operation of three clubs at Windsor and he proposed legislation to distribute Jockey Clubs so that no two of them would be within fifty miles of each other. Mr. Wilcox made no charge of dishonesty or improper practices by Jockey Clubs, nor could he do so. As a matter of fact every person who attends Jockey clubs and enjoys the sport knows perfectly well that under the rules of the Canadian Racing Associations no sport or business is more strictly governed, more absolutely free from anything savoring of dishonesty.

We sometimes hear it hinted that there is collusion between competitors, or between judges and competitors but harboring such suspicions is a loss of time, collusion is almost impossible under the system and rules enforced by the Canadian Racing Associations which rules are a duplicate of those of the Jockey Club of New York which in turn

follow the English and French rules. Up to date we have never known of a specific case of dishonesty or even such irregularities as would constitute a scandal in racing circles; no responsibility is assumed for clubs not under the jurisdiction of the governing body, the C.R.A.

In the charges formulated the chief one was that some individuals controlling racing clubs have an unenviable reputation, and one man was accused of being an American Citizen, two or three clubs were condemned for stock watering in order that they should not show excessive profits but in the long and tedious arraignment not an instance is recorded of dishonesty in the conduct of the work for which racing clubs are organized.

It is said that the Pari-Mutuel system insures such large profits to the Clubs that some of them tried to hide these profits by the previously mentioned method of watered stock; of course the inference is that the Clubs are taking too large a commission. What is this commission? In some cases 5%, others 6% and 7% and it is said that as high as 10% has been exacted; the new Quebec law framed after exhaustive investigation places the commission allowable at 10%.

Considering the great expense entailed on a Jockey Club under the Associations rules, and that each Club distributes from \$65,000 to \$125,000 each season in purses to horse breeders any of the commissions mentioned must be considered moderate. In France the home of the pari-mutuel system regu-

lated by the Government the commission is 8% ; in Australia where it is the national sport 10% ; in New Zealand 10%. The merit claimed for the pari-mutuel system is that the public makes its own odds and all the money wagered on the contests minus the commission, goes immediately back to the public; every winning ticket gets the full amount of these odds.

In the old booking system a winning ticket got merely the odds offered by the bookmakers and instead of the commission paid by the public to the bookmaker being 5% to 10% it was more like 20%, 25% or 30% ; notwithstanding that this commission went to the bookmakers and thence frequently out of the country no complaint was ever made and the public was always ignorant as to what commission the bookmakers were getting. There were also chances for collusion between bookmakers and horse owners but this is **entirely eliminated under the pari-mutuel system**, as collusion is well nigh impossible and instead of bookmakers getting an unknown commission there is a definite sum fixed by law under the observance of officers of the Government, which goes to the local Clubs whose capital is invested in the country. Complaints are never heard on a race track about the commission allowed a Club. Take as an example; a \$5.00 ticket is bought on a favorite horse, the horse wins and the mutuels pay say, \$10. to one which would be \$50. for the \$5. ticket; would the man who had the ticket complain because 5% to 10% is deducted from his winnings by the Club? Or because he only

got back \$45. or \$47.50 for his \$5. wager; on the other hand if his \$5. ticket was on a losing horse he has no interest in the commission so that it is obvious there is very considerable nonsense talked about the pari-mutuel system and race track profits, the truth is that too many critics little understand the pari-mutuels.

Another feature is that about 99% of all the money wagered in Jockey clubs is by well to do classes who, even if they lost all they wager would never feel it for the double reason that they are usually rich people and that the amounts wagered are comparatively small, mostly \$2. up to \$10. It is the great minority who wager higher amounts at a time than the latter figure. Some rich men undoubtedly risk their hundreds but they are the small minority and if they continued to lose throughout the year the amount would be a bagatelle to them.

There is more money lost in one year's stock market transactions than would make up the losses of the public for ten or twenty years at Joceky clubs; the great difference is that in the stock market the money is mostly lost by the speculators (or gamblers) who can't afford it and who must drop their money when they cannot keep up margins, they have no chance to recover because their money is all gone, hence the frequent stock market delinquents, defaulters and absconders; such incidents are never heard of in Racing Clubs.

Take the case of Insurance Companies which write a policy

on a man's life for say \$20,000. charging a yearly premium of say, \$400.; if the man lives thirty five or forty years the Company wins; if he dies within a year the company loses \$19,600. plus the Agents commission; the company operates by the law of average but it is a big gamble.

If we must characterize wagering at race tracks as gambling what shall we say of a game of bridge; we venture to assert that more money is hazarded in the game of bridge in a single week in Canada than is handled by all the race tracks throughout the country in a whole year, with this very great difference that while there is sport and pleasure at Jockey Club meetings they have, as the chief object, the fostering and encouragement of the thoroughbred horse and it should not be considered a crime if some clubs have profited. If this is the only aspect of it that Mr. Raney is so horrified about he could wax exceedingly eloquent on the iniquities of "Bridge" but it is to be feared he would run foul of a very large clientele in the Moral Reform Association.

Again, it seems strange that Mr. Raney, a man of letters, does not raise his voice against a real evil e.g. gambling in Pork which raises the price of breakfast to our men in the trenches.

Gambling in eggs which has effected the hoarding of millions of dozens in cold storage, depriving thousands of our labouring classes of the luxury of a bacon-and-eggs breakfast.

Gambling in wheat making the price of the poor man's loaf almost prohibitive.

Gambling in cotton raising the price, quite unnecessarily, of clothing to the family of the poor man.

Buying a ticket in the pari-mutuels has been compared to a lottery; there is about the same difference as between sugar and eggs; in the case of sugar you see and know what you are getting, it is different with eggs; in a lottery you have one chance in perhaps, many thousands; no discretion or judgment can be exercised; how different from seeing five or six fiery blood horses lined up for a contest around a mile course? There you can exercise your opinion and judgment on the merits of the horses before the race starts; but even if one blindly risks a two dollar ticket there is a first, second and third chance, in other words, three chances in five or six even though one is not a judge of horses.

What differentiates racing from anything else with which it is compared is that it is exhilarating sport, the sport of gentlemen and ladies, it has come down to us from the Babylonians, the Romans and through the ages as the sport of gentlemen, but above and beyond this aspect it fosters the thoroughbred horse industry as nothing else could; stop racing contests and you are not checking an evil for reasons fully amplified, but you can say **goodbye to thoroughbred horse breeding**; why? because it is the purses paid by clubs and

Agricultural societies that enable many horse breeders to keep going; even such rich men as Seagram, H. P. Whitney, Baron Shaughnessey, August Belmont, J. K. L. Ross, J. K. McComber and our own John Lumsden would find no incentive to thoroughbred horse breeding if there were no racing contests.

