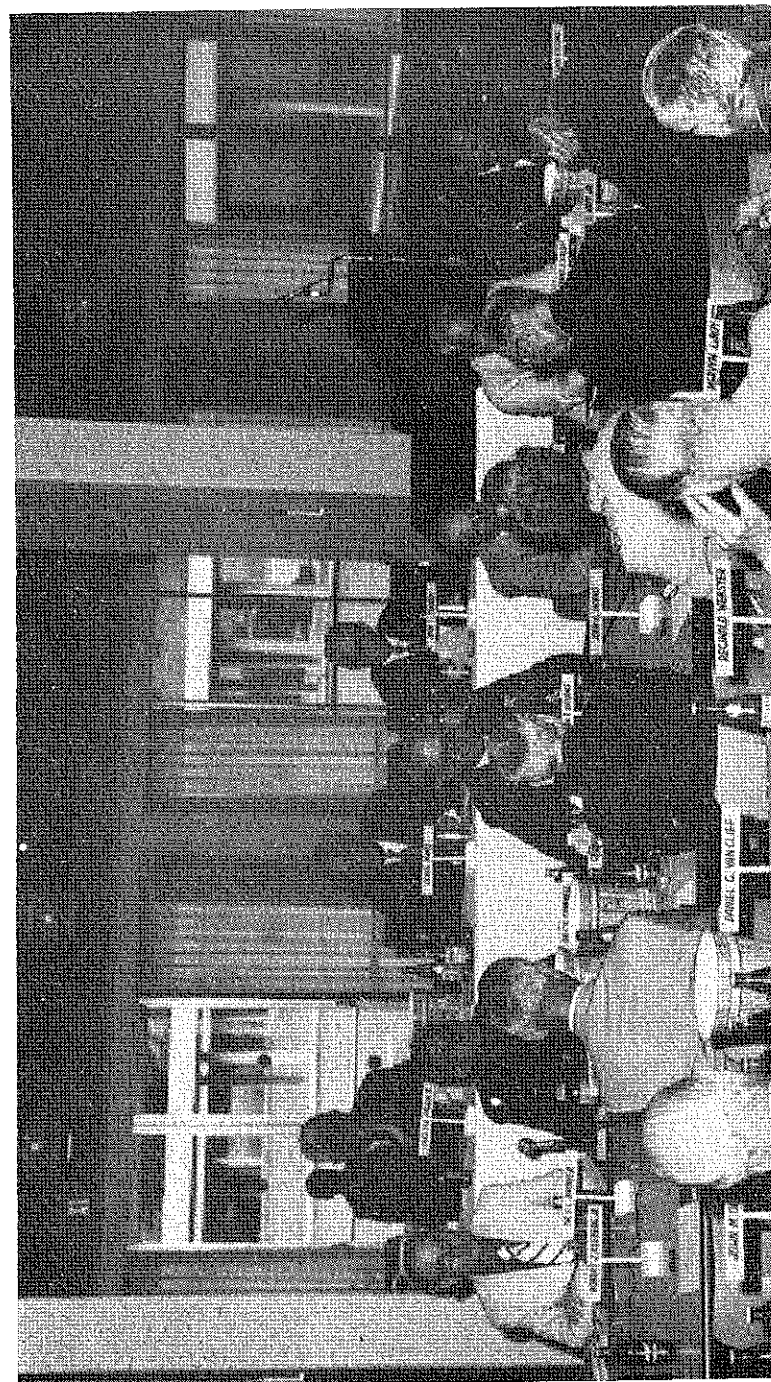


*Governor Nunn addressing the Conference.*



*Dr. Bryans in the Chair of the Veterinary Panel.*



*Henry Durham, Executive Director of the American Horse Council, who gave a progress report on that organization.*



*John H. Krumpke, Vice President, Operations, The New York Racing Association, commenting on off-track betting.*

NINETEENTH ANNUAL ROUND TABLE DISCUSSION  
ON  
MATTERS PERTAINING TO RACING  
HELD BY  
THE JOCKEY CLUB  
AT THE  
NEW SKIDMORE COLLEGE CAMPUS  
SARATOGA SPRINGS, NEW YORK  
SUNDAY, AUGUST 15, 1971

IN ATTENDANCE:

Moderator — John F. Kennedy, Executive Secretary of The Jockey Club

- David C. Alexander, Turf Writer  
Edwin D. Axton, Jr., Secretary, Kentucky State Racing Commission  
Richard E. Bailey, Sr., President, Hughes Sports Network, Inc.  
Phillip J. Baker, General Manager, Continental Thoroughbred Racing Association  
Richard H. Becker, Assistant General Manager, Ak-Sar-Ben  
John A. Bell III, First Vice President, The National Association of State Racing Commissioners; Member, Kentucky State Racing Commission  
Robert P. Benoit, Director of Publicity, Hollywood Park  
\*Nicholas F. Brady, Breeder, Owner  
John L. Brennan, President, Harness Tracks Security, Inc.  
J. Newton Brewer, Jr., Chairman, Maryland Racing Commission  
\*Baird C. Brittingham, President, Delaware Racing Association  
James E. (Tom) Brock, President, Thoroughbred Racing Associations; General Manager, Ak-Sar-Ben  
Dr. E. L. Brower, State Veterinarian, Director, Division of Animal Health, New Jersey Department of Agriculture  
Dr. John T. Bryans, Professor of Veterinary Science, University of Kentucky  
J. Elliott Burch, Trainer  
Gerard A. Burke, Steward  
Dr. C. L. Campbell, State Veterinarian, Director, Division of Animal Industry, Florida Department of Agriculture & Consumer Services  
Elmer Campbell, President, International Union of Journeymen Horseshoers of the United States and Canada  
Joseph F. Carlino, Attorney and former Speaker of the New York State Assembly  
R. Anthony Chamblin, Editor and Publisher, Horsemen's Journal  
\*George M. Cheston, Breeder, Owner  
Gordon C. Chown, Chief Supervisor, Ontario Racing Commission  
John S. Clark, Counsel, New York State Racing Commission  
Albert G. Clay, Secretary, American Horse Council  
Everett A. Clay, Director of Public Relations, Hialeah Park  
Dr. Leroy Coggins, Director, Research Laboratory for Equine Infectious Diseases, New York State Veterinary College, Cornell University  
\*Leslie Combs II, Breeder, Owner

John E. Cooper, Executive Secretary, National Steeplechase & Hunt Association  
Mark Costello, Resident Manager, Saratoga Race Course  
Fred P. Davis, President, The National Association of State Racing Commissioners; Chairman, Vermont Racing Commission  
Thomas A. Davis, Tax Attorney, Smathers & Merrigan  
John I. Day, Director of Service Bureau, Thoroughbred Racing Associations  
Thomas J. Deegan, Jr., Chairman of the Board, Thomas J. Deegan Company, Inc.  
Dr. Paul D. DeLay, Director, Veterinary Sciences Research Division, United States Department of Agriculture  
L. P. Doherty, President, Grayson Foundation  
Walter H. Donovan, Chairman, Racing Research Fund, Inc.; Vice President, Garden State Park and Hialeah Park  
Spencer J. Drayton, Executive Vice President, Thoroughbred Racing Associations; President, Thoroughbred Racing Protective Bureau  
James Drymon, Breeder, Owner  
Francis P. Dunne, Steward  
Mrs. Richard C. DuPont, Breeder, Owner  
Henry Durham, Assistant General Counsel and Executive Director, American Horse Council, Inc.  
David Erb, Trainer  
William S. Evans, Director of Sales, Keeneland Sales  
Humphrey S. Finney, Chairman, Fasig-Tipton Company, Inc.  
John M. S. Finney, President, Fasig-Tipton Company, Inc.  
Gerald F. Fitzgerald, Member, Illinois Racing Board  
Jean S. Friedberg, Member, Kentucky State Racing Commission  
George J. Fritz, Secretary, The New York Racing Association  
John R. Gaines, Breeder, Owner  
\*John W. Galbreath, Trustee, The New York Racing Association  
Dr. M. A. Gilman, Examining Veterinarian, The New York Racing Association  
Joseph A. Gimma, Chairman, New York State Racing Commission  
T. R. Grahame, Secretary-Treasurer and General Manager, Canadian Thoroughbred Horse Society  
Robert L. Green, Manager, Greentree Stud; Owner of Hardboot Farm  
Fred D. Grossman, Assistant to the Editor, The Morning Telegraph  
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F. William Harder, Breeder, Owner  
Charles Hatton, Columnist, The Morning Telegraph  
Major General John P. Henebry, Breeder, Owner  
Philip Hofmann, Director, Monmouth Park  
Mrs. Philip Hofmann, Breeder, Owner  
Kent Hollingsworth, Editor, The Blood-Horse  
Stewart Hooker, Publisher, The Morning Telegraph  
David E. Hooper, Executive Director, Thoroughbred Breeders of Kentucky, Inc.  
John E. Hurley, Press Director, American Horse Council, Inc.  
Nathaniel J. Hyland, Steward  
Laban P. Jackson, Vice Chairman, Kentucky State Racing Commission  
Eugene Jacobs, President, New York Division, Horsemen's Benevolent and Protective Association

\*Walter M. Jeffords, Jr., Vice President, National Museum of Racing  
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H. A. Jones, Director of Racing, Monmouth Park  
Dr. Grant S. Kaley, State Veterinarian, Director, Division of Animal Industry, New York State Department of Agriculture & Markets  
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Dr. Alexander Kaye, Medical Adviser to the Jockeys' Guild, Inc.  
Robert F. Kelley, Public Relations; Vice President, National Museum of Racing  
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Ralph Kercheval, President, Thoroughbred Club of America  
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Haden Kirkpatrick, Chairman of the Board, Record Publishing Company, Inc.  
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Stanley W. Lambert, Member, Kentucky State Racing Commission  
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Roger Laurin, Trainer  
Mervyn LeRoy, President, Hollywood Turf Club  
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\*Paul Mellon, Steward of The Jockey Club; Trustee, The New York Racing Association  
Harry J. Millar, Secretary, New York State Racing Commission  
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Sean Murphy, Public Relations (Ireland)  
Duane Murty, Owner, Trainer, Sales  
John A. Nerud, President, Tartan Farm  
Joseph C. Nichols, Turf Writer, The New York Times  
The Honorable Louie B. Nunn, Governor of the State of Kentucky  
Patrick W. O'Brien, Vice President, Racing Operations, The New York Racing Association  
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Virgil W. Raines, Trainer  
Calvin S. Rainey, Assistant Secretary of The Jockey Club; Steward  
Frank C. Rand, Jr., Breeder, Owner; President, Turf and Field Club  
Dr. William O. Reed, Veterinary Practitioner  
Peter Richards, Trainer  
Milton Ritzenberg, Owner, Breeder, Representative of the National Steeplechase & Hunt Association  
Alex M. Robb, Director, New York State Thoroughbred Breeders Service Bureau  
\*Joseph M. Roebing, Breeder, Owner  
Patrick J. Rooney, President, Continental Thoroughbred Racing Association  
Saul D. Rosen, Editor, The Morning Telegraph  
\*Donald P. Ross, Chairman of the Board, Delaware Racing Association; Vice President, Thoroughbred Racing Associations  
Donald P. Ross, Jr., Assistant to the President, Delaware Racing Association  
\*E. Barry Ryan, Vice President, Thoroughbred Owners and Breeders Association  
Fred H. Ryan, President, Los Angeles Turf Club  
Walter J. Salmon, Jr., Breeder, Owner  
Joe Servis, Assistant Secretary, Jockeys' Guild, Inc.  
William Skirving, Sports Writer, Albany Knickerbocker News  
Sarto J. Smaldone, Mayor of Saratoga Springs  
\*Gerard S. Smith, Steward of The Jockey Club; Trustee, The New York Racing Association  
Harold Snowden, Manager, The Stallion Station  
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Lynn Stone, President, Churchill Downs  
Brian Sweeney, General Manager, California Thoroughbred Breeders Association  
\*E. P. Taylor, Chairman of the Board, The Jockey Club Ltd.  
Frank Tours, Racing Department, The New York Racing Association  
Whitney Tower, Turf Editor, Sports Illustrated  
Thomas E. Trotter, Racing Secretary, The New York Racing Association  
John B. Tweedy, Breeder, Owner  
Mrs. John B. Tweedy, Breeder, Owner  
\*Alfred G. Vanderbilt, Chairman of the Board of Trustees, The New York Racing Association  
Sylvester E. Veitch, Trainer  
Michael Venezia, Jockey  
Newman E. Wait, Jr., Trustee, The New York Racing Association  
Brigadier F. C. Wallace, Chairman, Ontario Racing Commission

Thomas M. Waller, President, American Trainers Association  
Eric B. Ward, Owner  
Simon Weatherby, Representative of English Jockey Club Secretariat  
\*Reginald N. Webster, Breeder, Owner  
David A. Werblin, Breeder, Owner  
Clifford W. Wickman, Vice President, Thoroughbred Racing Protective Bureau  
Jacques D. Wimpfheimer, President, Thoroughbred Owners and Breeders Association  
Mortimer B. Wolf, Frelinghuysen Livestock Agency, Inc.  
Mrs. Mortimer B. Wolf  
Dr. Jordan Woodcock, Administrator of Drugs and Medication Program, American Horse Shows Association  
Raymond G. Woolfe, Trainer  
\*Member of The Jockey Club

## I N D E X

	Page
Welcome to Participants and Guests .....	Ogden Phipps, 9 Chairman of The Jockey Club
Panel in re: Exchange of information concerning research in equine diseases .....	Dr. John T. Bryans, Moderator 9 Professor of Veterinary Science University of Kentucky
Current progress report of the American Horse Council, Inc. ....	Henry Durham 21 Executive Director American Horse Council, Inc.
Comments concerning the experience to date of The New York Racing Asso- ciation with Off-Track Betting .....	John H. Krumpel 23 Vice President, Operations The New York Racing Association
Address .....	The Honorable Louie B. Nunn, 26 Governor of the State of Kentucky

MR. PHIPPS: Will the meeting please come to order. I want to welcome all you ladies and gentlemen to the Nineteenth Round Table Conference and I hope you enjoy it. I am pleased to see here so many distinguished visitors from overseas: the Chairman of the Racing Board of Ireland, Mr. Patrick McGrath; Mr. Simon Weatherby of Weatherby & Sons, the Secretariat of The English Jockey Club; Brigadier Wallace, Chairman of the Ontario Racing Commission.

The interest has increased so much over the past few years that we were forced to move this year from the National Museum of Racing to where we are today. Our appreciation and gratitude are extended to President Palamountain of Skidmore College and his staff for their assistance in making this facility available. I will now turn this meeting over to Jack Kennedy who has, I think, a very interesting program for you all. Thank you.

MR. KENNEDY: Thank you, Mr. Chairman. Good morning - - it is certainly gratifying to see our largest assemblage to date with so many segments of the sport so well represented. In the interest of time we will get right into the program and our opening presentation is a panel of research veterinarians, prominent in their field throughout the United States. They will discuss all phases of research in equine diseases and its coordination.

In the Chair: Dr. John T. Bryans, Professor of Veterinary Science at the University of Kentucky. The participants are: Dr. E. L. Brower, State Veterinarian, Director, Division of Animal Health, State of New Jersey, Department of Agriculture; Dr. C. L. Campbell, State Veterinarian, Director of the Division of Animal Industry, Florida Department of Agriculture and Consumer Services; Dr. Campbell is also Chairman of the Infectious Diseases of Horses Committee of the United States Animal Health Association; Dr. Leroy Coggins, Associate Professor of Virology and Director of the Research Laboratory for Equine Infectious Diseases, New York State Veterinary College, Cornell University; Dr. Coggins of course is the individual who developed the diagnostic test for equine infectious anemia; Dr. Paul DeLay, Director of Veterinary Sciences Research Division, Agricultural Research Service, United States Department of Agriculture; and Dr. Grant S. Kaley, State Veterinarian, Director of the Division of Animal Industry, State of New York, Department of Agriculture and Markets. Jack, will you take over.

DR. BRYANS: Thank you, Jack. Mr. Phipps, Stewards and members of The Jockey Club, Governor Nunn, ladies and gentlemen:

We are all of us here delighted to have been asked to participate in the Nineteenth Annual Jockey Club Round Table Conference, and we hope that the part we will take in this conference will contribute somewhat to your education on the relative importance of various diseases of horses.

The subject today will be considered from the viewpoint of both the regulatory veterinarian, the man who is in charge of protecting livestock in the states, and from the viewpoint of people who are engaged in research. We have on this panel today, as Mr. Kennedy outlined, five gentlemen whose credentials are well established, and you have me.

There are three livestock sanitary officials here and last night I discussed the fact with these gentlemen that many people do not know what a State Veterinarian is. They don't know what a State Veterinarian does. We thought it might be well today to try to inform you as to what a State Veterinarian is, how he operates and what he can accomplish for you. This is especially timely, I think, in view of the fact that we recently have been faced with a Venezuelan equine encephalomyelitis outbreak in which the State Veterinarians took a leading part in controlling. The three livestock sanitary officials, as Mr. Kennedy said, are Dr. Brower of New

Jersey, Dr. Campbell of Florida and Dr. Grant Kaley of New York. These gentlemen administer regulations for the control of diseases of all livestock in three states in which a great deal of racing is carried on, as you know.

The research men here, Mr. Kennedy also indicated, are Dr. Leroy Coggins, who is a member of the faculty of Cornell University Veterinary College and is the man who developed the diagnostic test for swamp fever that we are trying to use in this country now; Dr. Paul DeLay, Director of Animal Disease and Parasite Research Division of the United States Department of Agriculture, is in charge of research activities on diseases in livestock indigenous to the United States as well as research work on the foreign animal diseases which seem to threaten our livestock from time to time. I would like to stress today that Dr. DeLay is here to inform you on the research programs which the United States Department of Agriculture is carrying on. He has no direct responsibility for regulatory veterinary medicine and I mention this to establish for you that he is not a fair target for any criticism you may have of the Department of Agriculture's activities in connection with the control of VEE. I am especially delighted to have Dr. DeLay on this panel because he is the person best informed in governmental service to tell you what, why, where and how much you are receiving from federal funds for research on the horse. Your moderator will also admit to an interest in research on the horse and therefore qualify himself as the third representative in the research category.

There are also gentlemen in the audience today who I know possess rather specialized information on some of the subjects that may arise and I hope that if it becomes appropriate I may call on them for some comments.

With that information let me outline for you the ground rules of this short panel and I hope to make this part of the program as productive as possible and keep it to a reasonable time. Dr. DeLay is going to talk, as I indicated to you, on federal programs for research on horses and he will mention what the facilities are and what is actually in process at the moment. Following Dr. DeLay I am going to ask Dr. Coggins to bring you up-to-date on the swamp fever situation. Following that I will talk to you for a short period of time on what our experience has been with the more everyday diseases of horses. Dr. Kaley of New York is going to describe for you what a State Veterinarian does, and Dr. Campbell of Florida, who has seen two actual situations which are of current interest, will tell you how his office, with the cooperation of the Department of Agriculture, moves to control these things. Piroplasmiasis is one of them; Venezuelan encephalomyelitis is the other. And last on the panel, Dr. Brower will discuss the situation of the old encephalomyelitis diseases that some of you will immediately recall to mind when he begins to tell you what happened when eastern encephalomyelitis was active in his state and in other states surrounding it in recent years.

We will try to keep each presentation to a very short period of time, and leave some time for questions. With no further ado, Dr. DeLay will you take the floor.

DR. DeLAY: Thanks, Jack. Mr. Chairman, Officers of The Jockey Club, members and guests:

I am greatly appreciative of the opportunity to meet with the group, and in behalf of my colleagues and myself, and in behalf of the Department of Agriculture, particularly the Science and Education part of the Department of Agriculture, I wish to thank The Jockey Club for this opportunity and for their gracious hospitality. I think I paid for a little bit of my bread yesterday because I was very early ushered into stables—I don't know whether I was assisting or confusing the Examining Veterinarian working over most of the candidates for the races yesterday. Some five hours later and about 1,000 kneebends up and down examining legs, most of them good ones, I was invited to lunch.

It is probably redundant and time-consuming—but I feel I have to mention it—to remind ourselves that the industry has grown in tremendous strides. I am talking about the equine industry and not just the Thoroughbred industry. It is usually a hallmark or symptom of rapid growth that you have growing pains, and I think you've had them.

I was introduced in rather a unique fashion this morning because a member of the establishment today who is protected in the introduction against not being a target is, as I can tell you, unique. So I am not picking on anybody, I am blaming us all for actually having relatively poor communications. I think if we articulate growing pains as they pertain to the equine industry, that's what we are saying from my standpoint. The current image of this new industry, its impact on society, culture, recreation, environment, national economy, international trade, is just beginning to emerge. I don't think anybody has really been looking at it with entirely open eyes and with a spectrum wide enough to encompass all of these aspects. I am certain it was not done in the Department of Agriculture. So along with a sort of confession I have to admit that we too haven't portrayed our image too well. As a research agency we have only started to grow in the last twelve or fifteen years in the sense that we have now reached a degree of development. I think we have had bad communications on both sides and even today, as Jack said, we probably don't know really who the other fellow is. So at the risk of taking valuable time—and I know this is not, from the standpoint of logistics here, a very good place to show slides—I'll try to show a couple.

I have a slide for those that are able to see it, which tells us who the Veterinary Sciences Research Division is. Actually we are a division in the Department of Agriculture under Science and Education. Numerically we consist of about 1,100 people; 190 scientists, and our scientists represent about every discipline from mathematics, physics, biophysics, psychology, pathology, immunology, microbiology and statistics. We have a laboratory out in the ocean on Plum Island about 120 miles east of Manhattan off the north shore of Long Island where we work only with diseases that do not occur in the United States. This facility is interesting and contemporary with our current situation and again was established only as the result of an emergency. We had never had in the United States a laboratory facility where we could work with foreign diseases, and we probably would not have it now except for a misfortune which is often the handmaid of progress. Foot-and-mouth disease occurred in Mexico. We had not had it in this country since 1930 and at the cost of probably a couple hundred million dollars in support it was removed from Mexico in the late '40s and has not returned. It then got into Canada in the late '40s, early '50s and with great success and collaborative effort between the two countries it was shortly removed from Canada. I think these two episodes provided enough momentum and effort to stimulate support to build this place out in Eastern Long Island where we do now have diagnostic competency to identify any foreign animal disease that occurs in the United States within a relatively short period of time.

We have a Parasitology Laboratory at Beltsville, Maryland. We have about 32 Ph.D. level, doctor-veterinary-medical level scientists working on parasites. We've just developed a new laboratory at Athens on the campus of the University of Georgia. We are moving pretty much towards this now, moving on campus. We are acquiring property on campuses, usually those that have a good school of veterinary medicine, and we are moving our people in our own buildings on these campuses and it provides us with an excellent opportunity for interface with the Universities or related disciplines.



We will dedicate in about two months a new laboratory-on-the-campus at Auburn, next to the new School of Veterinary Medicine where we will be working primarily with parasites of the intestines. We have just dedicated a \$3,500,000 building on the campus at Texas A & M where we will be concerned with veterinary toxicology and we certainly intend to pioneer some areas of toxicology of the horse and expect to have about 18 scientists on the board out there in our division and we will work on an inter-disciplinary basis with the entomology who in turn will have 7 or 8 scientists and a half-dozen engineers. At Denver we have what we call our Arbor Laboratory, virus laboratory, and that is where we are now working with Venezuelan encephalomyelitis.

We have two ecto-parasite laboratories, one in Albuquerque and one in Las Cruces. These are relatively small laboratories working primarily with those parasites that affect the outside—the lice, the fleas, the ticks, the mites and so on. We have a poisonous plant laboratory staffed I think with some of the most competent people in the world who are currently making some nice break-throughs on the toxic factors of plants which affect all species of domestic animals and man. We have what we call a pioneering, free-lance, do-what-thou-will type of laboratory, if you have enough money, on campus at Pullman in Washington. Geographically and a little bit numerically, that's where we are in our own houses.

Part of the money that we have we farm out to support research at universities where we see an area of expertise that we think can best be done at the university or at a location where there is scientific back-up. So you will note we support research at the University of Florida, at Cornell, Michigan State, Purdue, Wisconsin, University of Minnesota, Iowa State University, University of Nebraska, University of Missouri, University of Arkansas, Texas A & M. Since this slide was developed we support research at Tuskegee, South Dakota, Virginia Polytech, Fort Collins School of Veterinary Medicine, University of Idaho at Moscow, Washington State and the University of California and at Baton Rouge, LSU, Louisiana. This gives you a rough idea of who we are and where we are.

Budgetwise we work primarily with commodities, the commodities are cattle, swine, sheep, poultry and horses. This is the part I think is particularly significant for you: 52% of our scientific man-years are on the diseases of cattle; 21% swine, 8% sheep, 14% poultry and the horse, 4%. And part of that I think might not even be legal! So you see what I mean by communication and why I am glad to have the opportunity to be here today. We all recognize the problems today; we recognize the industry and its magnitude, and when one does this in its proper context we have a very inordinate situation.

DR. BRYANS: Thank you, Dr. DeLay. I know it might be more valuable for you to be able to ask Dr. DeLay some questions about some of the things that he said because I am sure that some of them were provoking of questions, but in the interest of keeping this within an hour's time I would like to move on and reserve some time at the end for asking questions of any of the participants so that you can sort out what you want to hear the most about.

The next subject that we will have discussed here is a specific disease, a disease which has created a lot of furore in the horse industry in the past, and finally, after many years and a lot of effort and a lot of money being spent, we were lucky enough to have Dr. Coggins go to work on this and he came up with the first decent diagnostic test. I would like to have Dr. Coggins try to bring you up on what the situation with swamp fever is.

DR. COGGINS: Thank you, Jack.

New York State some four or five years ago now became interested enough in equine infectious anemia to appropriate sufficient funds to actually study this disease. This was thanks to Dr. Kaley, the State Veterinarian, and also to the horse-men in this State. We have been able to make progress in this infection. This infection is caused by a virus. It produces a high fever, low red-blood cell count, poor conditions and can kill horses. One of the dreaded things about this infection is that it produces a carrier state which we think lasts for the life of the animal. This is not a new problem. It has been with us many decades now and is world-wide in scope. We lose many horses, or have in the past, every summer. Generally about this time of the year we have outbreaks throughout the country of this infection. It is an infection that is spread primarily by some transfer of blood. Contaminated needles can do it. We believe that the horsefly is a primary vector of this infection by mechanical transmission from infected horse to healthy horses while on pasture. We also know that infected mares can spread it to the foal while they are still in utero so that it can tend to be spread down through a family of horses.

Well, what is the diagnostic test? It has turned out to be quite an effective one and is very useful in understanding the disease and its spread. It is a test which detects an antibody or a substance produced as a result of infection which lasts for the life of the animal. So when we declare your horse positive to this test it means that the horse was infected either now or in the past; although he may not be showing clinical signs at the present time he will be carrying the virus and will be a carrier of the infection.

What about the accuracy of the test and reliability? In order to demonstrate the accuracy of this test we had to show that all positive horses could produce the disease in experimental animals when the blood was inoculated and that all negative horses did not produce the disease when blood was put into experimental animals. This we did about a year ago now, and since that time approximately 100,000 horses have been tested in the field and the test is approaching 100% accuracy and reliability, we feel. Going on from this we have been able to survey the incidence for this disease and determine with some degree of accuracy at least in the northeastern states what our problem is and the extent of the problem. We have done a bit of this in some of the other states but much more really needs to be done before we will actually know the status of this infection. We know that in the Northwest we had about a 3% infection. We know that in the Standardbred industry we had a problem and we had an organized effort in cleaning up the pasture and have done a very excellent job. So far this summer we have not had an outbreak in this industry that we know whereas last year by this time of year we had lost several hundred animals to this infection.

In the Thoroughbred industry much less testing has taken place. We know that in certain segments of the industry you do not have a problem with the infection. Other segments of the Thoroughbred industry there is a problem and I don't know if there is an organized effort to take care of this problem at the moment. We have found that in general the performance of the horse that is infected is not very good. At the tracks they do not run well, at the farms they do not breed well. This is in general, there are some exceptions. There are some horses that are running well, that are infected and will infect their foals. We found so far 10 out of about 50 that we followed this past breeding season that were inapparently infected and still infected their foals. The other 40 so far seem not to have infected their foals.

What about control of this infection? There is no cure, there is no vaccine, and at the moment neither of these appear to be very promising because this is rather

a unique infection in that it produces a very persistent carrier state. We do know from our last year and a half, practically two years now, with this test that the disease can be controlled, that we can prevent further infection by taking certain steps. Basically, we must keep the infected horse off pasture with normal horses. If we provide programs which will take care of this, this disease will probably disappear over the years, especially if we can keep the clinically sick animal off pasture where there are a large number of flies. We found that the clinically sick animal is the most dangerous in terms of spreading the infection and if there are a large number of tabanidae or horse flies around spread of infection can be very rapid. You can have 50 to 100 horses infected almost overnight. However, the inapparent carriers—these are the ones that are not showing clinical signs—although they are potentially dangerous they seem to be spreading the infection much less rapidly.

So at the farms we have been recommending that all horses be tested for this infection; that infected horses, including the inapparent carriers, be isolated or destroyed; that all incoming horses be tested for this infection and not allowed on the farm or be kept in screened stalls. Certainly they should not be allowed to be on the pasture with your other horses during the fly season.

I personally believe that conditions at tracks are not conducive to transmission of this infection, certainly if we rule out needle transmission which should be able to be controlled by the use of disposable needles. In general, at tracks you do not have many horse flies or other flies, for instance, and the clinically sick animal at the track would be inside. So I feel that this is why we have not had more infection at the tracks. This is why we have seen most of the outbreaks at the farm. If the track goes to the extent of barring infected animals on the track, then certainly we should not have the problem at the tracks.

Another measure which has been used is to require a negative certificate before an animal is sold at a sale; and some insurance companies are requiring a negative certificate before they will insure an animal.

So by these three steps, at the farms, at the tracks and at the sales, the Standard-bred industry has essentially cleaned up the disease, I feel, and should have no further problem with it. The spread of the infection between farms seems to be nil unless there is a movement of the infected animals. The horse flies, although they may fly a long distance, the disease picture does not seem to indicate that very much. So that in closing I might say we have a tool now that we can prevent further infection of horses by testing and doing something about the infected animals. Thank you.

DR. BRYANS: Thank you, Leroy. At this point in the program, merely because we put the three researchers together, and then we were going to cast loose the regulatory veterinarians, I want to talk to you for a very few minutes today on the more everyday so-called economic impact of the disease on the horse industry. It is very easy, as all of you recognize, to measure the economic impact of something like Venezuelan equine encephalomyelitis because the horses die, the mortality figures are very easy to look at. The whole thing is a little bit more complicated than that. But when horses die and race tracks get closed because of influenza and so forth, everybody knows about it and everybody recognizes that so many million dollars in handle were lost, and so forth and so on. I happen to work in a laboratory in the middle of an awful lot of horses and we autopsy an awful lot of horses. I don't like to use mortality figures to indicate to you what the so-called economic impact of disease is, but the fact of the matter is that those are the only figures

through which you can even begin to appreciate what the impact of disease is upon the horse industry as it exists in the breeding area at least.

Just for example, consider the difficulty of ascribing a single cause to the mortality of a horse. There is a complex of respiratory disease among horses in which a horse can get influenza, a virus infection and he can die from that or else he can start to recover from that and get a bacterial infection on top of that. As a result of the bacterial infection he can develop a lesion of his heart. As a result of the lesion in his heart he can develop an allergic condition and he can finally become useless and be put down by a veterinarian. So what is the cause of mortality in there? The virus, the bacterium, the heart lesion or the concentrated barbiturate that the veterinarian gives the horse? What I am saying this for is to indicate to you that while these are not a completely accurate representation of what costs money in the way of disease they are the only way that I know of that you can look at it. Will you turn the projector on, please, Dr. Brower?

I must apologize to you for not informing Mr. Kennedy of the need for this equipment today and we had to do a little jerry-built projection apparatus and it's my fault.

I am going to quickly skim over the things that cause mortality in fetuses, young foals and in yearlings. I am not going to discuss much about adult horses. This slide is a representation of what causes fetal wastage after the mare becomes pregnant, and you all know that there are lots of problems with getting that done. The first thing listed, placental disease, is mostly bacterial and mold infections. The second thing is virus abortion. The third is twins, twin placentation, that is uniformly disastrous in the mare. The fourth thing is undetermined—we don't know what causes that segment of fetal wastage. The fifth thing is because somebody went to sleep, and the rest of them I am not going to go into. There's a whole hodge-podge of things, but you can see up there that there are five very important causes of fetal wastage and of the five at least the most important two are infectious diseases.

Now let's get on to the cause of deaths of foals from birth to five months of age. The top one, and the overwhelming cause of death in foals, is septicemia, blood poisoning. The next is pneumonia. The third is pyoarthritis, pus infection of the joints. And those are all infectious diseases. The shaker foal, which is a disease which has been recognized only in recent years, is probably also an infectious disease. There you have a rough idea of what kills foals.

Now we go on to the cause of mortality in weanlings and yearlings and you will notice that the biggest cause of mortality in weanlings and yearlings is the wobbler. For those of you who don't know what a wobbler is, wobblers used to be thought to be simply a malformation of the surfaces of the vertebral joints which come together which would cause injury to the spinal chord and interrupt nervous transmission to the muscles, causing incoordination. Wobbler is now known to be a complex of a number of things including what I just said and then diseases which are supposedly of allergic manifestations, diseases in the spinal column due to infectious disease.

The next cause is infectious disease and then we get down to traumatic experiences, broken legs, knocked heads, parasitism, then chronic arthritis. The final slide I would like to show you is a summary of some of this and it is a summary taken from 4,203 autopsies done over a period of a few years. This is the mortality due to infectious disease in several categories of horse. You can see that in fetuses infectious diseases cause losses from 35% to almost 50% of those that die. In

newborn foals up to weaning age it will go up as high as 78%; as the horse gets older infectious disease becomes a little less important, but even in weanlings, yearlings and horses two years old or greater, infectious disease mortality appears to be the greatest single segment of cause of mortality in horses.

Now the point I would like to make here is that most of the infectious diseases you are looking at here are bacterial infections, good old bacterial infections. They are things that our approach is to get rid of. There is plenty of technology around to get rid of these things and the reason that we are not rid of a lot of these things, and I would be glad to give you examples, is that the response to appeals for support of research in horse diseases always comes, sufficiently speaking, when we have some kind of emergency and I won't dwell on that point at all. I think the point that can be made here is that there is a daily cause of mortality in horses, of economic loss to horsemen, that can only be removed by a continuous every-day program of knocking at these little individual problems.

I think that we will go on from that and get around to the regulatory officials and the first gentleman that I would like to have speak to you is Dr. Grant Kaley who is the State Veterinarian of the State of New York and he is going to try to tell you what a State Veterinarian does and how he does it.

DR. KALEY: Mr. Chairman, ladies and gentlemen:

While I will be speaking with particular reference to New York I am sure that if you give or take or modify a few of the details, these remarks would be applicable to virtually any state in the country. The equine industry and the Department of Agriculture and Markets have not worked closely together in the past for the reason that there has been no disease of horses in recent years which lent itself to this sort of cooperative approach. I think that with the development of the immunodiffusion test for infectious anemia this may be the first. It presents some interesting problems because we do have these three distinct separate groups in the industry—the Thoroughbred, the Standardbred and the pleasure horse — all with different viewpoints, with different approaches and it is going to be a bit of a problem perhaps to bring them all together. Our role in animal disease is not unlike that of the Department of Health with the public health problems. What we do essentially is to apply the tools which the research people like Dr. Bryans, Dr. DeLay and Dr. Coggins give us to the practical problems of controlling these diseases on the farms in the State. The Agriculture and Markets law is very clear in its directions to the Commissioner on these matters. It says in effect that if the disease appears in animals he shall take steps to suppress it. If it appears outside the State he shall take all necessary steps to keep it out of New York. Speaking of livestock, of course this includes poultry and it includes horses.

In order for the Commissioner to meet these responsibilities the law supplies authority. In addition to statutory authority incorporated in the law itself, it also empowers the Commissioner to promulgate rules and regulations to cover a wide range of contingencies which could not have been anticipated when the law was drafted. Among the authorities is that one perhaps most commonly used, that of the quarantine. We use that very frequently in various parts of the State and in virtually all species as the need arises. There is authority to restrict movement if this is indicated, and this could even include such very drastic action as to close down a track or horse show, etc. That would be used of course only in an extreme emergency with a very serious disease and as a matter of fact I think that the last track that was closed down in the country was a few years back. Rockingham Park in New Hampshire was closed for about 90 days. That was due to infectious anemia.

The law permits the Commissioner to require various tests for a disease; to require, if indicated, vaccinations of animals, and also to prohibit vaccinations. In connection with this it gives him authority to control the use of animal biologics, vaccines, serums, etc. He can, if needed, order the destruction of animals that are infected with infectious disease or exposed thereto. The law permits the payment of indemnities under certain circumstances for a select disease, and it might be interesting to you to know that the only equine disease specifically mentioned in this area in the law is that of glanders which was a problem some years past. Chances are most of you never heard of it. We can brand diseased animals for permanent identification. We can, if necessary, limit or prohibit vehicular or even human traffic in certain areas if it becomes necessary. And this could become necessary with such a disease as foot-and-mouth.

Another area is the control of vectors and I am going to infringe on the research area today, but there is one thing in connection with vectors that is to me a little disturbing. With the outcries from ecologists in recent years, a good deal of the research done on vector control—and that includes the flies, mosquitoes, etc.—which was done in the past by the chemical corporations with a view to developing a product that would accomplish a certain purpose and therefore result in sales and profit for the stockholders, with the probability that a great many of the products that might be developed would find no market—a good deal of that research has been dropped, and I think this is unfortunate.

The powers that I mentioned here are generally spoken of, perhaps a little euphemistically, as regulatory authority. Actually they could be described and referred to as police power. For example, every division field employee has peace officer status and with it goes the authority to make arrests and carry sidearms. As a practical matter we never do either, nor do we propose to, and I only mention it to emphasize the fact that the legislature that drafted this law took the need for sound, good livestock health rather seriously. To do this we have a force of 24 veterinarians in the field—we have half a dozen vacancies, unfortunately, which we haven't been able to fill because of fiscal problems—and we have 8 lay inspectors or investigators to help out. We use the services of about 500 practicing veterinarians on a fee basis to help us with certain types of tests and immunization services, particularly in cattle disease control.

As far as the horse diseases are concerned we have had problems in recent years with such diseases as piroplasmiasis which generally we feel is a Florida disease in this country, and we would like to leave it all to Dr. Campbell—he will probably touch on it later—but we have found about ten of them in New York. Eastern encephalitis was out on Long Island last fall and we anticipate that we will have more before the snow flies this year because we can't keep it out.

In the past ten years we have probably—this is without the use of Dr. Coggins' immunodiffusion test—found between 200 and 300 horses infected with equine infectious anemia with the old horse inoculation test which was very cumbersome, time-consuming and very costly. It just did not lend itself for those reasons to a major disease control program. This work was done rather quietly and in one case about seven years ago we buried an entire stable of 45 saddle horses over in central New York and it never created a ripple. But with the defining of one case of this disease at a pari-mutuel track we were able to convince the people who had to do with these things that research was needed and that was what led directly to the development of this test and eventually will to a controlled program. I'll leave you with that and go back to Dr. Bryans.

DR. BRYANS: Thank you, Dr. Kaley. We'll move right on now to Dr. Campbell of the State of Florida, who is going to try to illustrate for you what actually goes on when a State Veterinarian is faced with a couple of disease situations which are exotic to a state or dangerous to the animal population.

DR. CAMPBELL: Thank you, Jack. I think that I would cover two areas here today: one in my capacity as State Veterinarian in Florida and the other in the capacity as Chairman of the Committee on Infectious Diseases of Horses of the United States Animal Health Association. I think as a prelude one of the last statements which Dr. Kaley just made would bring horse diseases and any other animal diseases into focus. Dr. Kaley pointed out that while he feels equine piroplasmiasis is primarily a Florida problem, in the same breath he stated that some ten cases were found in New York. This then to me would emphasize that no state is an island unto itself. I think then we have to realize that Florida, New York, California, Washington, all have problems which, with the interstate movement of traffic, complicate the disease situation.

Back in 1960 it was first brought to our attention that equine piroplasmiasis existed in the North American Continent. This was brought to bear with the detection of a case in Dade County in Florida. Since that time we found it was not only quite endemic in the three lower counties in the State of Florida but it had been found in many states throughout the United States. At that time we had no background truly upon which to call in dealing with this disease. We had no diagnostic tests that were accurate per se, that could be done in a relatively short period of time. Further, we had no procedures developed to handle this disease. Most critically, we had no method of treating it. Therefore we started a campaign in the early 1960s, about 1961, and from ground zero have developed what we feel is a program which does contain at least one strain of this disease, that being the caballi strain. Unfortunately the equine strain is not lending itself so readily to a course of treatment. This disease of course is compounded by the fact that we are daily faced with the introduction of horses into the United States through international travel and as such EP then becomes of monumental importance to us in attempting to keep it out of this country.

The Committee to which I referred earlier, that of the Infectious Diseases of Horses Committee, is composed of not only veterinarians from throughout the United States but equine industry members as well. We meet at least annually and consider these various problems and we have developed through the year what we feel is a very realistic type of a program to contain this disease.

Dr. DeLay alluded to the Denver, Colorado laboratory wherein work is being conducted on VEE. Dr. Bryans stated that VEE is a disease which can be measured economically and that is through the fact that horses actually die from it. I think this is emphasized by the fact that Texas from the first of July up until about the end of July lost some 1,500 horses as a result of the introduction of this exotic disease. This, as you well know, represented a catastrophic event as far as the equine industry of this nation is concerned, and it prompted not only the surrounding states to take action but it also brought into play this Committee to which I referred which in effect, because of its knowledge in the disease field, is quite valuable in recommendations of procedures to contain diseases.

On July 20 this Committee met. Incidentally, Dr. Bryans is a member of the Committee. Dr. Proctor of Kentucky is another member and we have others with whom you would be quite well acquainted. At that time the Committee recommended to the United States Department of Agriculture that the use of the vaccine—which was at that time really an unknown quantity per se as to its safety and

efficacy—based upon what was presented to the Committee be extended beyond the five-state affected area, that five-state area being Texas and the four perimeter states. The Secretary of Agriculture did in fact extend the use of this vaccine to the six states beyond, those extending from California across to Florida for the main being the southern tier states across the nation.

Florida was one of those which utilized the vaccine. I might say at this time Florida has had a strain of Venezuelan equine encephalomyelitis for a number of years, this being a relatively non-virulent type of Venezuelan encephalitis, however, and in fact has not infected any horses. Isolets have been made from rats and three Seminole Indians as I recall and as recently as 1968 produced some mild symptoms in a woman in Brevard County which is mid-way up the east coast of Florida. Nonetheless this is not the type 1B which invaded Texas on July 1 of this year.

We have found, briefly, and I just have a few moments to mention this, that the use of this vaccine has presented no problems with us in our horses in Florida. The research which has been conducted on it in back passage, the fact that it will not transmit by mosquitoes from vaccinated horses to susceptible horses, is to me proof that it should be placed in the same category as the eastern and western types of vaccine which everyone of you use in protecting your horses against this domestic strain.

My observations would be these which I think it would be well for you to consider, perhaps in this order: that VEE should be put into approximately the same perspective and management practices that now pertain to the domestic encephalitis. There should be no embargo or quarantine on horses simply because they are vaccinated. If we have a safe vaccine that does not transmit, we are dealing with the same thing that we do in eastern and western encephalitis. Embargo should be based only on the known or reasonably suspected presence of the disease itself. Quarantining of horses for fourteen days following vaccination should no longer be required except in endemic areas where conceivably a horse could have been exposed at the time of vaccination. Further, it should be recognized that with the VEE vaccine authorized and now licensed by USDA for commercial use the states should consider using it as they would the eastern and western strains. Further, in the face of future epidemics, in order to avoid all of the hodgepodge of regulations which have been applied by these various states during this epidemic of the past four weeks, all of the 50 states and USDA would enact and enforce identical embargoes and quarantines. There's too much confusion in this particular area. I feel that these are the remarks that I would make, Jack, at this time directed to these particular matters of interest here in this field.

DR. BRYANS: Thank you Clarence. Dr. Brower, who fills the same role in the State of New Jersey as Dr. Kaley does in New York and Dr. Campbell in Florida, is going to talk to you a little bit about the way in which equine encephalomyelitis caused by the old eastern strain is handled in a situation in which the disease is a constant threat.

DR. BROWER: Thank you Jack. Mr. Chairman, Governor Nunn, ladies and gentlemen:

I am privileged to be here today to represent New Jersey. I see some of the rest of our compatriots here—I am not alone. They have asked me to speak on how we handle in effect eastern encephalitis in New Jersey. In 1959 we had a very serious outbreak. I don't know the extent entirely of the horses, except we had some 69 animals in which we isolated the virus or proved them positive. We

also had at that time 33 human cases of which 22 died and many of the other 11 became vegetables. So it is a very, very serious disease. At that time there was appointed a Governor's Inter-departmental Committee on disease control. This was made up of various agencies of the government: the Department of Health, the Department of Agriculture, the College of Agriculture—Rutgers—the Mosquito Control Commission and now recently our new Department of Environmental Protection. These agencies are brought together to plan how to combat any disease that might be a menace to man and animals.

In the set-up we have, the Department of Health has done much work on research in this area and we found that when eastern strikes it usually strikes pheasants first, then horses and then man. So we have a sentinel type of thing here and if we find it in the pheasants that are presented at our laboratories, then we look for it in the horses. This year we have had no indication of anything in the pheasants. We have had three suspected cases presented, but fortunately all were negative.

We do require or ask that all veterinarians report any suspicious cases to us and to refer the specimens. In other words we send out every year to the veterinarians procedures how to handle this. We try to get on top of it, we recommend vaccination at the beginning of the season for both eastern and western. We have had other types of encephalitis in the State, the St. Louis, which is not infectious to animals but it is to humans. We find out in our Department of Health laboratory what type it is and plan our action.

Since the VEE outbreak in Texas this Committee has again been activated and we have had two meetings. We have planned our procedures should we have a case of VEE diagnosed in New Jersey or even suspected. The Mosquito Control Commissions are empowered to take emergency action if it is necessary. On the whole I think they have done a marvelous job in New Jersey in knowing where the pockets of mosquitoes are and when the broods are coming up and what not. I don't think Dr. Campbell quite completed his presentation on the fact that this coming Tuesday, the Directors of the United States Animal Health Association are meeting in Chicago to determine, if we can, some course of unified action on the handling of VEE. As you know, our states in the Northeast have not been designated as emergency states so we haven't been using the vaccine. I have not given in New Jersey a permit to the drug company to sell that yet. I am sure that what we hear out in Chicago will change the picture somewhat. I'll probably take off the embargoes from the states that we have embargoed and allow the use of the vaccine in New Jersey. Thank you very much.

DR. BRYANS: Thank you, Dr. Brower. I would like to congratulate the members of this panel for cooperating so well in keeping within the time limit. That concludes the more formal presentations of materials for your consideration. As Mr. Kennedy said at the outset we were going to consider all horse diseases but we did that last night for about three hours so we cut it down to just a few today. I am sure that there must be some questions that people in the audience would like to ask and I think we would have enough time to entertain a few questions to any of these gentlemen on the panel. Are there any questions?

MR. J. MORRIS: Has there been any progress made in the handling of wobblers, can the animals be cured or must they be destroyed?

DR. BRYANS: They certainly don't always need to be destroyed, but most of the causes of wobbles in horses are incurable.

DR. O'DEA: I'd like to ask Dr. Coggins if we do have the laboratory capability in the United States to establish the program that he suggests. I know we have it in New York State but do we have it across the United States?

DR. COGGINS: There are now about 15 laboratories in the states running this test, one in Canada, two in Central America, one in France and Yugoslavia. It depends on whether you are talking about testing every horse in the USA or whether you are talking about testing horses in the Thoroughbred industry or any other industry. At the moment we would have the capability of doing several thousands tests a week, I think, in these 15 laboratories. It appears that most all states will have at least one laboratory doing the tests within the next year or so.

MR. O'FARRELL: I'd like to ask Dr. Bryans, have we done anything at all on corynebacterium?

DR. BRYANS: I don't know what you mean by "we." There's no specifically supported research program on corynebacterium. Corynebacterium is a disease, for the information of those of you here who are not familiar with it, which is very similar to tuberculosis. It operates just a little bit faster. It causes very large abscesses to form in the respiratory system and other parts of young foals and they end up with about 100% mortality, so far as we know. The problem with this organism is it is very resistant to all the antibiotics, and even when you find an antibiotic that will get to it, it is very difficult to recognize the disease and begin to treat it in time. It is one subject which should certainly be considered very seriously as a specific problem in research but it is not being considered at all.

MR. O'FARRELL: I worked on it with our veterinarian for ten years and it is a definite problem.

MR. KENNEDY: Dr. Campbell referred in his remarks to VEE as an exotic disease. When I first heard this it was confusing to me. Dr. Campbell, will you please explain that exotic is not in its usual connotation when applied to VEE?

DR. CAMPBELL: I'm not speaking from the standpoint of beauty when I speak of exotic, I am speaking from the standpoint of its having been foreign to the United States. It is no longer exotic.

MR. KENNEDY: I think you gentlemen did an excellent job within the short period allotted to you and I want to thank you very much.

*(Applause)*

Moving along, I am going to ask Mr. Henry Durham, Executive Director of the American Horse Council, to give us a status report on his organization.

MR. DURHAM: Thank you Jack. As every horseman knows, 1969 and 1970 will be remembered in the horse industry as the years of tax reform and federal legislation. 1971 will be remembered as a critical year for the health of horses.

It has been easier for the American Horse Council to coordinate the industry's activities on health and research matters because the Council was a going concern and its working structure established. Venezuelan equine encephalomyelitis did not descend on the horse industry like the Tax Reform Act of 1969. The Council has been doing its homework on this critical health matter as early as the spring of 1970. The position paper on VEE which the Council presented to the U. S. Department of Agriculture in November of last year was only one product of that homework, and its recommendations have now all been adopted by the USDA. Most recently, the Department of Agriculture has removed the "experimental" classification from the VEE vaccine and discontinued the use of waivers by horse owners. This combined action means that the results of field and laboratory studies in the U.S. and Mexico have provided sufficient evidence that the vaccine originally developed for use in humans, is safe and effective for use in horses.

In addition, the Council has twice prevailed upon Congress to adopt amendments to the Agricultural Appropriations Bill allocating federal funds specifically

for equine research. Prompt Council action brought a million dollar Senate appropriation which in turn caused the Secretary of Agriculture to allocate emergency funds for control of the VEE situation, making a total of \$6 million available for the fight against this disease. In discussions with the Secretary of Agriculture, AHC officials urged that a committee be established from the horse industry to advise the Secretary on programs and projects affecting the industry. Secretary Hardin enthusiastically agreed to this suggestion.

The IRS Commissioner's Advisory Committee on the Horse Industry was established as the result of another Council suggestion. The work of this Committee is proving invaluable to the industry. For example, based on recommendations of the Advisory Committee and the work of the AHC General Counsel, regulations and guidelines on the treatment of gain from horses culled from the racing stable have been formulated and published. They are presently being distributed by the Council.

For the first time, the tax status of this type of business transaction is not subject to flim-flam or left to the discretion of a well-intended but misguided auditing agent. In addition, at the request of the Tax Advisory Committee, the Council is working with officials of the Department of the Treasury on depreciation guidelines which may be used in conjunction with the President's new Asset Depreciation Range (ADR) system.

But those of you who attended the Round Table Discussions in 1969 and 1970 will recall that Senator George A. Smathers, AHC general counsel, and Senator Thruston B. Morton, AHC president, cautioned that the crisis is not over. Only through continued vigilance and readiness can the American equine industry be assured that threats like VEE and the Tax Reform Act of 1969 will continue to be met and prevented from signalling the demise of the 12-billion-dollar equine industry.

The ways in which the Council aids the industry in maintaining and strengthening its position in the United States, and presenting industry views to the "decision-makers," are many and varied. Here is a brief summary of the Council's work and 10 reasons why the Council merits every horseman's support:

- 1) The Council acts as a coordinating agent in the industry's fight for equitable and fair tax administration and legislation.
- 2) The Council's Tax Reference Service provides AHC members with tax information that is generally not otherwise available to the average horseman, such as IRS private letter and technical advice rulings, proposed regulations, guidelines and significant court decisions.
- 3) The AHC encourages cooperation between government agencies and industry organizations. The service to the industry of the IRS Commissioner's Advisory Committee on the Horse Industry is proof that cooperation and understanding are possible. The Council has high hopes that an equine health advisory committee can be equally effective.
- 4) Insuring the allocation of adequate federal funds for equine research and disease control programs is an ongoing project of the Council. Horse production, management and veterinary research, as well as research on the size, scope and significance of the industry, are actively promoted and encouraged.
- 5) The Council monitors international developments that affect the domestic industry. Quarantine regulations, facilities and international contacts are all a part of the Council's activities in promoting the industry.

6) The Council maintains contact with government agencies to assure that the industry's interest is made known and properly reflected in administrative decisions on such matters as import-export regulations, taxation and research.

In order to most effectively coordinate industry actions, one of the most important functions of the Council is to inform the industry of activities and matters that affect it. The Council provides this service in four important ways.

7) The AHC alerts the industry to critical legislative matters so that horsemen can be informed when they exercise their constitutionally-given right of petition and contact their Senators, Congressmen and other legislators on important matters that affect their business.

8) AHC information Service bulletins, newsletters and other Council publications keep individual members, and all horsemen through their organizations, abreast of problems and prospects on industry development.

9) The Council maintains a news bureau for the more than 150 equine trade publications and regularly services them with news releases concerning important matters.

10) The Council has compiled and maintains a Reference Library which contains material relating to all aspects of the equine industry. It is widely used by members of Congress, government agencies and the equine press when they have questions pertaining to the industry.

To conclude, the American Horse Council provides strength through unity. It provides individual horsemen and horse organizations with the opportunity to actively participate in the formulation of policy that affects the entire industry. Most importantly, and perhaps THE single most important reason why the industry needs a strong and vital national trade association, is to provide the equine industry, and every individual horseman regardless of his breed, function or interest, with a single strong and united voice at the national level. It is only in this way that those who are in a position to make decisions that determine the industry's future will be aware of the needs, opinions and views of an industry that contributes so much to the economic and recreational health of this nation.

Mr. Chairman, with your permission I would like to introduce two gentlemen to the participants of the Conference this morning. The first is the President of the American Horse Council who is with us, Senator Thruston Morton.

*(Applause)*

The second, who is representing Senator George Smathers, the general counsel, is Mr. Thomas Davis.

*(Applause)*

If time permits I am sure either of these gentlemen would be pleased to answer questions. Mr. Davis is the tax attorney in Senator Smathers' organization that does our counsel work. Thank you.

MR. KENNEDY: Thank you, Henry. We will now have some comments concerning the experience to date of The New York Racing Association with off-track betting. The presentation will be made by Mr. Jack Krumpe, Vice President in charge of Operations for the NYRA.

MR. KRUMPE: When Mr. Ogden Phipps asked me to speak here and offer some comments on off-track betting, he said I would have 10 minutes. I was not sure at that time whether I could get through the four-letter words in 10 minutes.

The beginning for off-track betting in this country came in April of last year when two bills were passed by the New York State legislature. The first bill set

up and mandated a state Off-Track Pari-Mutuel Betting Commission and to date no municipality, with the exception of New York City, has effected any part of this legislation.

The second bill—and the one that we will principally concern ourselves with here as we go through a chronological dissertation of what has happened—concerns the fact that New York City was allowed to set up an off-track betting corporation. This corporation was to be run by the City of New York and their officials and not at the state level. This is terribly important: Not at the state level.

These bills were passed in April of 1970. It was not until July of 1970, three months later, that the first task force came to us from the City of New York and, quite honestly, had to ask directions on how to get to Aqueduct. About a week later, Mayor John Lindsay appointed Howard Samuels as chairman of the new New York City Off-Track Betting Corporation. It was a non-salaried position. Mr. Samuels came out and visited us once in July. In September, he asked us to come and look at a demonstration of the equipment that the city corporation had selected as their entire computer set-up.

Mr. Samuels, as you know, was at liberty in July because he had lost the Democratic gubernatorial nomination to Arthur Goldberg. Mr. Samuels himself stated in July that he had been to a race track only once. The computer contract that was awarded to Computer Sciences was awarded by city people and Mr. Samuels was not involved with that decision.

In September, when we met with them, they asked for our counsel and advice, and we gave it to them; but they continued with that type of equipment, anyway.

At that point our technical people got together; they had committee meetings weekly for about seven weeks. In the first week, we determined—this was our position—that they must integrate with us, that they must conform their equipment to our equipment. By the first of November, we had worked out the type of equipment that we thought was required. If they had accepted the position at that time, we would have been able to have—it was technically feasible—direct off-track betting for the opening of the racing season in 1971.

At that time, however, suddenly, a problem developed. The problem was: Who was going to pay for the interface. Involved in the interface were three important elements: (1) software—the programming of all the computers; (2) at the volumes that they represented, we would have to go to a larger series of our Honeywell computers; (3) the cost of the Tote companies concerned.

In the original legislation, the racing association was allowed to have, off the top, one per cent of that which was bet, for use of space and facilities. We took a very hard approach here; we said 'if you are going to come to us you are going to pay for it.' Finally, in meetings in January and February, they answered yes to all of our demands.

I want to make one thing clear: if they had done this in November, they could have started betting in March. In retrospect, it would appear that they were not ready. I just want to make it clear that the racing association cooperated through this whole period in an attempt to implement the legislation.

In principle, they agreed to pay for the software which will cost in excess of \$100,000 and they agreed to pay for the other expenses which will run in excess of \$15,000 a month. The contract with the Tote company still is open.

Then the fun began, because then they had to talk to our unions. From March through mid-June, our Labor Committee consisting of Tom FitzGerald, Pat O'Brien, myself, and our counsel, met with them in excess of 25 times with union representatives. Finally, job guarantees were ironed out and on June 20 at Bel-

mont Park they began to take bets on our race track, affecting a combined win pool.

Their first day of operation produced about \$60,000 worth of business. From that point they grew slightly and on July 15 they were ready to go into all forms of wagering and they have continued on those lines. Two interesting statistics here: When we had win betting only, we averaged less than \$100,000 a day for off-track bets; when we effected all types of betting—win, place, show, Exacta, and Daily Double—the average went up to about \$125,000 a day. When we came to Saratoga it rose to approximately \$215,000 a day.

All figures that I just gave you are, in my opinion, less than one-third of what they projected to do.

We are now going through a three-phase interface program. The first is a catch-all phase in which all of the data that OTB records at their central location, 1501 Broadway, is sent over telephonic line to their installation on the race track. This data is turned over to 24 mutuel clerks, who physically issue non-negotiable tickets through our ticketing machines. These figures then appear on the Tote board as part of the combined pool. The second phase, that we will probably get into in November involves a magnetic tape interface, by which we will drop the ticketing system and all of the data will be put into our machines prior to open betting; the first flash that appears on the odds board will be all OTB money. In the longer run, two or three or four years from now, computers will talk to computers. This will allow, if we want, betting to take place off-track right up to post time and will allow for immediate payoff.

A couple of other comments that I would like to make concerning the city corporation have to do with its lack of a business approach towards us and to the harness industry. We have a hard time getting money from them—that's what it amounts to.

We have had mutuel clerks on our payroll, to be reimbursed by OTB, since June 19 and it was not until August 13 that we received any payment. No. 2 is total lack of auditing control, either by any government agency or by any independent outside audit. Every day on the race track we have members of the revenue unit and state tax commission who personally sit on our laps. We can't do anything without their noticing. That's their function. These people do not regulate, at this time, any OTB operation; nor have we received any independent audit that says these are the figures that OTB has bet, and they are attested as such.

The OTB's lack of a business approach bothers us considerably; we have had meetings with them constantly. We hope that this one element, the businesslike approach will be corrected by a directive from the state commission.

MR. BRITTINGHAM: Have you been able to establish the effect of off-course wagering on your on-course wagering and attendance?

MR. KRUMPE: There is no doubt off-track betting has affected us. It would be premature for me to give you an indication of what that will be. We are setting up a series of standards by which we hope to measure the effect on both attendance and handle—the two aspects on which the reimbursement clauses apply. We hope by the end of the year to have these standards established.

MR. BAILEY: Did off-track betting affect New York racing when they bet on the Derby and Preakness, and how will it affect New York racing if we have betting and other televised, out-of-state races?

MR. KRUMPE: I will give you my personal observations: On the days of the Derby and Preakness, I don't feel that it affected us nearly as much as it does

on a day-to-day basis. However, the combination of off-track betting and television is dynamite! Gentlemen, treat it as such. The toughest single thing will be when off-track betting and television get together. We have taken a very hard approach toward television.

MR. GREEN: Does the city of New York make any money from off-track betting?

MR. KRUMPE: My personal observation is no. How much have they lost? I don't know how much they have invested. I don't think they make money on a day-to-day basis. I think they probably made money on the days when they had a \$1,000,000 handle on the Derby, Preakness and Belmont Stakes, but I don't believe on a day-to-day basis, even with a \$600,000 mutuel pool, that they are in a position to produce revenue for the city.

MR. BAKER: What do the horsemen get out of off-track wagering?

MR. KRUMPE: In 1970, Kent Brown, who is chairman of the New York State Off-Track Pari-Mutuel Betting Commission, put in what he called a "clean-up bill" and this added—to the one percent already allocated to the track—an additional half of one per cent of the off-track handle to go to horsemen. So as an industry, a half of one per cent goes to horsemen, and one per cent to the racing association.

There are also, toward the racing association, two reimbursement clause features in the original bill. One is, against 1969 figures, they will reimburse up to 100 per cent any loss in mutuel revenue, and 95 per cent of any loss in attendance revenue—if off-track betting takes place within 50 miles of a race track. Since we are in Saratoga, there are no reimbursement features. If our handle drops 50 per cent at Saratoga, we can not look to New York City to be reimbursed, for we are more than 50 miles from the OTB.

COM. BREWER: Have you been receiving any audited reports from the OTB?

MR. KRUMPE: No. We have asked Commissioner Kent Brown about this. If we do not receive them by the end of September, we are prepared to petition him for the right to send our auditors the income side of the OTB ledger—we are not interested in their expenses. All we are interested in is whether we are getting our 1½ per cent of that which is bet. Because we know that—day in and day out, contrary to what you read—we know that all the bets made at off-track betting facilities are not being combined into our pool, due to mechanical, technical, or human deficiencies on their part.

MR. KENNEDY: Thank you very much, Jack.

*(Applause)*

MR. PHIPPS: Our major address this morning will be delivered by a man who has time and again shown himself to be a great friend of the Thoroughbred industry. It is my privilege to introduce to you the Governor of the State of Kentucky, the Honorable Louie B. Nunn.

*(Applause)*

GOVERNOR NUNN: Thank you very much. Mr. Phipps, Officers and members of The Jockey Club, ladies and gentlemen, and all of you distinguished people here this morning:

When I was asked to come here for this occasion I was somewhat like the young man who had been invited to a party. It was of older people and he was not sure just exactly how he should converse with them and he said to his mother, "What should I discuss?"

She said, "Just talk about things that would be of mutual interest, things in which they have a common concern."

At the party he was seated between two ladies and he turned to one of them and said, "Do you have any children?"

She said, "Yes," and he said, "Are you married?"

*(Laughter)*

Obviously this wasn't appropriate so he turned to the other lady and he said, "Are you married?"

She said, "No," and he said, "Do you have any children?"

*(Laughter)*

I want to thank The Jockey Club and all of you here for all of the hospitality and courtesies that have been extended. I have been here only two days and two nights but already I feel just like one of you. I don't know which one it is but whichever one it is should go home and go to bed.

*(Laughter)*

I would like to bring you greetings from my native State of Kentucky. You know we are known there for our horses, our tobacco and our whiskey. The fact that they are all habit-forming certainly has been good for the economy.

*(Laughter)*

Someone suggested a story about Will Harbut, the old groom for Man o' War several years ago when Man o' War was still being shown at Faraway Farm. One afternoon Will went out, when visiting hours were over, to close the gate and a car drove up. The man said, "I would like to get in to see Man o' War."

Will said, "I'm sorry, boss, but the visiting hours are over. You come back tomorrow and I'll be delighted to show you Man o' War."

The man said, "But I can't come back tomorrow."

Will said, "I'm sorry, but a rule's a rule."

The man said, "Well, let me explain to you who I am. I am a long way from home, I'm all the way down here from Canada."

Will said, "I can't help that."

The man said, "But I'm Mr. Dionne, the father of the quintuplets. You know, the five little girls."

With that, Will began to open the gate and Mr. Dionne said, "You mean you are going to let me see Man o' War?"

Will said, "I don't care about you seeing Man o' War but I sure want Man o' War to see you!"

*(Laughter)*

So I am delighted to have this opportunity to be here to see you.

Most Kentuckians come to appreciate the horse very early in life, but perhaps very few come to understand fully how truly significant the horse industry is to the progress of our Commonwealth and to the nation.

It was as a high school and college student with a summer job as a guide in the caves region of Kentucky that I first experienced the wide impact of the racing industry. Tourist after tourist explained that they were attracted to our state primarily by the beautiful horses and Bluegrass farms.

That lesson takes on added significance today for the governor of a state which receives almost \$50 million annually in direct tax revenue from the tourism industry



—a great part of which still depends on the matchless beauty of the immaculate horse farms, the racing classics and traditions being carried on by our horsemen. Kentuckians' love for horses continues today undisturbed and undiminished, but recent events indicate that sometimes that love has been blind to some very harsh realities surrounding the horse industry. Kentuckians, like others who share their appreciation for the horse, may have assumed too much throughout the years by assuming that their appreciation was shared universally. And perhaps that is how to explain the fact that not enough has been done on a nationwide basis and in an organized, concentrated manner to promote and protect the industry.

This is somewhat like the situation elsewhere in the country today. There are those willing to assume that if a person is born in America, he will automatically become a good American. We learned during the last decade that this was not true. Certain basics have been taught, they have to be preached, and they have to be practiced.

It is some of those basics I would like to discuss today—some fundamentals that have been recognized in Kentucky and elsewhere in order that this important industry might be allowed to grow and remain a significant part of our state's economic and cultural tradition.

Let me preface my remarks with the observation that when we have meetings such as your Round Table, the subjects under discussion naturally are specialized and tightly focused around one particular subject. I think it would be harmful and unwise, however, if the focus of this great industry ever was allowed to become narrow to the point of exclusion.

We should not neglect the fact that the horse industry has a great many unsolicited supporters, both in the private and the public sector. Literally thousands and perhaps hundreds of thousands of people share your admiration for the Thoroughbred, and there is no reason to doubt that if properly motivated, they also would share your enthusiasm for protecting the racing industry.

It seems to me that what we need to do is mobilize this support. This is not the time for anyone to be waiting in the wings.

As you know, the present-day quirk of one particular American life-style is an almost fantastic obsession to attack the so-called "establishment." Unfortunately there are those even in positions of public leadership today who appear more responsive to this movement than to the country's well-being. And for them, racing too often is the natural target. As the "sport of kings," it is a ready-made scapegoat for those who hate the American system, who despise success, who constantly complain about free enterprise when they never have tried it, and who find something very sinister and despicable about the word profit.

What we need is a score card comparing what some of these critics have contributed and what the "establishment" has accomplished.

The horse industry is a good example. From its inception, this endeavour has been nurtured and directed and protected by those who represent and personify the "establishment" in America. Based on the tangible results of those efforts, even the critics must admit that you not only have served the industry well, but you have also served the nation well. But regardless of this—regardless of the beauty and splendor of this sport—regardless of the positive contribution it has made and continues to make today, the horse industry is not immune to unfair criticism, unjust legislation, and unreasonable economic threat.

That was the lesson we learned in 1969 when ill-conceived legislation was proposed that would place this vital segment of American agriculture and recreation

in jeopardy. We also learned during that time just how ill-equipped the industry was to defend itself. Supporters of the industry were somewhat unorganized; factual information on which a defense could be based was either fragmented or non-existent.

To put it bluntly, we were unprepared. That is not the case today.

A great deal has been accomplished because a co-ordinated and concentrated effort has been made to assimilate the necessary information and to organize a nucleus around which the positive defense of this industry can be made in the future.

In anticipation of the impending legislative battle and the possibility that testimony before Congress in defense of the industry might be necessary, Spindletop Research in Lexington was asked to make a special analysis of the economic impact of the horse industry on the United States.

Using the information uncovered by that study, we were able to testify, not for special favors for Kentucky breeders or for special treatment of the horse industry, but testify positively as to the economic, recreational, and educational importance of the industry throughout America.

What obviously has been overlooked by those who drafted the proposed tax changes was the larger number of persons involved. They preferred instead to concentrate their attack on a very small group. Little concern had been shown for the thousands of persons employed by the industry who earned a total of \$727 million each year and who were making their individual tax contributions.

And obviously there had been little concern for the fact that \$543 million had been invested in breeding facilities and equipment; that, as you know, an additional \$79 million is invested in training; that \$602 million is invested in the construction and operation of race tracks, and that the value of the commercial horse is \$1.12 billion.

What was being overlooked was the fact that tax revenues derived from horses amounted to nearly \$450 million annually.

With the aid of the Spindletop findings, we were able to refute the charge that the Congress was indirectly subsidizing this sector of the farm economy. We were able to say if that argument were true, what they really were subsidizing was employment, that they were encouraging industry, that they were promoting recreation and tourism, and that they were supporting a viable and revenue-producing source, rather than subsidizing unemployment and non-productivity.

The facts were indisputable; we were on safe, solid ground from which to attack. And I have been encouraged by remarks following the Congressional hearing that facts made the difference.

I have to believe it helped when Congress was persuaded to look at the facts of the issue before them—facts that may have helped to erase the false impression that this is an industry of the idle rich and proved that this is an industry involving hundreds of thousands of Americans, some wealthy, some not so wealthy, but all vitally interested and deeply affected by the development or the destruction of the horse industry.

I look forward to the day when those who legislate and regulate this industry come to understand that in many ways this is a business proposition.

And it deserves to be treated like a business. For instance, the breeding of horses is to racing what manufacturing of steel is to the automobile industry. If, through discriminatory legislation or regulation, breeding interests are damaged, if it becomes economically impossible to continue efforts to preserve and improve the American

bloodlines, then racing will suffer and the related fields of recreation and agriculture will suffer.

All of us should have learned a great deal from the experience we shared in 1969. I know that we in Kentucky did. Let me assure you that not only do those of your fellow horsemen from Kentucky take seriously the reputation our state has gained in the horse world, but that spirit also had carried over into Kentucky government.

Even before the legislative battle, Kentucky was looking for ways to attract new investors into the industry. Shortly after I became Governor, we placed an advertisement in the Wall Street Journal which stressed the investment opportunities of breeding Thoroughbreds in Kentucky. From that ad, we received over 400 inquiries—not from curiosity seekers, but from people who could afford to invest.

Two persons attended the Keeneland yearling sales as a direct result of the ad and the follow-up effort that was made. And we know of at least one \$100,000 investment that was made.

This experiment led to a partnership being formed between Kentucky state government and the Thoroughbred Breeders of Kentucky, in which the cost of advertising and promotion campaigns within certain limits now is shared equally.

We are concerned not simply with maintaining Kentucky's prominence in the sport. We are also concerned with properly fulfilling our responsibility to demonstrate leadership. Having learned almost too late during the Senator Metcalf crisis of the almost complete lack of data about the horse industry, we have supported enthusiastically ensuing efforts to collect usable information.

With the technical assistance of Spindletop Research, real progress can be reported today. Following the 1969 study, which had proven so conclusively the importance of hard economic data in talking to legislative committees, we authorized the initiation of a statewide data-collection project for the race horse industry in Kentucky.

To complete this work, Spindletop had excellent guidance from the National Association of State Racing Commissioners, and when it was completed it gave Kentucky for the first time a complete set of data for all aspects of the race horse industry.

From this information came the very concise and impressive publication entitled "The Race Horse Industry in Kentucky," which has been distributed widely to those who have an interest in or should develop a greater interest and understanding of the subject. This included horsemen, media representatives, legislators, and regulatory agencies.

We believe the industry will benefit when those who support it, those who write about it, and those who regulate it know, for instance, that horse racing in Kentucky provides nearly \$8 million in tax revenues annually; that over 12,000 persons are employed and earn nearly \$19 million each year; that the state economy is stimulated by a turnover of nearly \$25 million in purchases each year by the horse industry; that valuable greenbelts of open land are not only preserved but enhanced; that a quarter-million tourists visited the horse farms in 1970.

Presently, Spindletop Research has been retained by the NASRC and is performing an extensive analysis of the economic considerations of off-track betting. The thrust of this effort is to provide reliable information for states considering legislation in this field. In fact, a model bill has been developed, as has a procedure for each state to follow in debating the pros and cons of this question.

The continuity of all these studies now remains to be insured and this is being accomplished by a planning grant for the design of an annual program of analysis of the horse industry.

In addition, Kentucky is embarking upon two completely unique projects through which both the horse industry and the state's economy will benefit and again prove the dynamic connection between the two.

The first is preparation of a statewide system of horse trails which will link together areas having the proper combination of horses and travelers. Naturally, Kentucky's nationally respected system of state parks, most of which have stable facilities and existing trails, will figure prominently in our plans.

Perhaps the most exciting plan to promote the horse industry, however, is encompassed in our effort to create a Thoroughbred State Park in Central Kentucky. Plans call for developing themes for all breeds, with special emphasis given to this country's major breeds. The major purposes of the park will be to provide both educational and recreational experience for its visitors.

The initial development would include a model horse farm complex, a training track, museum, tourist center, picnic area, theatre, and food service facilities. We already have received assurances that retired racing champions could be acquired for exhibition, as an example of the spirit of enthusiasm and cooperation with which Kentucky horsemen have greeted plans for the new park. Their support adds an extra dimension of realism to the results of a study into the visitation potential of such a facility.

This survey indicates that between 1.4 million and 2 million visitors can be expected if the park is opened in 1972 and could be expected to grow to 3 million by 1980. We do not intend this park as a memorial to racing's past. We are creating this facility to be more than a token of our appreciation for what your industry has meant to our state and to America.

Kentucky's Thoroughbred State Park will be dedicated to the future—a future that is filled with a number of very crucial challenges and opportunities.

In closing, I trust that my remarks today and the suggestions I am about to leave with you are not interpreted in the narrow context of what is good for the racing industry in Kentucky, but what is good for the nation's horsemen. It is in this spirit that I would recommend the following methods by which we might avoid the repetition of unjustified attacks on this industry or successfully repel them if they are attempted:

(1) The effort begun in Kentucky to gather significant and complete data concerning the industry should be repeated on a nationwide basis. The promotion and the protection of this industry depends on availability of such data.

(2) The absolute necessity for intensified, unified equine medical research is proven by the recent outbreak of VEE. Every breed, every level of government, every state must be involved.

(3) Continue to strive for a more realistic image. As long as this industry is viewed as a tax haven for the wealthy, it will continue to be the target of unfair, discriminatory legislation, ill-conceived tax schemes, and lethargic public support. (At this point I would commend especially the leadership of the American Horse Council for its renewed efforts to involve pleasure horse groups and 4-H groups. Certainly, this is a wise step toward a much broader base of support for all the horse industry and one that will pay large dividends in the future.)

(4) Continue to concentrate on the battles at the state level. Do not take your

state legislatures for granted. That is where the fiscal squeeze is felt most intensely and the states are continually shopping for new revenue sources to replace those pre-empted by the federal government.

(5) Continue to speak with the strong, united voice that was forged by the threat of 1969. Use that united voice not just in times of crisis and threat, but also on those more frequent occasions when the good of the industry must have priority over personal goals or regional pride.

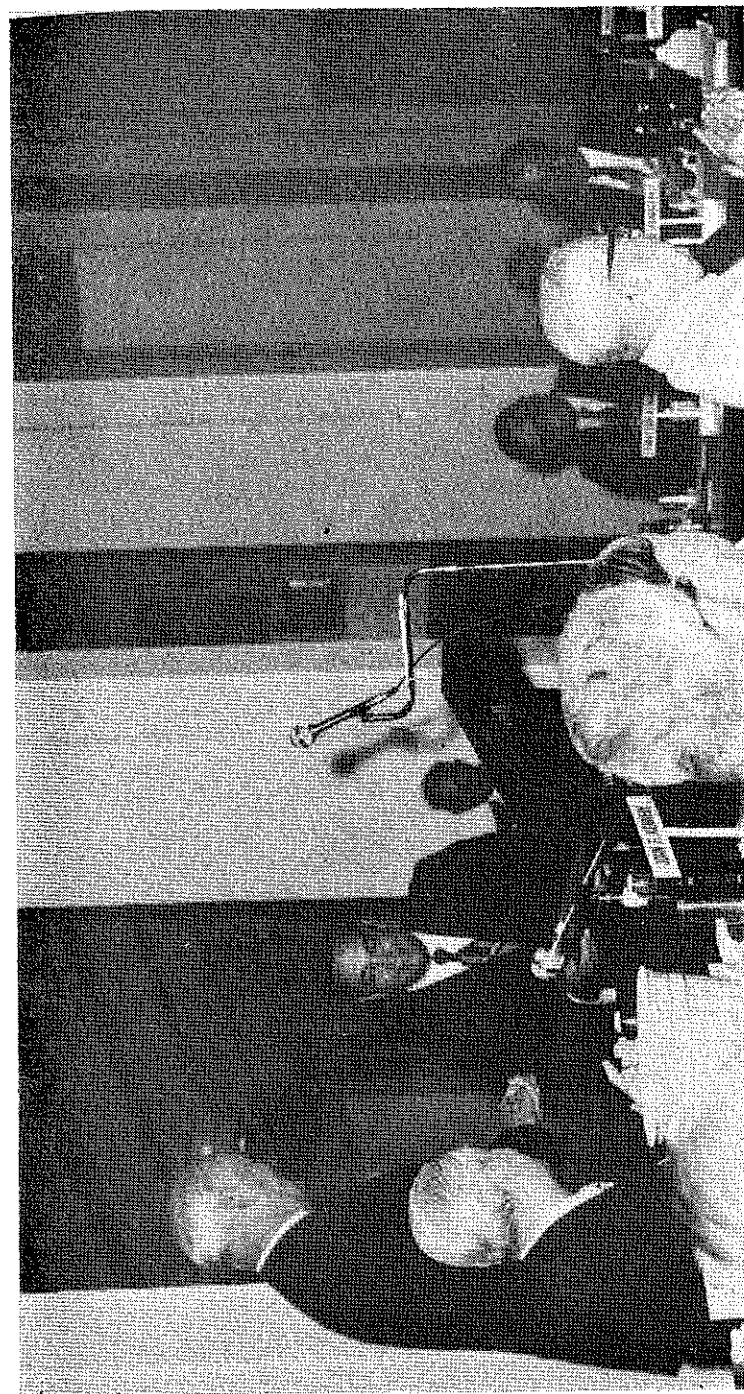
(6) And, finally, continue to attract and hold men of high character and unselfish motives who will propagate your zest for sportsmanship and horsemanship in the best traditions of this great industry.

Thank you very much.

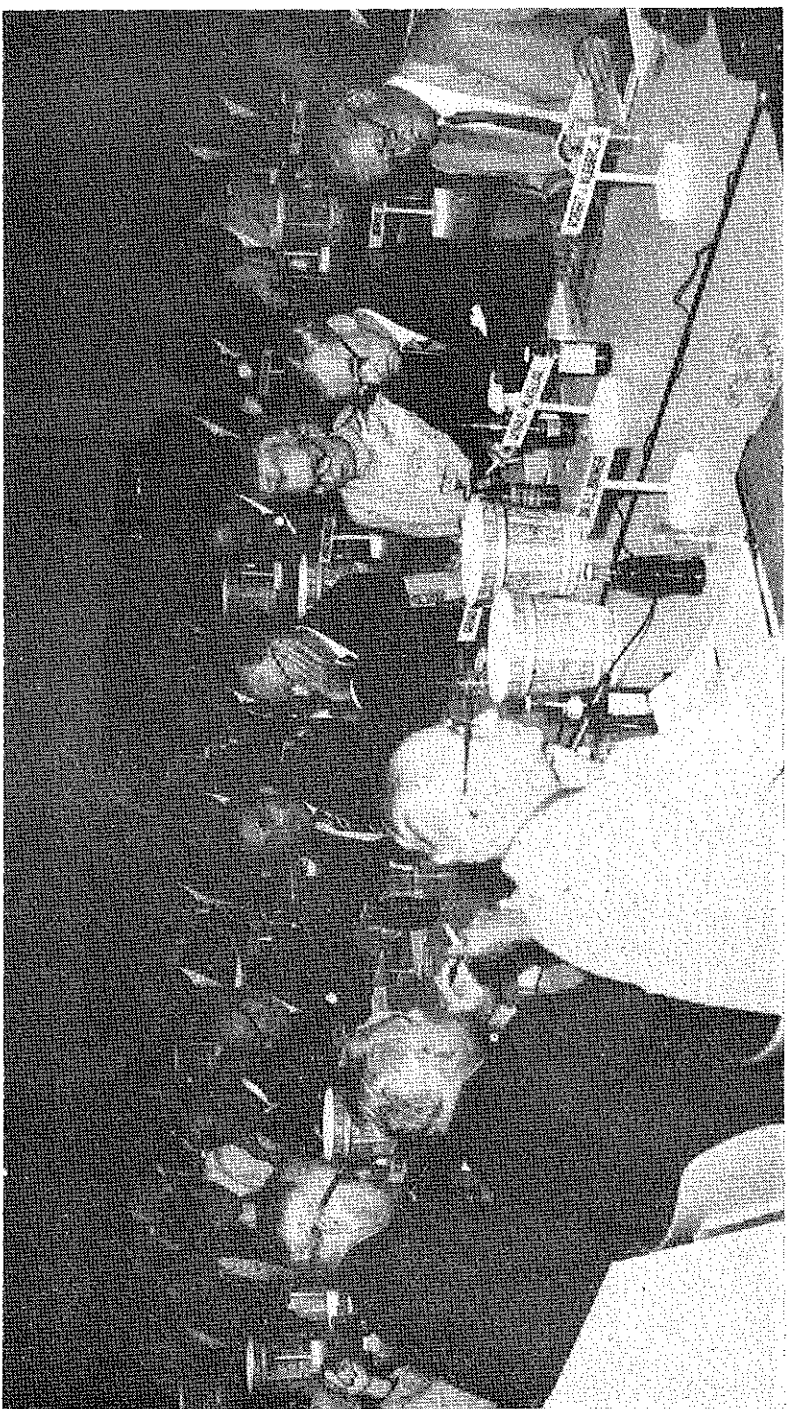
*(Applause)*

**MR. PHIPPS:** Thank you very much, Governor, for your wonderful talk and your words of advice. We appreciate it.

The meeting is now adjourned. There are drinks over there—some come from your good State, Governor. Then we will adjourn to lunch in the Club House at the Race Track as guests of The New York Racing Association. Thank you.



*The Chairman thanking Governor Nunn for his remarks.*



*Some of the Participants.*