



THIRTY-SECOND ANNUAL ROUND TABLE CONFERENCE

on

MATTERS PERTAINING TO RACING

held by



at

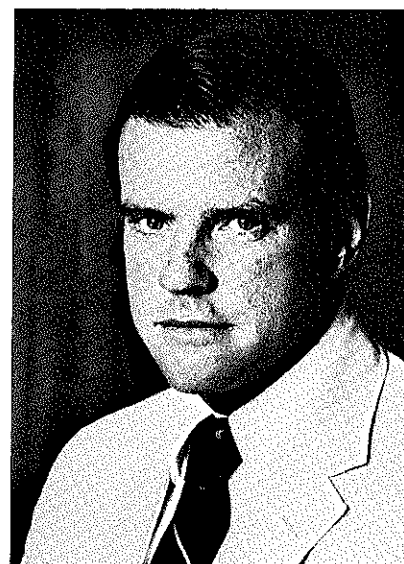
**THE NATIONAL MUSEUM OF RACING
SARATOGA SPRINGS, NEW YORK**

Sunday, August 12, 1984

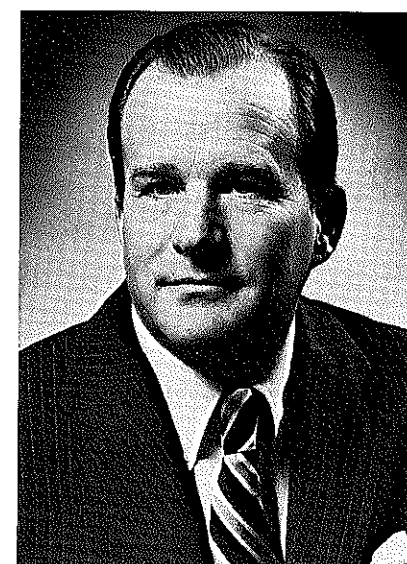
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Ogden Mills Phipps, Chairman



William S. Farish, Vice-Chairman



James C. Brady, Secretary-Treasurer

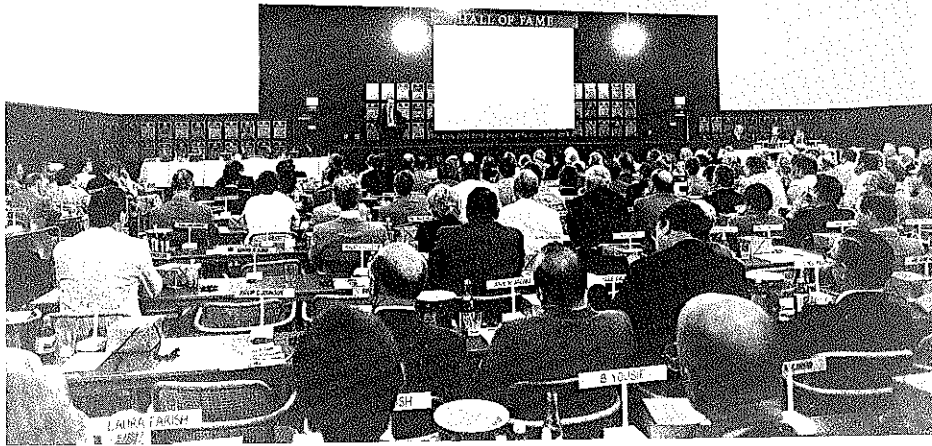
Prepared by
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of
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380 Madison Avenue
New York, N.Y. 10017
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**THIRTY-SECOND ANNUAL ROUND TABLE CONFERENCE
ON MATTERS PERTAINING TO RACING**

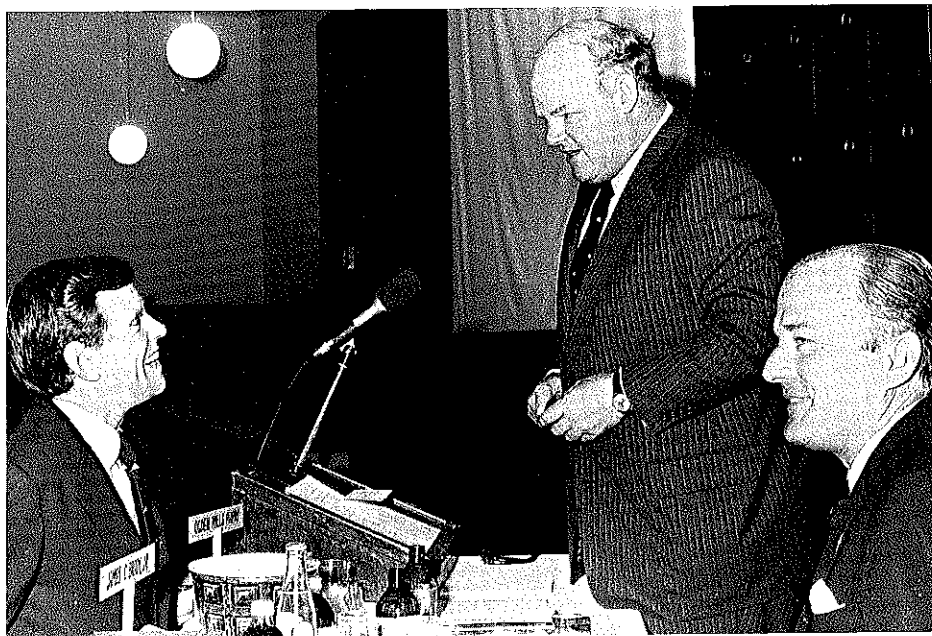
The National Museum of Racing
Saratoga Springs, New York

10:00 a.m.
August 12, 1984



ABOVE: IN SESSION—The leaders of Thoroughbred breeding and racing, some 250 strong, have gathered for The Jockey Club's Round Table Conference on Matters Pertaining to Racing

BELOW: OFFICERS—Sharing a lighter moment prior to the opening of the 32nd Annual Round Table Conference are the officers of The Jockey Club, Ogden Mills Phipps (center), the Chairman; William S. Farish (left), the Vice Chairman; and James C. Brady (right), Secretary-Treasurer.



Welcome to Participants and Guests..... Ogden Mills Phipps
Chairman, The Jockey Club

A Discussion of the Interrelated
Topics of Improved Horse
Identification, Ownership
Information and Parentage
Verification..... Moderator, John M.S. Finney
President, Fasig-Tipton Co. Inc.

Ann Bowling, Ph.D.
*Geneticist, University
of California at Davis*

William S. Farish
*Vice Chairman,
The Jockey Club*

Helen B. Chenery
*President, Thoroughbred
Owners and Breeders
Association*

Joan Pew
*Vice President, National
Association of State
Racing Commissioners*

International Cataloguing Standards..... G. Watts Humphrey, Jr.
Steward, The Jockey Club

Tax Issues Facing the Industry..... Senator Robert Dole

OPEN DISCUSSION AT ANY TIME

Program Chairman
John Hettinger

**THIRTY-SECOND ANNUAL ROUND TABLE CONFERENCE
ON MATTERS PERTAINING TO RACING
HELD BY THE JOCKEY CLUB
AT
THE NATIONAL MUSEUM OF RACING
SARATOGA SPRINGS
NEW YORK
SUNDAY, AUGUST 12, 1984**



IN ATTENDANCE—A partial view of the audience in attendance at the National Museum of Racing for the 32nd Annual Round Table Conference.

IN ATTENDANCE:

Morris J. Alhadeff
President, Thoroughbred Racing Associations & Longacres

Thomas L. Aronson
Director, American Horse Council

Dr. Eslie Asbury
Member, The Jockey Club; Owner/Breeder

Dr. Taylor Asbury
Owner/Breeder

Peggy Augustus
Owner/Breeder

Mrs. Charles Baker
Owner/Breeder

Thomas M. Bancroft, Jr.
Member, The Jockey Club; Chairman, New York Racing Association; Director, Thoroughbred Racing Associations

James E. Bassett, III
President, Keeneland Association; Trustee, National Museum of Racing; Director, Thoroughbred Racing Associations

W. B. Rogers Beasley
Director of Sales, Keeneland Association

Albert C. Becker
Chairman, American Horse Council

Kenneth Beh
Director of Public Relations, New York State Racing and Wagering Board

John A. Bell, III
Steward, The Jockey Club; Owner/Breeder

Mrs. John A. Bell
Owner/Breeder

August Belmont
Member, The Jockey Club; Owner/Breeder

Paul Berube
Vice President, Thoroughbred Racing Protective Bureau

James H. Binger
Member, The Jockey Club; Chairman, Calder Race Course; Director, Thoroughbred Racing Associations; Owner/Breeder

Mrs. James H. Binger
Owner/Breeder

Edward A. Bishop
Registrar, The Jockey Club

Ellen R. Bongard
President, Eastern New York Thoroughbred Breeders Association

Edward S. Bonnie
Attorney

Ann T. Bowling, Ph.D.
Associate Professor and Geneticist, University of California at Davis

James C. Brady, Jr.
Secretary-Treasurer, The Jockey Club; Owner/Breeder

Mrs. James C. Brady
Owner/Breeder

Nicholas F. Brady
Member, The Jockey Club; Owner/Breeder

Mrs. Nicholas F. Brady
Owner/Breeder

John Brunetti
President, Hialeah Park

Dr. John T. Bryans
Chairman, Veterinarian Science, University of Kentucky

Elliott J. Burch
Trainer

Daniel J. Burke
Vice President, Genesee Valley Breeders Association

Gerard Burke
Racing Steward, New York Racing Association

Timothy T. Capps
Editor, Thoroughbred Record

Snowden Carter
General Manager, Maryland Horse Breeders Association

R. Anthony Chamblin
President, Finger Lakes Racing Association

Mrs. Alice H. Chandler
President, Kentucky Thoroughbred Owners & Breeders Association

Mrs. Helen B. Chenery
Member, The Jockey Club; President, Thoroughbred Breeders and Owners Association; Member, Executive Committee, American Horse Council; Owner/Breeder

George M. Cheston
Member, The Jockey Club; Owner/Breeder

Mrs. George M. Cheston
Owner/Breeder

Melville Church, III
Owner/Breeder

John S. Clark
Counsel, New York State Racing and Wagering Board

Albert C. Clay
Member, Executive Committee., American Horse Council

Herman Cohen
President, Pimlico; Director, Thoroughbred Racing Associations

Mrs. Herman Cohen
Owner/Breeder

Allen E. Coles
Chairman, Oklahoma Horse Racing Commission

Charles Colgan
Executive Secretary, National Steeplechase and Hunt Association

Brownell Combs II
Member Executive Committee, American Horse Council; Owner/Breeder; Chairman, Kentucky State Racing Commission

Leslie Combs II
Member, The Jockey Club; Vice President, The Keeneland Association; Trustee, National Museum of Racing; Owner/Breeder

Edward Comerford
Writer/Columnist, Newsday

W. R. Corbellini
Executive Director, New York Thoroughbred Breeders, Inc.

Mark Costello
Vice President, New York Racing Association

Thomas A. Davis
Counsel, American Horse Council

Dr. Dominick J. DeLuxe
Owner/Breeder

Senator Robert Dole
Guest Speaker

Don Drew
Executive Vice President, New York Racing Association

Mrs. Allaire duPont
Member, The Jockey Club; Owner/Breeder

Lee Eaton
Director, Thoroughbred Club of America; Owner/Breeder

Lawrence E. Ensor Jr.
Vice President, Fasig-Tipton

Thomas Mellon Evans
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

Laura Farish
Owner/Breeder

William S. Farish
Vice Chairman, The Jockey Club; Trustee, American Horse Council; Owner/Breeder

William S. Farish Jr.
Owner/Breeder

Mrs. William S. Farish
Owner/Breeder

J. B. Faulconer
Executive Vice President, Thoroughbred Racing Associations

Salvatore J. Ferrara
Racing Steward, New York State Racing and Wagering Board

John M. S. Finney
President, Fasig-Tipton; Trustee, National Museum of Racing

Bertram Firestone
Owner/Breeder

Mrs. Bertram Firestone
Owner/Breeder

Thomas Fitzgerald
Retired President, New York Racing Association

James W. Fitzsimmons
Attorney

Daniel V. Flynn, DVM
Veterinarian

Dr. Edward Ford
Grayson Foundation

Christopher Foster
Secretary to Jockey Club of England

Anderson Fowler
Member, The Jockey Club; Director, Monmouth Park; Owner/Breeder

George Frostad
Member, The Jockey Club; Chairman, The Jockey Club of Canada; Owner/Breeder

Daniel M. Galbreath
Steward, The Jockey Club; Owner/Breeder; Trustee, National Museum of Racing

Edward H. Gerry
Member, The Jockey Club; Owner/Breeder

Martha Gerry
Member, The Jockey Club; Owner/Breeder

Dr. Manuel A. Gilman
Director, The Jockey Club

Joseph A. Gimma
Retired Commissioner, New York Racing Commission; Trustee, National Museum of Racing; Attorney

John Giovanni
The Jockey's Guild

Dash C. Goff
President, Arkansas Thoroughbred Breeder's and Horsemen's Association

Gordon Grayson
Member, The Jockey Club; Owner/Breeder

Mrs. Gordon Grayson
Owner/Breeder

William C. Greeley
General Manager, Keeneland

Fred Grossman
Editor, Daily Racing Form

Mrs. Virginia Guest
Owner/Breeder

Robert S. Gunderson
President, Bay Meadows Racing Association

Thomas Gurry
Director Data Processing, The Jockey Club

Arthur Hancock III
Member, The Jockey Club; Owner/Breeder

Leonard C. Hale
Vice President, New York Racing Association

William F. Harder
Trustee, National Museum of Racing; Owner/Breeder

Mrs. William F. Harder
Owner/Breeder

Russ Harris
Writer/Columnist, New York Daily News

John H. Hartigan
President, Florida Thoroughbred Breeders Association

James Heffernan
President and General Manager, AmTote Division, General Instrument Corporation

Bill Heller
Writer/Columnist, Knickerbocker News

Col. Leonard D. Henry
Member, The Jockey Club; Trustee, New York Racing Association; Owner/Breeder; President, The Jockey Club Research Foundation

Cap Hershey
Vice Chairman, Kentucky State Racing Commission

John Hettinger
Steward, The Jockey Club; Trustee, New York Racing Association; Owner/Breeder

Mrs. John Hettinger
Owner/Breeder

Joe Hirsch
Writer/Columnist, Daily Racing Form

Clyde Hirt
Writer/Columnist, Sports Eye

Kent Hollingsworth
Editor, The Blood-Horse; Trustee, National Museum of Racing

Fred W. Hooper
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

Mrs. Fred W. Hooper
Owner/Breeder

E. Edward Houghton
Member, The Jockey Club; Owner/Breeder

G. Watts Humphrey Jr.
Steward, The Jockey Club; Owner/Breeder

Mrs. G. Watts Humphrey Jr.
Owner/Breeder

Eugene Jacobs
Trainer

John W. Jacobs
Owner/Breeder

Walter M. Jeffords
Member, The Jockey Club; Vice President, National Museum of Racing; Owner/Breeder

Dr. Reid Jenkins
Chairman, Board of Directors Horsemen's Benevolent and Protective Association

Nick Jemas
Managing Director, Jockey's Guild

Marshall W. Jenney
President, Pennsylvania Horse Breeders Association; Owner/Breeder

Richard I. G. Jones
Steward, The Jockey Club; Owner/Breeder; Attorney

Mrs. Richard I. G. Jones
Owner/Breeder

Russell B. Jones Jr.
Trustee/Treasurer, Thoroughbred Owners & Breeders Association of Pennsylvania

Joseph F. Joyce, Jr.
Chairman & President, Arlington Park

Sam Kanchuger
Director, News Service Bureau, The Jockey Club

John L. Keenan
Executive Director, New York Racing Association

Robert F. Kelley Jr.
Alternating Steward, New York Racing Association

Ray Kerrison
Writer/Columnist, New York Post

William R. Killingsworth
Killingsworth Associates, Inc.

Frank E. Kilroe
Steward, The Jockey Club; Vice President, Santa Anita Park, Trustee, National Museum of Racing

Robert Kirkham
Owner/Breeder

Don Kraus
Secretary/Treasurer, Thoroughbred Racing Protective Bureau

Peggy Vandervoort Kumble
Trustee, New York Racing Association

Hon. Lawrence J. LaBelle
Judge; Saratoga Springs, New York

John T. Landry
Senior Vice President, Director of Marketing, Philip Morris, Inc.; Trustee, New York Racing Association; Owner/Breeder

William Leggett
Senior Writer, Sports Illustrated

Dr. Norman Lewis
Chief Racing Veterinarian, New York State Racing and Wagering Board

Martin L. Lieberman
Vice President, New York Racing Association

William T. Lifland
Attorney

Jane duPont Lunger
Owner/Breeder

Horatio Luro
Trainer; Owner/Breeder

Patrick Lynch
Writer

William C. MacMillen Jr.
President, New York Division Horsemen's Benevolent and Protective Association; Owner/Breeder

Robert R. Mahaney
Attorney

John Mangona
Manager, Saratoga Racecourse

Elaine E. Mann
Director of National Museum of Racing

John DeWitt Marsh
Owner/Breeder; President Virginia Thoroughbred Association

Peter McBean
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

Jon J. McClosky
Executive Director, Task Force

James McCulley
Staff Member, New York Turf Writers

Edward J. McGrath
Owner/Breeder

Donald M. McKellar
Member, The Jockey Club; Owner/Breeder

Gerard J. McKeon
President, New York Racing Association

Richard McLaughlin
Racing Steward, The Jockey Club

Earle I. Mack
Chairman, New York State Racing Commission

Paul Mellon
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

MacKenzie T. Miller
Trainer

John T. Mooney
Consultant

James B. Moseley
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

Barney Nagler
Columnist, Daily Racing Form

Rick Norton
Director, Kentucky State Racing Commission

Joseph P. Neglia
New York State Racing and Wagering Board

John A. Nerud
President, Tartan Farm; Trainer; Owner/Breeder

Nick Nicholson
Executive Vice President, Kentucky Thoroughbred Owners and Breeders

Patrick W. O'Brien
Owner/Breeder

Thomas O'Brien
General Manager, Keystone

Joseph C. O'Dea, DVM
Veterinarian

Dr. Francis A. O'Keefe
Owner/Breeder

Dr. DeWitt Owen, DVM
Member, American Association of Equine Practitioners

Dr. Joseph Palamountain
President, Skidmore College

Stanley Panco
Executive Director, Thoroughbred Breeders of New Jersey

Stanley D. Petter Jr.
Owner/Breeder

Mrs. Joan Pew
Pennsylvania State Horse Racing Commission; Member, Vice President, NASRC

James W. Phillips
Member, The Jockey Club; Owner/Breeder

Cynthia Phipps
Owner/Breeder

Ogden Phipps
Member, The Jockey Club; Trustee, New York Racing Association; Trustee, National Museum of Racing; Owner/Breeder

Ogden Mills Phipps
Chairman, The Jockey Club; Trustee, New York Racing Association; Owner/Breeder

Mrs. Ogden Mills Phipps
Owner/Breeder

James Picou
Trainer

Joseph P. Pons Jr.
Owner/Breeder

Mitchell C. Preger
Trainer; President, American Trainers Association

William A. Purdey
Member, The Jockey Club; Owner/Breeder

Mrs. William A. Purdey
Owner/Breeder

Robert E. Quirk
Security Manager, Meadowlands

Virgil W. Raines
Trainer

Calvin S. Rainey
Retired Executive Director, The Jockey Club

Vincent Ramirez
Chief of Security, New York Racing Association

William Reed, DVM
Owner/Breeder

Reuben F. Richards
Member, The Jockey Club; Owner/Breeder

Mrs. Reuben F. Richards
Owner/Breeder



TWO LEADERS—Whitney Tower (left), the President of the National Museum of Racing, and Ogden Mills Phipps (right), the Chairman of The Jockey Club, meet prior to the Round Table Conference. Once again the National Museum of Racing was the location of the Conference.

Milton Ritzenberg
Owner/Breeder

William P. Rogers
Member, The Jockey Club; Trustee, New York Racing Association

R. Richards Rolapp
President, American Horse Council

Lou Rondinello
Trainer

Donald P. Ross Jr.
Member, The Jockey Club; Owner/Breeder

Mrs. Donald P. Ross
Owner/Breeder

William H. Rudy
Writer

James Rutherford
Attorney

James P. Ryan
Member, The Jockey Club; Owner/Breeder

Mrs. James P. Ryan
Owner/Breeder

Walter J. Salmon Jr.
President, Grayson Foundation; Owner/Breeder

John D. Schapiro
Chairman, Laurel Racecourse; Trustee, National Museum of Racing

Chris Scherf
Director Service Bureau; Thoroughbred Racing Associations

John M. Schiff
Member, The Jockey Club; Trustee, New York Racing Association; Owner/Breeder

Reeve Schley
Member, The Jockey Club; Director, Thoroughbred Racing Associations; Chairman, Monmouth Park; Owner/Breeder

Charles E. Schmidt
Owner/Breeder

Hilmer Schmidt
Owner/Breeder

Paul Schosberg
President, New York Thoroughbred Breeders Association

Edward Seigenfeld
Vice President, New York Racing Association

Bayard Sharp
Member, The Jockey Club; Owner/Breeder

Mrs. Bayard Sharp
Owner/Breeder

Richard Simon
President, Arapahoe Park, Denver, Colorado

Harold E. Snowden
Manager, The Stallion Station

Harry D. Snyder
Commissioner, New York State Racing Commission

Viola Sommer
Owner/Breeder

Hans J. Stahl
Executive Director, The Jockey Club

James D. Stewart
Trustee, National Museum of Racing

Charles P. B. Taylor
Member, The Jockey Club; Owner/Breeder

Charles H. Thieriot
Member, The Jockey Club; Owner/Breeder; Director, The Jockey Club Research Foundation

Mrs. Charles H. Thieriot
Owner/Breeder

Oakleigh B. Thorne
Member, The Jockey Club; Owner/Breeder; Director, The Jockey Club Research Foundation

Col. Cloyce Tippet
Owner/Breeder

Mrs. Cloyce Tippet
Owner/Breeder

Whitney Tower
President, National Museum of Racing

Thomas E. Trotter
Director of Racing, Arlington Park; Racing Secretary, Gulfstream Park

Daniel G. Van Clief Jr.
Executive Director, Breeder's Cup, LTD.

Daniel G. Van Clief
Member, The Jockey Club; Owner/Breeder

Mrs. Daniel G. Van Clief
Owner/Breeder

Hon. John Van Lindt
Chairman, New York State Racing and Wagering Board

Michael Veitch
Writer/Columnist, Saratogian

S. E. Veitch
Trainer

Margaret Vesper
Director of Registration, The Jockey Club

Billy Vessels
President, NASRC; Member, Florida Pari-Mutuel Commission

Thomas M. Waller
Owner/Breeder

Mrs. Thomas M. Waller
Owner/Breeder

Michael Watchmaker
Writer, Daily Racing Form

Dr. John Weber
Owner/Breeder; President, Florida Breeders Council

Mrs. John C. Weber
Owner/Breeder

William H. Welch
Executive Administrator, New York State Thoroughbred Breeding and Development Fund

David A. Werblin
Owner/Breeder

Henry D. White
Owner/Breeder

Thomas P. Whitney
Owner/Breeder

Wheelock Whitney
Member, The Jockey Club; Owner/Breeder

Mrs. Wheelock Whitney
Owner/Breeder

Clifford Wickman
President, Thoroughbred Racing Protective Bureau

William H. Williams
General Manager, Triangle Publications

Donald G. Willmot
Member, The Jockey Club

Jacques D. Wimpfheimer
Secretary, Thoroughbred Owners and Breeders Association; Owner/Breeder

Gary Wolfson
Owner/Breeder

Louis E. Wolfson
Owner/Breeder

Mrs. Louis E. Wolfson
Owner/Breeder

Stephen Wolfson
Owner/Breeder

Jay Woodward
Owner/Breeder

Mrs. Jay Woodward
Owner/Breeder

Frank Wright
Trainer

David L. Yunch
Trustee, New York Racing Association



OBSERVERS:

Caila Abedon
Adele Argen
Paul Cresci
David Fooddare
William F. Garges
John Gordley
Michael J. Gorman
Joseph B. Hickey
Mr. and Mrs. Philip Hofmann
Patrick Kelly
Ben Kernan
Richard W. Lawrenson
Mike Letis
Julie Martin

Dr. and Mrs. Alan McKelvie
Mary Munroe
Anthony Neglia
Mrs. Peter Perkins
Tom Pierson
Scott Richardson
Leonard Ringquist
Dr. A. C. Saake
Robert Slote
Mimi Abel Smith
Conrad Sobkowiak
Stacey Stark
Becky Stern
Gene Stevens



ALL IN READINESS—The auditorium of the National Museum of Racing in Saratoga Springs is ready and awaiting the opening of the 32nd Annual Round Table Conference on Matters Pertaining to Racing.



WELCOMING REMARKS—Ogden Mills Phipps, the Chairman of The Jockey Club, opens the 32nd Annual Round Table Conference on Matters Pertaining to Racing by welcoming the audience and introducing the panel of speakers.

MR. PHIPPS: Good morning, ladies and gentlemen, and welcome to the 32nd annual Round Table Conference. I want to thank Whitney Tower and the Trustees of the Racing Museum for making this wonderful facility available to us this morning. The Jockey Club has been working on improvements in horse identification and in closer conjunction with the National Association of State Racing Commissioners for the past year on ownership disclosure. As you know, all of these areas are vital to the future of our industry and the integrity of racing. We believe this is a perfect forum to introduce the subject and discuss its future. John Finney is the moderator. John.

A Discussion of The Interrelated Topics of Improved Horse Identification, Ownership Information and Parentage Verification

Moderator, John M. S. Finney

MR. FINNEY: Thank you Dinny. Good morning, ladies and gentlemen. I'd like to express my appreciation to The Jockey Club for its tapping me for this honor. I'm forced to confess that, when that surgeon this Spring—before heart bypass surgery—told me it would change my life, I never guessed it meant not announcing the horse sale on Friday night and moderating a Round Table conference on Sunday morning, but I must say it's good and restful and *this* might even be a little less stressful.

(Laughter)

Our panel this morning probably makes introductions superfluous; I will introduce them in turn; I would request that we defer questions and discussions until after each of the panelists has made his initial presentation. We lead off this morning with Will Farish, who as you all know has been extremely successful as a Thoroughbred breeder, owner, yearling seller; also enjoyed great success on the polo field; played on the winning team last evening in the Del Carroll Memorial and is, of course, Vice Chairman of The Jockey Club. Will will speak to us on the proposed improved Jockey Club Certificate of Registration, the Ownership Registry and Parentage Verification, developments in those areas. Will.

MR. FARISH: Good morning ladies and gentlemen. We are all aware of the changes that have taken place in this industry in the

past decade in terms of volume of horses and the value that the marketplace has put on these horses. In my report this morning, I want to discuss with you some of the changes and improvements that we, at The Jockey Club, are working on to better serve this great sport of racing, and to maintain, obviously, the integrity of The Stud Book.

As you remember, one of the focal points of last year's Round Table conference was the widespread opinion that our sport needs more public exposure and deserves substantially more attention from the media than it is presently getting. Today, we are going to talk about some of the areas that we must address to ensure that when we get this exposure, it will be the right kind of publicity.

For us at The Jockey Club the areas of horse identification, ownership disclosure and bloodline verification are of utmost importance. These are the areas of vital concern to us and this is where we, as a service organization, can contribute largely to the sport's integrity. Thoroughbreds, whether they be yearlings, race horses, broodmares or stallions, are bred and sold largely on the basis of their pedigree. It is essential that we be as prudent as possible in ensuring our investment—that is, the pedigree of the breed that we are breeding and racing.

Blood-typing large numbers of horses is now feasible and The Jockey Club is utilizing this technology to verify pedigrees of Thoroughbreds. Dr. Bowling will be discussing the latest developments in this area a little bit

later in the program. Our goal is to blood-type and parentage verify all Thoroughbreds in the United States at the yearling level. This is one of our prime objectives.

In conjunction with this—with the improvement of verifying pedigrees, we are also working on the enhanced system of horse identification as well as an expanded Ownership Registry. I will briefly outline what we plan to do; how we plan to do it, our reasons for pursuing these goals and our tentative time frame for achieving them.

A new certificate that will revolutionize horse identification is being developed by The Jockey Club. In addition to the information presently contained on the certificate, it will incorporate these new features.

Full color photographs of the front and side view of horses will be in this passport. Life-size photographs of all four night-eyes will be incorporated in it. A more detailed and comprehensive description of all markings, the location of head and neck cowlicks; a statement that the sire and dam has been verified; the horse's blood-type number; a four-cross pedigree of the horse; pages to record vaccinations and Coggin tests, and pages to record import and export information.

Furthermore, we are investigating the feasibility of consolidating all other certificates, such as those used for imports and exports, into this one certificate. We recognize that the gathering of information to be included in the new certificate will represent a major task and we are therefore considering having this work performed by technicians trained and employed by The Jockey Club. These technicians will visit the farms early in the horse's yearling year and perform the following tasks:

They will draw blood and forward it to laboratories for blood-typing and parentage verification. As you know, now we only have one blood-typing laboratory in California and it is our idea to increase this number. They will take color photographs of the front and side view of the horse; they will photograph the four night-eyes and they will complete the identification form, including the written description of markings and the exact location of head and neck cowlicks, as well as the drawings of markings on the diagram. In other words all of the work that the farms are currently doing, will be done by our Jockey Club technicians.

Of course, we will issue a preliminary cer-

tificate during the weanling year to ensure the uninterrupted trading of Thoroughbreds at all times. This is naturally important since there is an increasing number of weanlings that are being sold at public auction, and we feel the breeder or owner must have a certificate of some kind during the weanling year.

We believe that the resulting benefit to the industry from this new certificate will be tremendous. They will provide every racetrack with the best possible horse identification system. There will be a considerable reduction in the cost of operating the horse identification department at the racetrack.

The sales companies will have access to the same horse identification capabilities as the racetracks, thus providing greater guarantees to the buyers at the auctions. And they will supply breeding farms with the means to properly identify mares before they are covered. This particular item would be accomplished by a clip-on small edition, of the color composite of the horse, together with a description of the markings which would be attached to the mare's halter.

The features planned for the new certificate will also greatly reduce the need for corrected certificates. In 1983, for example, in excess of 8,000 corrected certificates were issued. This is way too many. Another important step forward for the industry will be the Thoroughbred Ownership Registry. This will be an extension of The Jockey Club's current Ownership Registry which records the ownership of all breeding stock. Any changes in ownership, from the time the Certificate of Foal Registration is issued, throughout the horse's racing and breeding life, will be recorded on the transfer side of the certificate as is now done and also will be reported to The Jockey Club.

To report a transfer of ownership, the new owner will file a transfer form, either directly with The Jockey Club, or with a designated official. If the horse is located at a racetrack or sales company, each transfer will be validated by affixing a sticker to both the transfer form and the certificate.

It is very important to note that to record a transfer with The Jockey Club, certificates for horses in racing or training will never leave the racetrack, and for any horses sold at auction it will not be necessary for the certificate to leave the sales company. We must emphasize that for the Thoroughbred Ownership Registry to be complete and accurate, all owners will have to report the purchase of



INTENT LISTENERS—An attentive audience listens to the panel discussion while plans for The Jockey Club's new Certificate of Foal Registration, the Thoroughbred Ownership Registry and parentage verification are announced.

any Thoroughbred to The Jockey Club.

To be effective, the Thoroughbred Ownership Registry must be all inclusive. It must track the ownership of all Thoroughbreds from the time the foals are dropped through their racing and breeding careers; it must cover all types of ownerships—individual, partnership, syndicate, corporation and lease.

To achieve a Thoroughbred Ownership Registry of this scope, a first step would be the adoption of a uniform ownership registration rule—recently passed by the Annual Convention of the National Association of the State Racing Commissioners—by the regulatory bodies of the various states. We have been working very closely with the National Association of State Racing Commissioners since last August and we are extremely happy with their consistent efforts to go forward in this area. Now it is essential that the various state racing commissions incorporate this uniform ownership registration rule into their regulations as soon as possible. In implementing this plan, we will spare no effort to make it

simple and workable.

Here are some of the substantial benefits to the industry that will flow from this Thoroughbred Ownership Registry:

The image of racing will be improved by our efforts to eliminate hidden ownership in horses. We will assist state racing commissions in determining compliance with their rules. The further enhancement of the Certificate of Foal Registration as an ownership document: while the certificate will remain essentially an identification document, certainly the positive recording of ownership upon the transfer side will be an important aid when the horse is sold. It will make the theft and resale of Thoroughbreds all but impossible when used in connection with the new Certificate of Foal Registration.

And it will assist in the possible future formation of a Mortgage Registry for Thoroughbreds. We feel there's a great need for this Mortgage Registry and it's another area that we're doing a great deal of work on.

When we talk of improved horse identification methods and parentage verification as



PANEL MEMBERS—The Round Table Conference led off with a panel discussion of the new Certificate of Foal Registration, the Thoroughbred Ownership Registry and parentage verification and the participants were: (left to right) Helen B. Cheney, Joan Pew, Dr. Ann T. Bowling, William S. Farish and John M. S. Finney, the moderator.

encompassed in the New Certificate of Foal Registration and the Thoroughbred Ownership Registry, we are not talking about two separate entities, but rather two closely related processes. To have the capability of doing the horse identification and parentage verification work necessary to produce the new certificate, we need the Thoroughbred Ownership Registry to pinpoint the location of these horses.

Now in regard to an appropriate timetable for implementation of these various programs, and improvements in the areas we have discussed, I can give you the following indications:

In 1985 we are planning to increase our blood-typing and parentage verification activities in key areas. For example, we will encourage sales companies to increase their promotion of parentage verification for Thoroughbreds entered in the auction ring. At the present time, a lot of breeders do this voluntarily and of course it will be a voluntary thing, but we will actively encourage the sales companies to get this done across the board.

Furthermore, in 1986 we are planning a full scale test of the new foal registration certificate system including night-eye photos and parentage verification. For this purpose we will process 5-to-10 percent of the 1985 foal crop in selected geographical areas. Barring any major changes that may be required based on the test results, the complete 1986

foal crop will be processed through the new system.

Our plan further calls for January 1, 1986 as a start-up date for the Thoroughbred Ownership Registry. In summing up, The Jockey Club's aim is to work in close conjunction with all segments of Thoroughbred breeding and racing to collect, maintain and disseminate complete and accurate information on parentage and ownership of every Thoroughbred in North America throughout its life and to have readily available the means to positively identify every Thoroughbred.

These are our goals—thank you very much.

(Applause)

MR. FINNEY: Thank you, Will. As I mentioned at the outset, we'll defer discussion and comment until the panelists have completed their presentations. We now move on to the presentation of Dr. Ann T. Bowling who kindly journeyed from California to be with us this morning. Despite her youthful visage, she is an 11-year veteran of the horse serology wars; she worked with the pioneer in that regard—Dr. Clyde Stormont of the University of California at Davis. She achieved a Ph.D. in genetics. She is now Associate Professor in charge of the horse blood-typing lab at the University of California at Davis. She will speak to us on the latest in blood-typing and parentage verification developments. Ann.

DR. BOWLING: Good morning, ladies and gentlemen. I believe it was in 1977 that I last talked to you along with Dr. Stormont about horse blood-typing. At that time we talked about some of the procedures that were involved. I don't intend to do that today. I just quickly want to go through slides with you showing you data on horse blood-typing. If you weren't already convinced of the amount of genetic variation that we can detect by these tests, I hope that this will provide you with convincing evidence of it.

My intention is not to put you to sleep; I'll go through quickly—whether that's good or bad, I don't know; but at least you'll know that that information is available and if you really want to pursue this further, we would be glad to provide you with more information about genetic variation in horses and specifically genetic variation in Thoroughbreds, as we can detect it by blood-typing.

The tests for horse blood-typing were developed some 20 years ago in the United States by Dr. Clyde Stormont at the University of California who had had extensive experience blood-typing cattle. I'm sure you remember his telling you about this. These tests were developed primarily because of impetus from the Shetland Pony Club as well as from The Jockey Club. That is a strange pair of associates, but both of those organizations felt the need for some scientific help with pedigree problems.

Probably many of the problems that needed the assistance of blood-typing were double covering cases; there were also cases of registration error and racing fraud. Initially these tests were about 60% effective in terms of being able to straighten out pedigree problems.

Now I'm going to be talking about "effectiveness" several times here and it's very important you understand what I mean by it. I don't mean accuracy by effectiveness. By effectiveness, I mean how often are these tests able to detect incorrect parentage? As I say, at the time the tests were initially developed these tests were capable of detecting incorrect parentage about 60% of the time; that is to say 40% of the time the parentage could be incorrect, but the tests could not detect it.

By the mid-1970's these tests were about 88% effective for Thoroughbreds. The numbers vary from breed to breed. Presently the tests are nearly 96% effective for Thoroughbreds. This is probably reaching the limit of

effectiveness in terms of being able to provide a cost-effective service. In other words, each tiny increment of effectiveness that we get with these tests becomes exceedingly more expensive.

In the last ten years, we blood-typed about 120,000 horses up to January 1984. Of this number, some 78,000 have been Thoroughbreds, some 25,000 Arabians—also Standardbred Morgans, Quarter Horses and other breeds as well.

We're presently doing 25 to 30,000 horses a year so this number of course has increased since January '84. Now, there are two parts of the blood-typing tests. We test for differences on the red blood cells and we can find all these different kinds of differences that are divided into different loci or systems, is another way we can call them. For example we can detect 33 different combinations of "things" in the "A" system; and we have two different kinds of "things" in our "C" system so together those two systems would give us 66 different kinds of blood-types in horses.

The "D" system is extremely effective for us. We have lots of different factors in this system. Altogether there are 72 different types that we can detect, so if you combine those three systems, it would be the product of 66 times 72 which I can't quite do in my head at this point, but all-told with genetic differences on the red blood cells of horses, we can detect 456,192 different blood-types in horses.

Now the blood-typing test does not stop there because we also look for differences that are detected with a technique known as electrophoresis in the fluid portion of the blood, dissolved protein substances in the serum and proteins in the red blood cells. We total this up and we have some 50 million different types that can be detected by this technique.

We also have some additional tests that could be run that don't give us quite as many variations but provide us with another 19,000 different Blood-Types. So altogether, the blood groups, the blood proteins, and the special systems give us 3.9 times 10 to the 17th power distinct blood-type in horses.

Now 10 to the sixth is a million; 10 to the ninth is a billion; 10 to the twelfth is a trillion. I don't know what 10 to the seventeenth is. . . (LAUGHTER). This number is certainly larger than the number of horses on the face of the earth, and perhaps larger than the number of horses that have ever existed on this earth.

Obviously, some of these types are extremely rare—probably never to be seen, and certainly Thoroughbreds have less of a variation than all of the differences that I've shown on these slides; but nevertheless, I think you can clearly see that blood-typing is able to detect an amazing amount of genetic variations.

Next please. This is just to give you some brief comparisons of data. This is the kind of information that is rather complex. I don't want to go over this right now; but as I said earlier, it is quite interesting to us and if you also find it interesting, we would be glad to share it with you in more detail.

(See Slide No. 2)

For Thoroughbreds in this first column, the "A" system alone can solve about one percent of parentage cases. The "D" system alone can solve something like 50-60 percent of cases. You can see that this varies by breed; for Arabians the "D" system is 45½- effective. But when you combine these various systems to the red cells alone in Thoroughbreds, the effectiveness of the tests are about 70 percent. The proteins, the electrophoretics types alone, are about 86 percent effective. Either series of tests alone is not as effective as the combined tests. When we test 14 different systems, 95.8 percent of parentage cases can be solved.

With the extended test—that is adding six more loci, it's 96.4 percent. In other words, we only solve six more cases in a 1,000 by testing six more systems. By adding more systems to the basic tests, we do not increase the effectiveness that much, once we've gotten it up to this high level.

(See Slide No. 4)

Next please. This is an example of a blood-type of a horse; this is a Quarter-Horse stallion that is standing on campus and this is the "A" system, the "C" system, the "D" system, the "K" system and so forth. I've gone through these things rapidly. It's an example of a blood-type card that we issue at the serology laboratory of the University of California.

So blood-typing is effective for recognizing incorrect parentage. It's also a useful system for identification as well. I won't go into that, but obviously if a horse is blood-typed early in its life, as a yearling, as Mr. Farish is describing, and if that horse is ever blood-typed again in the future, the horse's blood-type will not change, and if it does it means that a different horse is being presented the second time around. So this is also a useful technique for identification of an animal.

I've just returned from a meeting in Germany of animal blood-typists throughout the world. This is a society of professionals, made up of university professors, with the initials ISABR. It's called the International Society for Animal Blood-Group Research. This is a very opportune time for you to have invited me to speak because I'm all full of enthusiasm from the things I've heard there.

I want to share two things with you that have to do with the future of blood-typing, where I think the Thoroughbred industry can contribute to the science of horse blood-typing. The future of blood-typing will be to move beyond parentage control and to move into areas of medical and performance selection in horses. The two examples I want to give you—one involves pigs and you may not really have come here this morning to hear about pig blood-typing, but it is an interesting example, and then I want to talk about blood-typing Swedish trotters.

Pig producers, pork producers have been having a problem in recent years with something called "Porsine Stress Syndrome". When these pigs are slaughtered, the meat cannot be sold because the meat has lost its quality—it's mushy. This is becoming an increasing problem to pork producers. As high as 20 per cent of pigs shipped for slaughter cannot be sold because of this problem. As a result there have been a number of animal scientists working on this problem obviously, to figure out whether it was an environmental problem, whether there was some virus or bacteria involved, whether it was a nutritional problem or whether it was a genetic problem.

Well, to make a long story short, it is a genetic problem and apparently the pork producers have been unknowingly selecting for this condition as pigs that have this genetic characteristic also have increased rate of gain and increased litter size. So by selecting for those two characteristics—rate of gain and increased litter size—they also selected for this meat problem. Someone else working on this problem was able to show that it's possible to test the pigs before they go to market to see whether they're going to have this problem. The test involves putting the piglets under anesthesia with halothane gas. The piglets that will have the stress problem become rigid under anesthesia and may die, but if the anesthesia is handled well, they won't die and this provides the selective mechanism for the pork producers. They can



VICE CHAIRMAN—William S. Farish, the Vice Chairman of The Jockey Club, outlines the plans of The Jockey Club for an enhanced Certificate of Foal Registration, the Thoroughbred Ownership Registry and parentage verification.

test piglets to see whether it's worth fattening them. The problem with the halothane testing is that that would require every farmer to have an anesthesia apparatus and be skilled in its use.

Blood-typists were also working on this problem and they were able to find that there are some blood-type systems that are linked to this halothane gene. These are not the genes for the halothane problem, but they are closely linked on the chromosome. Farmers are now able to send blood samples of piglets to the blood-typing laboratory and are testing the blood. By testing the blood we are able to determine whether those piglets will have a stress problem when they grow up.

That's one example that I wanted to give you about future uses of horse blood-typing. I know of no such thing in horse blood-typing at the moment that would be of a practical benefit like that. But, the more we do, the more we know about horses, it's likely that we're going to find some sort of linkage with a blood-type marker and a trait that may be a deleterious trait such as that one, or may be a good trait.

Now, my second example is what is happening in Swedish trotters. In the early 1970s blood-typing was established at the agriculture university in Sweden for the Swedish

trotting industry. There are two breeds of trotters in Sweden; the North Swedish trotter which is basically a draft horse and the Swedish Standardbred horse. In order to make the North Swedish trotters trot faster, they were cross-breeding the Swedish trotters with the North Swedish trotters. The stud books are not interchangeable, so it is important for these breed registries to have parentage control, to have tests developed to eliminate the cross breeding.

In the course of developing the test, they established requirements that every trotting horse in Sweden of both breeds, must be blood-typed and the parentage verified. The foals are blood-typed before they are weaned and have their parentage verified. That means all trotting horses in Sweden are blood-typed and the parentage is verified on every animal. All of this information is stored in the computer and this computer-stored information can then be combined with racing records of the animal.

At this meeting in Germany we learned that they were able to use the records on some 12,502 horses that had five or more starts. They found that some blood-types associated with better racing records, and there was another blood-type marker that was signifi-



LIGHTER MOMENT—Prior to opening of the Conference, William S. Farish, the Vice Chairman of The Jockey Club and panel member, shares a lighter moment with the moderator, John M. S. Finney, the President of Fasig-Tipton Sales Company.

cantly associated with poorer performance records.

If you were a breeder of trotters in Sweden, with this 10 years of parentage verification behind you and the racing records of these horses, the blood-typing laboratory could be able to tell you something about selection for performance ability in the Swedish trotting horses.

So those are a few words about where I think that we can go with horse blood-typing in the future. We will continue to look for different systems that can help solve parentage cases, that will in fact, augment the effectiveness of these tests, but I think you can see that it's going to be difficult to have that as a sole aim. The level is going to stay about the same. We may solve an individual case here and there with the new systems that could not have been solved previously.

(Applause)

MR. FINNEY: Mrs. Joan Pew has been a member of the Pennsylvania State Horse Racing Commission since 1981 and currently First Vice-President of the National Association of State Racing Commissioners. Joan will speak to us on the impact of The Jockey Club innovations in these areas, on racing commis-

sions and race tracks. Joan.

MRS. JOAN PEW: Good morning. Integrity—the magnitude of the word “integrity” is well to be remembered. Consider Mr. Webster’s definition. Integrity: Unimpaired condition... soundness... firm adherence to a code of moral or artistic values... honesty. The quality or state of being complete and undivided. Synonyms of integrity: completeness, honesty, soundness, unity. The NASRC is a body of people working to maintain the integrity of racing. The Jockey Club’s historic role has been to maintain the integrity of The Stud Book. Maintaining integrity is a basic tenet of our highly regulated industry—integrity of the contest, integrity of The Stud Book.

The goals of maintaining integrity run in many parallel veins throughout the industry; but parallel is not complete, and not undivided, and not unified. Implementation of the Thoroughbred Ownership Registry or TOR will give the racing industry an opportunity to interreact with symbiotic results; to join in a truly united effort.

The TOR provides the industry with an important step towards establishing better inter-agency cooperation in the quest to

maintain integrity. Racing Commissions and racing associations all across the United States can benefit by participating in TOR.

Accessibility of information via the computer is becoming more and more vital to racing. The proliferation of operating race tracks within a given area, the growth of multiple ownership within racing everywhere, and the daily intercommission exchange of information dictate growing reliance on the computer data base.

Since 1974 the NASRC has encouraged racing jurisdictions to join the NASRIS system—a computer network of racing’s licensees and their racing histories. The 22 jurisdictions participating in NASRIS have fingertip access to a racing licensee’s past and current status. It has been an invaluable aid to the industry. It is accurate, timely and cost-effective.

The TOR has the same capability to centralize all racing information at the track. The racing commissions, the racing associations and the participants are drawn together to work together for the betterment of racing. This type of cooperation will unite the industry while providing continuous and vital information to all components.

The TOR, when implemented, will bring America’s racing into the world of the ’80s. At present, only NYRA tracks have utilized the availability of a computer data base through the *Daily Racing Form* delineating horses by name at the track, the number of starts per horse, the number of starts per trainer. For New York, this advancement in information processing has been a momentous leap forward. Computerization has made available accurate and immediate information which in the past was the result of laborious investigation, boundless paperwork, and stress on the racing secretary’s office.

The TOR will be able to provide the same sort of computerized capability, plus much more, to all American racetracks. There is planned a complete listing of all horses racing; of horses by region; of horses by track; of horses by state. The racing secretary’s ability to card and fill races should be greatly enhanced.

TOR has plans to provide to the racing commissions a complete listing of owners of Thoroughbreds racing. Owners of the ’80s include partnerships and other forms of multiple ownership in which varying percentages of horses are held. The TOR will be the source for dissemination of ownership information.

The new NASRC guidelines for licensing of multiple ownership groups have been sent recently to all racing jurisdictions for consideration. These guidelines include provisions for delineating significant co-ownership within a given race. With 5 percent of horse “A” and 20 percent of horse “B”, the racing commissions and/or stewards would be days trying to sort out conflicts of interest. TOR will provide the entire service and in addition, will sort out the owners according to the coupling rules of the requesting track.

Racing commissions and racing associations must ensure that accurate ownership disclosure is provided to the betting public. A simple procedure for change of ownership is part of the TOR. Plans for the TOR include a provision whereby an owner can report a transfer either directly to the TOR or through a designated official at the track.

Historically the racing commission, through the state steward, has been that official who has effected the transfer of ownership. Only directly through the commission office can the new ownership be validated as eligible to be licensed and to race. Although definite plans for periodic, perhaps monthly, updating of ownership changes directly to the NASRC have not yet been formulated, it would seem a necessary component. Not all racing commissions are presently computerized, and although one would look forward to a time when such was the case, there must be a method whereby all racing commissions can easily access this information.

When there is a change of ownership at the track, the principal or agent must sign the certificate of transfer with the commission official. A sticker will be affixed to the registration papers and the transfer will be sent to The Jockey Club. The Jockey Club enters the new data into the computer bank and the transaction is recorded.

It has been suggested, and I fully concur, that a copy of the latest transfer form should be attached to the foal registration certificate. The copy of the transfer certificate plus the fully completed change of ownership line on the back of the papers, comprising of a signature and the number of the transfer certificate, would provide infallible ownership information. Instant information, clear paths of direction and improved cooperation—a situation where everyone benefits.

Prior to adoption, one area which must be clearly agreed upon is cost of the TOR. Mr.

Farish has told us that the current thinking includes the alternative of incorporating one fee into the registration of foals which would cover all subsequent transfers. I feel that there must be some agreement between NASRC, the individual racing commissions and The Jockey Club to delineate computer time cost and additional clerical cost. When this agreement is in place, it would be appropriate for the state racing commissions to move forward in adopting the uniform rule which was passed at the recent Denver NASRC Convention, recognizing registration within the TOR as a prerequisite to racing within that jurisdiction.

Agreement and adoption by the racing jurisdictions will be the keys to unifying these racing organizations. To prosper, racing must have the betting public's confidence and what is more important than assuring the public of the proper identity of the contestants.

Horse I.D. is a vital component of the TOR. Present day methods of identifying race horses vary markedly from state to state. Some states have excellent criteria, while many others fall far short of adequate. The TOR, providing as it does lifelong ID records which will be part of the new foal certificate, will greatly improve assurance that the correct horse is as presented. A combination of photos, of night-eye photos, as well as the usual cowlick, color and markings notations will all be part of a new foal certificate. A pre-race examination, with the new foal certificate information in hand, will eliminate errors which can be so costly to the industry.

Blood-typed, photographed, night-eyed and cowlicked, there there will be little room for question with the TOR program. The TOR can provide an invaluable aid to the industry. Ownership identification, percentage delineation, horse identification, horse location—all major steps forward in unifying the racing industry. Racing commissions, racing associations and racing participants will all be brought into closer harmony with the implementation of the TOR. The racing industry has become the racing business, rather than solely the sport of racing—and so, with this direction in mind, the industry must accept and adopt principles of disclosure and dissemination. So must it move on, to avail itself of modern technology.

The TOR will unite, it will complete, it will be succinct and sound. The TOR will be a further strengthening of the industry's in-

tegrity. Thank you.

(Applause)

MR. FINNEY: Thank you very much, Joan. Our final panelist this morning—Mrs. Helen Chenery; first assumed a high profile in the Thoroughbred industry when she assumed management of Meadow Stud and Stable for her ailing father, Christopher T. Chenery; campaigned champions Riva Ridge and Secretariat; more recently her activities have included membership in The Jockey Club, a very active and activist presidency of the Thoroughbred Owners and Breeders Association and her position as No. 1 Ambassadors of goodwill on behalf of the industry to the racing public. Penny will speak to us this morning on the impact of The Jockey Club programs, on the owner and breeder.

MRS. CHENERY: Clearly what we are faced with, is cradle to grave scrutiny of the Thoroughbred horse, as we now have with people. These passport and case numbers will go with the horse throughout its life. As has been so eloquently portrayed for us, the industry needs to know exactly who owns the horses that are used in racing, and exactly who owns the Thoroughbreds which are used for breeding.

But what about the other owners of Thoroughbreds—the ones who will probably be faced with the task of making the entries to the registry? Transferring the ownership of the horse, a horse which is neither on a large breeding farm, sold at public auction or at the racetrack. There will be no registrars on the farms. There will simply be forms for the buyer to complete and to send in with the papers.

It is important that the budget for this project cover funds for education of owners. So often it is the small breeder, such as the man who has a couple of horses as a sideline to whatever else he does, who doesn't get the word... they're the last to find out that there's been a change in rules.

They get something in the mail and think—oh well, this doesn't affect me now—and throw it away, and only listen with half an ear when they're told of these impending changes. It will take a lot of voices saying frequently, that in order to maintain your horse's ability to run or to breed, the chain of ownership from cradle to grave must be recorded, in addition to having his ancestors in The Stud Book for at least eight generations.

Why would the one or two-horse owner, who sells the gelding to his neighbor, go to



NEW RESEARCH—Dr. Ann T. Bowling of the Serology Laboratory of the University of California at Davis brings the audience up-to-date on the latest advances in blood-typing and parentage verification.

the trouble of recording the sale with The Jockey Club? It will probably be the same sense of pride of ownership that makes you write the American Kennel Club when you buy a pure bred dog and tell them the name of your new puppy. "My puppy has papers!" "The 15-year old gelding I bought for my daughter as her first pony is a registered Thoroughbred. We have his papers." And this will always enhance the value of any horse.

But we still have our work cut out for us to educate the people who will have to record this transfer themselves, and make them feel it's worth doing it. One of the reasons for supporting the new system is that it will benefit you in a specific way. I do not understand that there is not sufficient staff, nor computer capacity to handle individual questions. You may think: "I bought a 12-year old mare and she's had three nice fillies—I wonder where they are? I'll call up The Jockey Club computer and find out." And this is not going to be feasible.

But in order to do something for those of whom a lot is going to be asked, I wonder if it wouldn't be possible to assign a period during which the state breeders organizations

might send in an accumulated group of individual questions—perhaps computer terminal to computer terminal, in the dark of the night with the appropriate code word to protect the integrity of the data base, so that through your state breeders organization, you could, along with your neighbor and fellow breeders—once a month—have the opportunity to ask the Thoroughbred Registry individual questions.

It may also be possible to answer individual questions by mail if there's no hurry to get the information. As to the possible future formation of the Mortgage Registry for Thoroughbreds, this seems to me a very useful data base. As the dollar signs get larger, the debts get larger. Whether or not someone really owns the horse, or horse interests that are put forward as collateral, becomes of major importance to the banks and to the entire industry. Because as we have recently seen, should a man sell something that he purports to own and not actually own it, that fraud can tarnish the whole industry. We forget that our money sources have become familiar with many forms of industry, but the arcane practices and references of Thoroughbred breed-

ing may not be familiar to those bankers who would like to do business with this rapidly expanding group of investors. I think it extremely important that we provide a means of confirmation for those who would lend mortgage money and take horses as collateral.

What this new passport can do for the individual horse owner is to provide him with a much greater assurance that the horse is as represented—whether he be the buyer or seller. Say you breed a mare and she foals at a boarding farm; you receive verification that the foal is dropped and you go see the mare. If it's a lovely foal, you may need to do something quite soon to recover your investment. So you plan to sell the weanling or you may even be required to pay a healthy stud fee. It is still very important to the breeder to be sure that the foal is as represented.

This system, as proposed, would not yet protect the owner of a weanling—that is still an elective process. With the foal application, the information that the mare has foaled, the stud fee has been paid, parentage is as stated and drawing of the blood, submitting it with the foal application, there is still no guarantee to you that your foal is out of your mare, by the the stallion for whom you paid a stud fee, unless you ask for parentage verification and pay the \$75 that is now charged.

In the future, you will have this certitude by the time your horse is a yearling and The Jockey Club will do the entire job for you.

I'm tremendously impressed with the thoroughness of the security systems contained in this passport. We will be dealing with this foal registration certificate in 1987, but you won't get it until the night-eyes are fully formed and the cowlicks are easily discernable. Dr. Gilman, in describing this time lag said: "Registering some weanlings is no more accurate than registering a wooly dog. A late foal—with photographs taken at a few months of age—you don't know what you're looking at."

So I think as breeders we must be aware that this is a two-stage process. The long range benefits are great to the breeders, to the owners of race horses and to the racing industry. But it's not going to happen overnight. This marvelous document will not be available tomorrow, next year or the following year. And in the meantime, to protect ourselves, to avail ourselves of the protection offered by the new Foal Certificates and the Ownership Registry, we must each involve ourselves in the education process. What do

we have to do to make it work? How can we help others learn—what is it, what do we do, what's in it for us and why is it important?

One thing is that we should ask the sales companies to insist that every yearling, every weanling have parentage verified by blood-type—that is not their job. It is the responsibility of the breeder, but we, the consumer, must ask for this protection. In the old days, you bought a horse from a man you could trust because there were so many ways to cheat. You relied on the integrity of the breeder. With parentage verification, the horse passport, the Ownership Registry, when you buy a Thoroughbred, you'll be relying on the The Jockey Club—that is what this document is going to say. We represent that the horse is a Thoroughbred; that it is *this* Thoroughbred and with the document you will be able to identify the horse throughout its life.

Considering the amount of money involved today in the entire Thoroughbred industry, I think it's the minimum that we horsemen can ask for ourselves: that we are very sure of our horses. Thank you.

(Applause)

MR. FINNEY: Thank you very much, Penny. I promised Dinny that I would one, be atypically concise this morning, and two, that we would be finished with this phase of the program by 10 past 11. We, therefore, have an extremely limited amount of time available for questions or discussions from the floor, which I regret; but I am going to ride to orders at least once. I'd welcome any questions from the floor at this time.

If you would address your question to the moderator, we'll put it to the panel.

LEE EATON: Mr. Farish, Mrs. Chenery has voiced concern about our ability to educate the breeders, particularly the small breeder, toward the new program. What plans then does The Jockey Club have, to do this education process.

MR. FARISH: We are aware of this problem and we have begun an education program earlier this year with the bi-monthly edition of *The Jockey Club News*. With this document we're able to get a lot of information out to the breeder and the racing owner, and we hope that this will be able to communicate these new changes and improvements to the industry as quickly as possible.

We've also put together a very attractive poster, which people will be able to receive,

EQUINE BLOOD TYPING TEST - 1984

Blood Groups	456,192 phenotypes
Blood Proteins - I	50,038,560 "
- II	19,440 "
	3.9×10^{17} distinct phenotypes

Slide No. 1

PROBABILITY OF EXCLUSION

Locus	Breed						
	TB	AR	ST	MH	QH	PF	PP
A	.010	.042	.076	.060	.142	.134	.089
D	.591	.455	.613	.521	.674	.695	.615
Tf	.533	.421	.385	.365	.582	.656	.595
Pi	.505	.612	.430	.575	.544	.503	.457
RBCs	.697	.598	.745	.683	.791	.811	.771
Proteins	.860	.871	.841	.881	.908	.918	.926
Standard Test (14 loci)	.958	.948	.959	.962	.981	.985	.983
Extended Test (20 loci)	.964	.966	.980	.980	.988	.985	.983

Slide No. 2

EQUINE BLOOD TYPING UP TO 1984

	No. Tested
Thoroughbreds	78,105
Arabian	25,196
Standardbred	5,631
Morgan	4,757
Quarter Horse	2,336
Paso Fino	251
Peruvian Paso	320
Other	about 3,500
about 120,000	

Slide No. 3

EQUINE BLOOD TYPE															Serology Laboratory • University of California • Davis, Ca. 95616 U.S.A.														
Reg. No. _____															Name NUTHER MOON														
Date Tested 03/29/84 # 1															Case No. HR696-47														
Sire _____															Dam _____														
A ₁	A ₂	H	Z		49	C	42	D	E ₁	E ₂	F	J	Y					12	19	23	K								
A _a	A _b	A _c	A _e	A _g	A_f	Ca		Da	Db	Dc	Dd	De	Df	Dg	Dh	Di	Dk				K _a								
+	-	-	-	-	+	+		-	-	-	+	-	-	-	-	-	+	+	-	-	-								
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COMMENTS:																													

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also outlining these new changes. These are the major ways that we have at the moment.

MR. FINNEY: Any further questions. Yes, I'm sorry—I can't see; behind you, Larry.

ALICE CHANDLER: I have a question, Dr. Bowling, please. I wonder if illness or disease will modify or change the blood picture on the blood identification process? Dr. Bowling, please.

DR. BOWLING: We have not yet identified any illness or disease medication that alters the blood type of the horse.

LARRY ENSOR: Mrs. Pew, in the registry of the Thoroughbred Owners Registry, has any thought been given that you could come to New York as an owner, get an owner's license and as a Workmens Comp—get an all-state endorsement, rather than having to go to each racing commissioner or racing commission to be licensed?

MRS. PEW: You're really talking about regional licensing.

LARRY ENSOR: That's correct.

MRS. PEW: We are working on it. We had a meeting in Pennsylvania recently whereby the neighboring states attended; we were basically in this preliminary meeting delineating the problems of this, and it really adds up to one which is dissemination of criminal history information. We have been in touch with the federal Justice Department and we, I think, have figured out a way we can do it, so I hope that we will be moving forward. Thank you.

MR. FINNEY: Other questions? if not, I might exercise my prerogative to ask a question and that relates to the panel, but it's not directly involving it. As the cost of this program will ultimately be borne, either by the breeders or by the racetrack operators, and as Mr. Morrie Alhadeff, the President of the TRA and of Longacres is here present, and as racetrack operators and the TRA side has not been heard from, Morrie would you have any comments on how you feel the cost should be borne? Particularly with respect to your identification at the racetrack—not so much parentage verification at the racetrack.

MR. ALHADEFF: So far in the history of registration, the tattooing system has been the responsibility of members of the Thoroughbred Racing Associations of America. What I have been hearing here, on blood-typing and computerized memory banks

raises entirely different questions. I don't know the answer. Should it be the responsibility of the initial breeder to make certain that the blood-type identification is secure, and should that cost be paid by the breeder and then transferred to the purchaser of the horse?

The next question is: At what position, at what point, will the racing associations themselves, be able to get the information before acceptance for stalls. Thank you.

MR. FINNEY: Would anyone on the panel like to speak to that question. Most notable—Joan; I mean . . . Morrie's comments.

MRS. PEW: Well I certainly find it an interesting concept and I feel that it is an area that everyone should participate in and that would certainly be a method which could be considered.

MR. FINNEY: Other questions or comments? One that was raised to me, on my way here, that has not been raised from the floor, but it was with respect to recognizing that The Jockey Club wants to hold the cost down, but recognizes that the breeder will have to pay whatever The Jockey Club feels it's necessary to charge. How much of what the breeder has previously had to pay for, in the way of having blood drawn and having hiring identifiers to; look at the yearling, how much of that will be taken over by The Jockey Club technicians when the new system is put into place. I'd address that question to Will.

MR. FARISH: John, this is a difficult question. We're studying this. We're running tests on it and I think, in a relatively short period of time we'll know the answer to this, but at present it's our thinking that the hidden cost in registration—that being corrected certificates, blood-typing, parentage verification, naming—all being part of the new certificate, the cost will be very much the same. At this point we can't tell that for sure, but we think that's the way it's looking.

MR. FINNEY: Thank you, Will. I think I'd better close now; I think I'm right on the mark with Dinny and if I can escape with valor, I will. I'd like to thank all the panelists for participating and I must say I think the thing that comes through loud and clear is the desire on the part of all of these segments in the industry to ensure and enhance the integrity of racing and breeding which we all



RACING COMMISSIONER—Joan Pew, the First Vice President of the National Association of State Racing Commissioners and member of the Pennsylvania State Horse Racing Commission, spoke on the advantages of the Thoroughbred Ownership Registry to state regulatory bodies and to the industry as a whole.

consider a top priority item, regardless of the cost. Thank you.

(Applause)

MR. PHIPPS: Thank you, John, and all the panel. We'll take a very brief five minute break and resume, but it will be brief.



MR. PHIPPS: A discussion of—ladies and gentlemen—our second and last item today is a discussion of "black-type" races. As you know, they have a significant impact on the Thoroughbred breeding industry. Watts Humphrey is Steward of The Jockey Club and Chairman of the North American Delegation of the Cataloguing Standards Committee and will explain the new procedures for delineating this type of racing. Watts.

INTERNATIONAL CATALOGUING STANDARDS

MR. HUMPHREY: Thank you Dinny. Good morning, ladies and gentlemen. All of us here this morning are interested in, and committed to, improving Thoroughbred breeding and racing. We have heard earlier this morning The Jockey Club's plans for the areas of horse identification and parentage verifica-

tion, as well as the establishment of a comprehensive Thoroughbred Ownership Registry. I am delighted to be able to report to you this morning, of still another area that holds such promise for the betterment of Thoroughbred breeding and racing—that being the development of a criteria for the definition of

"black-type" races throughout the Thoroughbred world by the International Cataloguing Standards Committee.

In discussing this subject with you, I would first like to briefly review the history of the formation and the initial accomplishments of the International Cataloguing Standards Committee. Then we'll examine the extensive work currently being done by the North American Delegation of this Committee, and in conclusion we'll look at the future directions of the International Cataloguing Standards Committee.

As many of you are well aware, over 30 years ago the Fasig-Tipton Company began the practice of denoting stake winners and stakes placed horses on their catalogue pages with bold-faced type. Within that decade, this innovation became accepted as an industry standard. In fact, at this very Conference in 1959, a committee consisting of Humphrey Finney of Fasig-Tipton Company, Bill Evans of Keeneland and Joe Estes of The Blood-Horse was appointed to designate those races abroad which were comparable of importance to North American stakes. This resulted in the 1962 publication of a booklet entitled, *Cataloguing Standards For Foreign Racing* which established accepted guidelines and criteria.

I am also sure that all of you are familiar with the European Pattern Race Committee formed in 1971, the North American Graded Stakes Committee empaneled by the Thoroughbred Owners and Breeders Association formed in 1973, and the outstanding contributions to our industry by these groups over the last decade.

Established in 1983, the International Cataloguing Standards Committee represents the natural evolution from all the efforts of these committees, organizations and individuals who have been and continue to be dedicated to improving Thoroughbred breeding and racing. The body is comprised of representatives of racing authorities, breeders organizations and international auction houses of each of four major breeding and racing countries. Those countries being: England, Ireland, France, and the United States.

It is sanctioned by the International Stewards Meeting, the International Breeders Committee and the Society of International Thoroughbred Auctioneers and was formed to establish, implement and oversee standards for listing and classifying stakes races contained in the annual publication *Interna-*

tional Cataloguing Standards.

The 1984 edition of this publication fully develops the objectives of the committee and embodies the improvements already implemented. Those who may not be familiar with this book—I encourage you to review it.

With that brief history, let us now turn toward the programs being studied by the North American Delegation of the International Committee. By way of introduction, your current delegation consists of Jack Wimpfheimer, representing TOBA who has been actively involved and a driving force in the area of "black-type" definition for well over a decade; John Finney representing SITA, who has consistently been at the forefront of the improvements in this area and myself, representing The Jockey Club. Let me quickly add that many other individuals including the TOBA Board of Trustees, Ted Bassett and the Keeneland organization, the Stewards and the Officers of The Jockey Club, Pedigree Associates and Margaret Woolums; racing secretaries and countless others have also been involved in the findings and the proposals I'm about to present.

It is our strong belief that "black-type" races should be representative of the highest quality of racing on an international level while consistent with established accepted national patterns of racing. In North America there are currently what we define to be three broad levels of "black-type" racing. Those being our Graded stakes, our Listed stakes and all other "black-type."

We currently have about 300 Graded races and 300 Listed races which on the whole represent our best quality races; however, there are another 1,500 "black-type" races—a number that is growing almost weekly, that may clearly represent quality races in any given race meet, but may often not consistently measure up to a national definition of quality.

Extensive data was developed by The Jockey Club and prepared by Margaret Woolums; input from our racetrack managements has been solicited and the topic has been discussed at several forums. After weighing the data provided, your committee has formulated the following four basic conclusions:

First, in evaluating North American races, which are of less than Graded or Listed standard, the single most reliable indication of quality is the amount of purse distributed

Second, the horses which win or place in allowance and handicap races of \$30,000 or

more, and do not, under current standards, qualify for "black-type," are generally considered of better quality than those horses which win or place in stakes of less than \$15,000 added, but presently qualify for "black-type."

Third, restricted non-stakes races and claiming races, regardless of purse distributed, are not generally of a quality standard which would justify them for "black-type" status.

Fourth, any changes in "black-type" standards should not change the status of any race previously afforded "black-type" and contested prior to that change.

In light of these conclusions, the committee recommends the following six proposals:

First, that effective with races contested on, or after January 1, 1985, horses which win or place in North American stakes of less than \$15,000 added, not receive "black-type," but that these races continue to be identified by name in sales catalogues.

Second, that effective with races contested on, or after January 1, 1985, horses which win or place in unrestricted North American allowance and handicap races with purses of \$30,000 and up, receive "black-type," and that such wins and placings be indicated by an "A" or an "H" in the catalogue pages.

Third, that no races contested prior to January 1, 1985 be subject to any change in present cataloguing standards.

Fourth, that "black-type" races, commencing in 1985, be grouped in five major categories: The first, being Graded stakes, are quality races; second are Listed stakes, such as non-graded stakes with a purse distributed of \$50,000 added or more; thirdly, stake races with a purse distributed ranging from \$15,000 added to \$49,000 plus added; fourth, allowance races, again being unrestricted with a purse distributed of \$30,000 and up, and fifth, handicap races with a purse distributed of \$30,000 and up.

In any of the Listed or non-graded stakes just mentioned, races restricted to area of foaling or by sales companies will be indicated with an "R."

The fifth recommendation would be that indicators, such as "G1" for Grade one; "L" for Listed; "A" for allowance; "H" for handicap be used in combination as appropriate. For example a listed restricted race would carry an "LR".

Sixth, and equally as important, that these standards be reviewed from time to time as

appropriate, and modified as necessary to reflect quality levels of North American racing as indicated by purses and money distribution.

As previously mentioned, there is extensive data that supports these conclusions and proposals and which is available upon request. Looking to the future, if I may, there is still considerable work to be done in clarifying definitions, and finalizing guidelines and formats, which are scheduled for completion within the next 90 days. When adopted, these recommendations will mark significant progress in establishing "black-type" as a true measurement of quality while not materially changing our numerical opportunities to compete in "black-type" races in North America.

These recommendations will be reviewed at the International Cataloguing Standards Committee meeting in Ireland this September. Other Part I countries are similarly evaluating the merits of their respective racing programs and submitting recommendations which will also be reviewed by the Committee, and finally, any proposals by currently Part II countries to be elevated to Part I status, will be reviewed on an "as needed" and "as submitted" basis.

In closing, I would again like to recognize Jack's and John's immense contributions to this project, and they join me in extending our appreciation to those participants whose help has been invaluable in formulating recommendations. In the future, we will welcome constructive input from the entire Thoroughbred community. Thank you for your attention.

(Applause)

MR PHIPPS: Thank you, Watts. The feature speaker today is an incredibly fine and honorable man in this country—Senator Robert Dole, Senior Senator from the State of Texas. Texas? Excuse me! The Senior Senator from Kansas. Chairman of the all-important Senate Finance Committee. The most effective member of the Senate Agricultural Committee. One of the true leaders in the United States Senate. One Senator that other Senators look to for guidance.

He is able to combine common sense and good humor, and with that slip of mind, I ask you to the podium and give us your words of wisdom, sir.

(Applause)

SENATOR ROBERT DOLE: It's all right with me if it's all right with Texas. (Laughter).

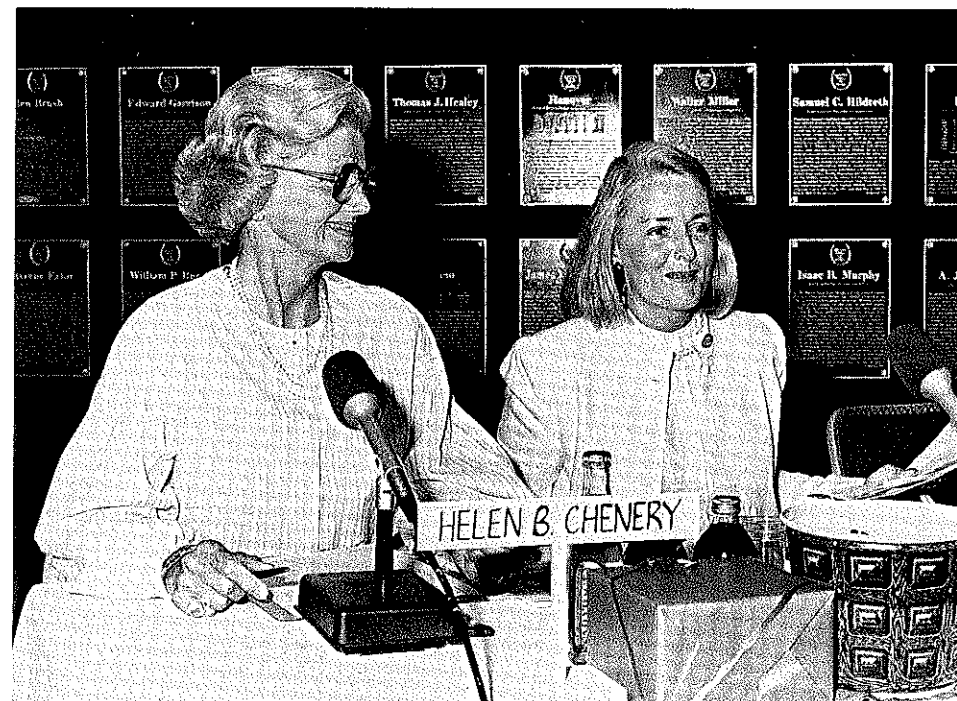
I'm not sure Al Becker wants me to move to Texas. Do you, Al? Right? Good. Well, I listened with interest to that last presentation. Didn't know anything about it when I started, and knew less when it was over. And that's a tribute, I think to the speaker, Mr. Humphrey. And as I sat there listening to these different things I don't understand, I wondered what people thought of us who got up and talked about taxes. On a Sunday morning when you could be doing a lot of things that might be pleasant, and I don't say this as a criticism to the speaker, but I was sort of sitting there, wondering, what could I do, to not discuss what Mr. Humphrey was talking about, or parentage registration or some of those other things that I don't believe we have a Federal program for yet. (Laughter) But we may if Mondale's elected, but in any event (Laughter)...

I thought I'd just discuss very generally, if you read *The New York Times* today and picked up the business section. It says there's already a tax bill being prepared. This comes as a big surprise to me as Chairman of the Finance Committee, and I'm certain a sur-

prise to the Chairman of the House Ways and Means Committee—Dan Rostenkowski. But that's all right. If *The Times* says we should have a tax bill, I assume we will have a tax bill.

And there's been a lot of discussion in the last couple of weeks about—will Ronald Reagan raise taxes? Will Walter Mondale raise taxes? And we have been a bit confused on our side. I must say the Republicans have been less than direct in this area. But I've concluded that if you vote for Mondale you know you're going to get a tax increase. If you vote for Reagan, there's a chance you won't, so I think that's worth pondering again (Laughter). And I must say having dealt with the President on tax matters, you don't have to convince Ronald Reagan not to raise taxes. I mean, he came to Washington with that pretty well imbedded, and I would say seriously I'm not here in any partisan sense, unless somebody objects (Laughter).

But I do have a favorite in the Presidential race. In fact I'm going from here to Dallas today, where we start working on the platform this afternoon, and it's going to be a fairly quiet convention. So if you don't hap-



PANELIST—Two prominent leaders in Thoroughbred breeding and racing, Helen B. Chenery (left), Chairman of the Thoroughbred Owners and Breeders Association and member of The Jockey Club, and Joan Pew, the First Vice President of the NASRC and member of the Pennsylvania State Horse Racing Commission, participated in the panel discussion.



MODERATOR—One of the best known figures in Thoroughbred breeding and racing, John M. S. Finney, the President of Fasig-Tipton Sales Company, served as moderator of the panel discussion.

pen to hear about it, it starts a week from Monday (Laughter). I don't believe that many people will watch it but if we had the audience they had for the Olympics, we'd be in great shape. But we may not have the rhetoric but we have the candidate at our convention and I think that will make the difference. So I would just like to talk for a few minutes and then if there are questions I'd be happy to respond to the questions.

I'm sorry that Elizabeth is not here, Nick and Kitty have heard this story so often, but somebody asked me where Elizabeth was. Well she's not here, but it reminded me of the fact that it's been about, I guess 17 months ago now, that the President asked her to become Secretary of Transportation. And that created a lot of excitement around our house and there were a lot of little stories written about it. There were a lot of pictures taken and I was always in the picture, but I was never identified. It just said "the man on the left is the husband. I recall that *People Magazine* thought it might be of some interest, so they came down and followed us around for a couple of days. By actual count, they took about 300 pictures, and they used three. One of the three showed us making the bed,

which brought a hot letter from some guy out in California. His wife had read the story, and he was now helping make the bed.

(Laughter)

He said, "Senator, I don't mind your wife getting the job. She's well qualified. She'll do good work for the President and the American people." But he said: "You've got to stop showing off around the house. You're causing men problems all across this country." And I wrote back and said: "Buster, you don't know the half of it." (Laughter) "The only reason **SHE** was helping—because they were taking pictures."

(Laughter)

And as I left the house this morning, the last thing Elizabeth asked me, she said: "Bob, do you think there'll be a man on the ticket in '88?" I was asked on CBS a couple of nights ago, about the Democratic ticket, and whether I thought Ferraro was overshadowing Mondale. And I said, "Yes; in fact I could hardly remember his name, but I remembered her name." I repeated, I think, what Nick Brady had told me, "the trouble with Mondale is when he gives a fireside chat, the fire goes out."

As I look at what we're going to do next year as far as taxes are concerned, I don't want to frighten anyone. As far as I know, there is no plan. I say it very seriously, and we work very closely with Treasury, with Don Regan and others, as far as taxes are concerned. I must say in all candor, just as one Republican, or one Senator, or one something from the State of Kansas, I think if you're running for President, you don't start locking doors and say, "I will never do this." It would just seem to me, that whether it's Mondale or Reagan in November, and I have a preference but I'm not here to discuss that, but whoever it is in November, they're going to be faced with a big, big problem. Our problem is the Federal deficit. Our problem is high interest rates. Now if you're saving money you may like high interest rates, but if you're borrowing money, you don't like the high interest rates very well.

And I'm not an economist. And I'm not a tax expert. I got on the Senate Finance Committee because my predecessor, Senator Carlson, said that I might learn something; "if you get a chance to be on that committee—take it." So I took it, and a lot of Republicans ahead of me decided to retire. Before I knew it, I was up in the ranking Republican spot, and then in 1980, for the first time in 26 years, the Republicans became Committee Chairmen.

But my point is this: If, in fact,—speaking now as a Republican but not in a partisan sense, if we tell the President in the Republican Platform—that under no condition will we raise any taxes of any kind, anytime, that's the platform. Platforms don't mean a great deal, except other people can take a look at them and say, this is the party position. Now if we do that, then the President is virtually locked in. It doesn't mean he can't do something else, but he is the candidate, and he is credible. There is a party platform. He either has to denounce it, or say that I affirm what the platform says.

And it just seems to me, that's not an option, or we shouldn't put the President, or the candidate in that box. I not suggesting for one second that we raise taxes. I'm just suggesting we don't foreclose the President's options, as George Bush said. If I were Fritz Mondale and the Republican Platform said no taxes under any conditions at anytime, no revenue changes, and the President is on record for not wanting to cut defense, all that leaves to reduce the deficit, and to address the interest rates are spending restraints and I believe the

priority must come on the spending side.

But I can just see somebody asking the President in the next few weeks, if we say no taxes and no defense spending cuts. They're going to say, Mr. President, how much are you going to cut Medicare? And how much are you going to cut Social Security? And I think we've put anybody in an untenable position.

So I just suggest that all the talk about taxes is a lot of talk. We may make some tax changes in 1985. We have a habit of looking at taxes on an annual basis, to the consternation of many in the business, many in the tax business, and many in your business in the private sector. We have, I think, done too much. We haven't been consistent with our tax policy. But I would guess if anything happens in 1985, it will be essentially this: it will be tax simplification or restructuring of the tax code. I think maybe a better word is base broadening. We'll be looking at a lot of different areas of the tax code, and trying to determine whether or not maybe the investment tax credit is too rich, or something else ought to be slightly modified. I'm not advocating any of them, I'm just suggesting what may happen.

There's a lot of discussion, and I use the word "discussion" about a flat tax. There are all kinds of people who've introduced flat taxes and fair taxes and they have different names. And a flat tax simply is that you add up your income, you take off a deduction for your spouse and children, and if it's say \$50,000 and you get \$5,000 in deductions, you've got \$45,000 left. You send in some predetermined rate and that's it. There are no other deductions, no other exemptions, no other credits and you send in 10 or 15 per cent or whatever it takes to raise the money the government wants and that's a pure flat tax. But there are a number of variations of the flat tax. There's a Bradley-Gephardt, Kemp-Kasten. There are all kinds of proposals lurking around that aren't quite flat.

For example, we can't quite give up mortgage interest, because first of all that can be suicide politically, so we'll let you go ahead and deduct mortgage interest. We know we can't stop deducting charitable contributions. We'll let you deduct charitable, and by the way we shouldn't forget the medical, so you can have the medical. That only leaves about 80 or 90 out there that haven't been accounted for.

I must say that as I view it—as just one

member of the Finance Committee and the Chairman of that Committee—if in fact we are going to end up with some kind of a flat, or wrinkled, or bumpy tax of some kind, believe me, there are going to be more than three different things that are going to remain. Mortgage interest—well you're assured of that—medical, charitable, but there are a lot of other nice little deductions and credits that people would like to reserve and to keep. And I just can't see the Congress having the will, or whatever it takes, to stand up and say, "No." And they couldn't say "No," for the first three requests they had and, they're not going to be able to say, "No," for many others.

So I would say, the flat tax sounds very good. It's an idea that's been around for 55 years according to some of the experts in Washington, and I have a feeling that if it had been such a great idea that it would have already passed. It seems to me somebody in politics, in the Republican or the Democratic party would have focused on this before. That doesn't mean I want to discredit the concept. We do need to simplify the tax system and I think we will.

But perhaps a better way is to do what we did in '84 and in 1982—we should take a look at the tax code, and take a look at some provision that's been in there for 10, 15, 20 years that haven't served any real purpose, are not incentives. They may be loopholes depending on who gets the benefit. If it's closing something that you like, then it's closing a loophole probably. But if it's something somebody else likes, we're closing loopholes.

So I just suggest that what we're going to do is to probably broaden the base and that does mean you raise some revenue. But I'm convinced that there's enough of us in Congress, in both parties, Republicans and Democrats, who are still willing to put the priority where it belongs, on reducing Federal spending, reducing the growth rate of Federal spending.

We understand, I believe we understand in both parties, that there are certain groups in this country, vulnerable groups, where we have an obligation. Whether they're senior citizens, whether they're handicapped, whether they can't find jobs—we have a Federal obligation, and we're not insensitive



TRA LEADER—Morris J. Alhadeff, the President of the Thoroughbred Racing Associations and President and Chief Executive Officer of the popular Washington State racetrack, Longacres, addresses the audience during the panel discussion.



STEWARD—G. Watts Humphrey, Jr., a Steward of The Jockey Club and Chairman of the North American Delegation of the International Cataloguing Standards Committee, explains the proposed guidelines for North American "black-type" races.

to those needs.

But on the other hand, let's talk about one program. Let's just take Medicare for a quick minute. That started off with \$3.7-billion a year in 1967. We were told by the experts on our Committee about 10 years ago that if we didn't watch the growth of Medicare, it would be \$9-billion by 1990. We didn't believe it. We didn't think it would go that high. Well it's in the budget this year for \$76 billion and the 1990 estimate is not \$9-billion. It's \$110 to \$115-billion a year. Medicare is a very important program. Medicare ought to be preserved. But we've got to find some way to restrain the growth of hospital costs, physicians fees. In addition, we've got to do more on the cost-sharing side. There's got to be some little cost-sharing for certain income groups.

Maybe we'll have to "Means Test" Medicare as we're "Means Testing" Social Security indirectly by taxing benefits of upper income recipients. So Medicare is a big, big target. But obviously nobody is going to talk about

that between now and November. We may have to go back and revisit Social Security. I think we've done a good job as the Bipartisan Commission appointed by the President, but maybe we ought to take another look at it.

And there are other programs in my view that we can address. I'm from a farm state. I'm from Kansas. As Al Becker knows, there are a lot of farmers in my state. But to give you one example about how spending has increased, it hasn't gone down in every case in the past four years. When President Carter left office, price support programs were running about \$4.5 billion a year. Last year they went up to \$19-billion, and you add to that what we call the "PIK Program," Payment In Kind. If you didn't want to raise wheat, we'd give you wheat; it's another concept that's been tried before. It saved a lot of farmers, but it cost about \$11-billion. We had that much in assets we gave back to farmers in corn, wheat, cotton, rice and other commodities.

So we can start with "A"—Agriculture, and go right down the list and find ways to reduce

the growth of the Federal Budget, and I think that must be the first priority. And I agree with my supply sider friends to a certain extent. I never understood that, but I do believe we have to focus on economic growth. Our taxes are lower because of economic growth, but I don't believe we can just grow our way out of the total deficit. So we finally have to ask ourselves: what do we do about it?

Obviously, the President-elect will determine the policy, the general direction. The Congress will determine the specifics. And I just happen to believe that there's not much doubt if it's Ronald Reagan he's going to have a program that's going to put the emphasis where it belongs—on restraining Federal spending.

Raising taxes is not a priority with Ronald Reagan. It's a matter of last resort. It always has been and it always will be. It just seems to me that we've got to get the deficit down. We've got a big, big trade deficit that nobody seems to focus on. So we've got some problems. But overall, the economy is fairly strong and there are a lot of good signs. Six million people have gone back to work. I think we've broken the back of inflation, finally—after a long, long time, and that's a pretty tough tax.

I remember President Carter saying in 1976 that inflation was the cruelest tax of all. And it is! And it takes from those on fixed incomes and those of low incomes and others, just as certain as income tax would take their money away from them. If you're paying more for groceries than you should be, because of inflation, that in effect is a consumption tax of some kind. So I would just say to this audience that we believe we understand where the priorities should be.

I believe that most people in this audience, whether you're Democrats, or Republicans, or Independents, or just came into the wrong meeting, you (Laughter) probably have a pretty general agreement that we ought to put the focus on spending. Again, I say by that, not to devastate some programs that low income Americans must have, but there are a lot of ways we can do it. Whether it's defense or whether it's agriculture, or Medicare, or Medicaid, or nearly anything else. And I think that's where the first emphasis should be.

Having said that, let me just make a couple of predictions. The Republicans control the Senate. The Democrats control the House. We have 55 Republicans in the Senate. The Democrats have 45. Tip O'Neill has a 100 vote margin in the House, and while we're talking

about taxes and the tax debate between Mondale and the President, you've got to keep in mind one thing: the bottom line is, it's not going to be what maybe Ronald Reagan wants or Walter Mondale wants. It's going to be the make-up of Congress that determines what we finally do.

And if Ronald Reagan wins big in November, he's going to have a lot of clout as far as reducing spending, and sort of having his way. If he keeps the Republican Senate and picks up 20 or 25 seats in the House, he'll have that conservative coalition. If it's a very close election, we lose Senate seats and don't pick up any House seats. Ronald Reagan can stand up all day long and say no taxes, but he'll get taxes. Because Tip O'Neill believes we ought to reduce the deficit, as you believe we ought to reduce the deficit. Maybe you agree with him? But what he would do first, is to increase taxes and eliminate indexing and do a lot of other things in the tax code. That's where the priority would be. My point is that much of what happens in '85 and '86 will depend on who controls the Congress, and how much control they have.

Obviously, the occupant of the White House is the prime mover. They're very important. So it seems to me that there is a lot of focus on what the candidates are saying, but the truth of the matter is, it's probably going to depend on the balance of the Congress. I happen to believe Republicans will retain the Senate. We've got some seats that are shaky; we've got a couple of possibilities to pick up seats, but I must say the Democrats have a good class and many of the Democrat incumbents are virtually unopposed.

On the House side, they tell us we can pick up 20 Republican seats, which would reduce Tip's margin to 80. That's still a big margin in the House of Representatives. So... I'd be very happy to respond to questions or if you have any answers, I'd be happy to have the answers (Laughter) but I think you're all taxpayers. If you're not a taxpayer, raise your hand and we'll make certain that... you are included next year (Laughter), but I would be pleased to take questions.

(Applause)

LEE EATON: It seems I'm a question-asker this morning, but I would like to attempt to address a question. It's my understanding that the men who framed the Constitution intended for the Federal Government to be our protector, but not our benefactor. At what point did we lose this, and can we ever expect

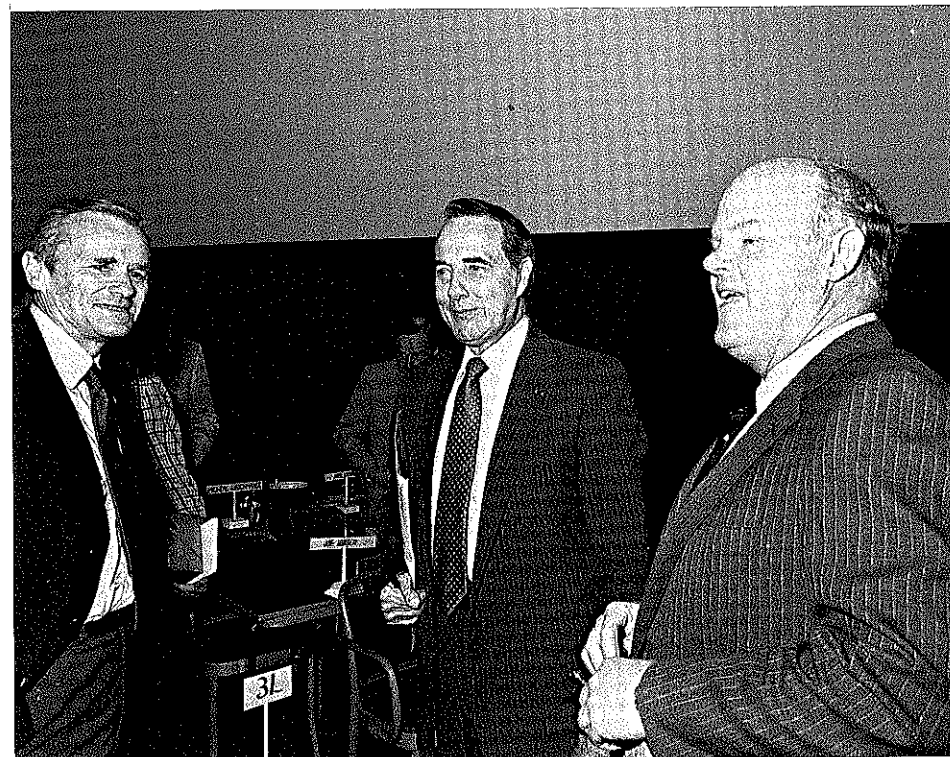
to return to it?

SENATOR DOLE: I don't know the precise minute but I know it's before I got to Congress... (Laughter). It's a very good question. There's no doubt in my mind, you know, that we slipped a long way from what the original intent was, but that's why some of us feel and there are some who ridicule the thought, that one way to restore that balance is to have a Constitutional Amendment for a balanced budget.

Let's face it. We need that. Those of us in Congress need that as a defense to those who ask for more, and more, and more. If we had a balanced budget amendment in the Constitution, or even a statutory provision, then we could tell the people that come to us from our states and other places, you've got a great idea; I only wish we could do it. We don't have any money and then we can point to the Constitution. Right now we just add it to the national debt. And my Committee has jurisdiction of the national debt. All we ever do is raise it. It's up to about \$1.7-trillion now and net interest payments per year is about \$110-

billion. We're told that the interest payments alone on the debt by the end of the decade are going to be about \$200-billion a year, which was higher than the whole Federal budget 12 years ago.

So you know, we're really going in the wrong direction. I would give the President, if I could, a line item veto. So when we load all these bills up that we send to the President with everything that helps our states or our districts, and there are some who do that—we all do when we get a chance—The President could say: Okay, I don't want that item, and out it comes, without vetoing the entire bill. Forty-three governors have that power. Ronald Reagan had it as Governor of California, but they won't give it to him as President of the United States. And it's not just because it's Ronald Reagan. There are some in Congress who wouldn't give it to any President, Democrat or Republican. And you can put limits on it, so you don't hurt any poor group or whatever. So I think a Constitutional Amendment would be very helpful for a balanced budget.



FRIENDS MEET—Senator Robert Dole meets two friends; Nicholas F. Brady (left), former Chairman and member of The Jockey Club, and Ogden Mills Phipps (right), the present Chairman.

Others would limit the terms of members of Congress. If we don't do something on the balanced budget amendment, the states may call a Constitutional Convention. We're only two states short of that, and then Congress would move very quickly. There are 32 states now calling for a convention. I think when you get to the 33rd state, Congress will pass it, a balanced budget amendment, because many in Congress think that if they ever have a meeting of the Constitutional Convention the first order of business might be to abolish Congress. It would probably be unanimous (Laughter).

TOM PIERSON: What's your view of the Mondale-Ferraro ticket?

SENATOR DOLE: The Mondale-Ferraro ticket? I think it's a good ticket. I think it's historic in many ways. But my own view is, that after the initial glow voters are going to look at philosophies, not whether the gender is male or female. It's exciting. It's long overdue. I think she's qualified. I don't have any problem with any of that. But it seems to me, that sooner or later we have to focus on philosophy—and I happen to believe that they had all the rhetoric in San Francisco. But we've got the candidate in Dallas, and most people, I think, may not totally agree with Ronald Reagan, but kind of like what he wants to do in this country, and I'm talking about "blue-collar" workers, labor union members. He's getting 45 per cent of that vote right now in the polls, so I think we get down to philosophy, it won't make any difference.

I think the one problem Mondale has is to keep letting people know he's on the ticket. Right now, she's leading that ticket, you know easily, (Laughter). And that was a risk he took.

EDWARD H. GERRY: Any use still be made of the Grace Report?

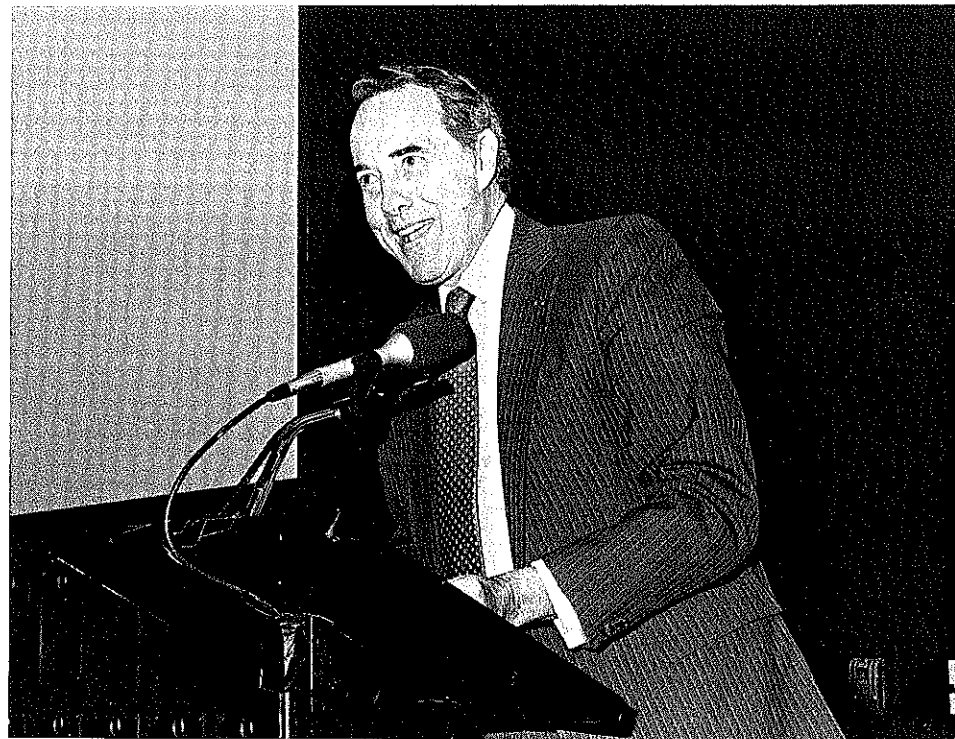
SENATOR DOLE: Oh, that's a good question. The question was on the Grace Report. We've adopted \$3-billion of saving from our Committee and we're looking at another 20 or 30. The Grace Commission as most of you know. . . . some of you may have been contributors to help fund that Grace Commission. . . . was a \$75-million project, and not a nickel came from the Government. And the completed work is 47 volumes which you can order from the Government Printing Office for \$1,250. Maybe you order it through Nick Brady, you get a discount. I don't know how that works, so it's a lot of work. There were 2,300 people on that Commission, men and

women who went in and looked at all the different agencies.

Now some of the things they recommended probably aren't very good, and they're not politically feasible. But there are a lot of good recommendations. I'll give you an idea of just one thing we did, in our Committee. We adopted a Grace Commission Report recommendation, over the objection of IRS, I might add, which says if you have a student loan or government loan, a crop loan, a farm loan, or whatever—and you haven't paid it and they've tried everything to get you to make payments or pay it all, or pay part of it, and you won't do it, and you've got a tax refund coming—they take the tax refund and apply it on the debt. And that little item alone over the next three years is going to pick up about \$800-million, unless people all change the way they have their withholdings so they don't have any refund. But we'll get a few of them before they find out about it.

And that was a Grace Commission Report. Now I don't believe that's a hostile act. I mean, if you owe the Federal Government money, and there's been every effort to work out some payment arrangement and you just won't pay it, then they're going to take that refund and offset it. Or try. We're also looking at the ways we mail out Federal checks. It costs four times as much to mail out a Federal check as it does the check in your business. I guess the average cost is about a dollar. The Government cost is about \$4.

We don't have any economies of scale. We've got the scale, but we don't have the economy. We mail out more checks than anybody, but it costs us more and we've got a lot of outdated equipment. The Grace Commission Report will probably never achieve what Mr. Grace thinks we should do, but Mr. Grace came to our Committee and I must say—some of my members thought this old fellow doesn't know anything about this. He's just some guy they put out there and Ronald Reagan picked a credible Democrat to work this out. They were all set to pounce on Peter Grace. But after listening to Peter Grace for about 20 minutes, you know, that disappeared. They knew this man knew precisely what he was talking about and I signed the letter, along with about 25 other Republican Senators last week, to Paul Laxalt urging Mr. Grace to have a spot on prime time at the Republican Convention to talk about the Grace Commission Report and about reducing the size of Government and spending, so



FEATURED SPEAKER—Senator Robert Dole delivers a speech on various proposals before Congress concerning tax legislation and their implications for Thoroughbred breeding and racing.

it's had a big impact. I would expect the President to announce some Grace savings in the defense area in the next two or three months. Yes?

WHELOCK WHITNEY: Is there any talk in your Committee about changing the capital gains tax?

SENATOR DOLE: No. We just reduced the holding period. Some of us might just eliminate it, but we haven't done that. No, there is no talk of that, but again I must say, it might be brought up next year. Right now we've had two days of hearings last week in our Committee and we're going to have two more days in September; but we're getting most of the comments from people on the flat tax. Those who don't want it because they'd lose their credit, exemption, deduction—and those who don't want it because they believe it would simplify the tax return.

We need to simplify the system; it's a voluntary system and two years ago six million people who should have filed tax returns didn't file. And many didn't file because they don't think the system's fair. They think the

people up here (holding hand high) shelter their income and pay no taxes. The people here (holding hand lower) have it withheld, and a lot of people just don't file returns. So it is a voluntary system—we don't want it to break down. Another reason people don't file is, it's too complicated.

Now we don't want to put H & R Block out of business. Because he lives in Kansas is one reason (Laughter) Secondly, you know we've got to simplify the return. Yes.

PAUL CRESCI: What is the status of Senator Abdnor's bill?

SENATOR DOLE: Senator Abdnor's bill, I think is resting peacefully.

VOICE: Thank you. (Laughter)

SENATOR DOLE: And so is Senator Abdnor; I mean he's really a nice guy. . . . (Laughter). I don't think he's nearly as interested in that bill as he was originally (Laughter). It's not going anywhere.

Well let me conclude with another story that some have heard, but I think does make a point. As soon as I find out what the point is,

I'll stop telling it. (Laughter). When I first went to Congress back in 1961, which seems like quite a while ago, I learned very quickly that you're asked to go out and speak a lot. You didn't have to be good, sort of warm and willing as I look back on it, and not even too willing. It was a little like "KP" in the Army. If you were new, you spoke. And I was asked to go out to Indiana one night and I was told, as part of the hype that it was the biggest event they'd had in that area in a decade.

When I got there I learned they hadn't met for 10 years, but you know I was already there. I got out of the airplane and I went into the airport and I met the County Chairman and I must confess he was trembling a little bit and he was in a state of near collapse.

He said the advance ticket sales were poor. So they took me to a radio station for an interview, but first the County Chairman got up and said we're going to cut the tickets from \$3.00 to \$1.00; we're going to have a drawing for a color TV set but you've got to be present to win. We're not going to draw until Congressman Bob "Doyle" gets through talking. (Laughter). And then they started through my bio which was rather lengthy. I prepared that myself. . . . (Laughter). born in Kansas, reared in Kansas; wounded in World War II and on, and on, and on, and on, and on. We finally finished that. We left the studio, we got into the car and we headed for Rensselaer, Indiana.

At about the time we hit the highway, the driver flipped on the radio and a few minutes later, the announcer came on to summarize the interview. He said Congressman Bob "Doyle" will speak tonight at the Legion Hall: tickets have been slashed to a dollar—there's going to be a drawing for a color TV set—you've got to be present to win. We're not going to draw until Doyle gets through talking. He was born in Kansas, reared in Kansas. Prior to World War II, he was a pre-medical student. He suffered a serious head injury in the war. (Laughter). And then went into politics (Laughter). So when you read I've done something that you don't agree with, you understand I've got a problem. (Laughter).

And I remember when I left the House to

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go to the Senate, some of my House colleagues said I'd improved the intelligence level of both bodies, which I didn't fully understand as I had been in the Senate for a while. (Laughter). But I would just indicate this is the 10th anniversary of Richard Nixon's resignation. Reminds me of the time when I was Republican Party Chairman during Watergate—I hasten to add that was my night off. . . . (Laughter). . . .

As I recall I was on a job in Chicago—(Laughter). We had a better wire man and things of that kind. (Laughter) But I recall trying to get through to the President. I used to call the White House. I said, "You know I'm the Chairman of the party. I ought to meet him before my term expires (Laughter)." And I finally got through one day to Halderman. I mean, that's nearly going to the top and he said: "I understand, you've been wanting to see the President." I said, yes I've been trying for six months. "Well, he said, turn on Channel 7 at 9 o'clock (Laughter)." We had a lot of influence in those days.

Well, I do appreciate your letting me speak, and I'm certain as this tax thing starts to develop, we'll be hearing from many of you and those who represent you, but I think the important thing is I wouldn't start running for cover because you're afraid of a big tax increase. I don't see that coming, I don't see any change in personal income taxes, I don't see much change in ACRS, I don't see much change in indexing—if there's going to be any revenue raise, it's going to come through base broadening and structural changes, essentially what we call "tax reform." To you that may be a tax increase, but to those who write about it, it's reform.

And I would finally say that I think President Reagan will be re-elected. I think he'll carry 42 states (Applause). . . .

MR. PHIPPS: Thank you, Senator Dole. We know you're on your way to Dallas now and we appreciate the time you've taken to come up here this morning. That concludes the Round Table Conference—we appreciate your coming and hope to see you next year.

(Applause)



SPEAKERS—At the conclusion of the Round Table Conference, two of the participants, Senator Robert Dole and Helen B. Cheney exchange greetings.