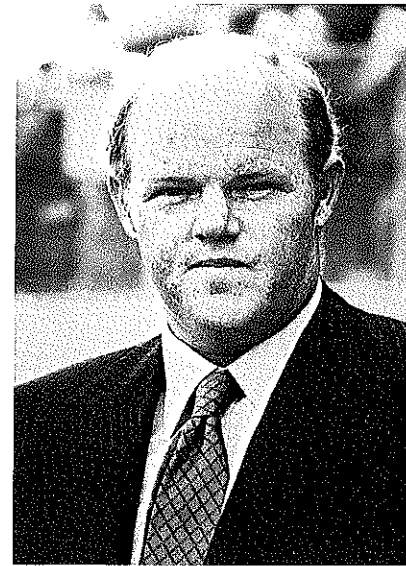
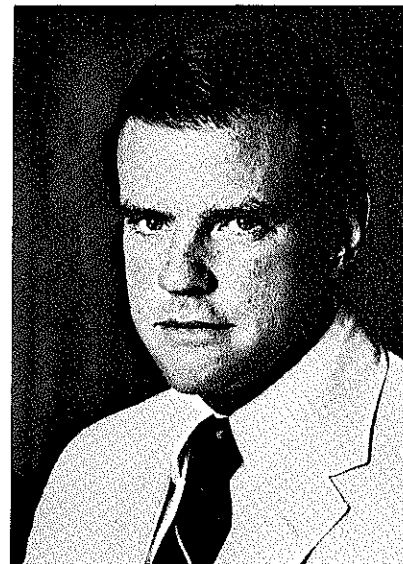


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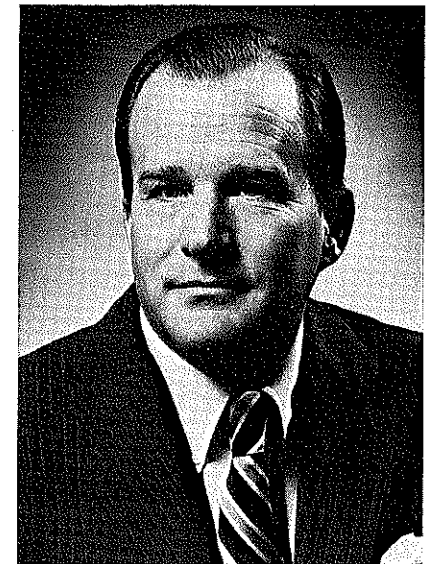
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Ogden Mills Phipps, Chairman



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**THIRTY-FIRST ANNUAL ROUND TABLE CONFERENCE  
ON MATTERS PERTAINING TO RACING**

The National Museum of Racing  
Saratoga Springs, New York

10:00 a.m.  
August 7, 1983

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

The Public Relations Opportunities  
for Racing . . . . . Moderator, John T. Landry  
*Trustee, The New York Racing Association  
Senior Vice President-Director of Marketing  
Philip Morris Inc.*

Pete Axthelm  
*Newsweek*

Richard Goldstein  
*WCAU-TV, Philadelphia, Pa.*

Ray Kerrison  
*New York Post*

Simulcasting of Races . . . . . Moderator, John Hettinger  
*Member, The Jockey Club*

Gerard J. McKeon  
*President, The New York  
Racing Association*

Robert P. Strub  
*President  
Santa Anita Park*

John A. Bell III  
*Breeder*



**THIRTY-FIRST 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 7, 1983**

**IN ATTENDANCE:**

- Helen C. Alexander  
*Owner/Breeder*
- Gary Amundson  
*Coordinator, Race Track Industry Program, University of Arizona*
- Sam Anzalone  
*General Manager, Racing/New Jersey Sports and Exposition Authority*
- Thomas L. Aronson  
*Director, American Horse Council*
- Dr. Eslie Asbury  
*Member, The Jockey Club; Owner/Breeder*
- Dr. Taylor Asbury  
*Owner/Breeder*
- Miss Peggy Augustus  
*Owner/Breeder*
- Pete Axthelm  
*Columnist, Newsweek*
- Colonel Charles Baker  
*Chairman, Ontario Jockey Club; Director, Thoroughbred Racing Associations; Member, The Jockey Club; Owner/Breeder*
- Mrs. Charles Baker  
*Owner/Breeder*
- Thomas M. Bancroft, Jr.  
*Member, The Jockey Club; Chairman, New York Racing Association; Director, Thoroughbred Racing Associations; Owner/Breeder*
- Mrs. Thomas M. Bancroft, Jr.  
*Owner/Breeder*
- Lazaro S. Barrera  
*Trainer*
- Kenneth Beh  
*Director, Public Relations, New York State Racing and Wagering Board*
- John A. Bell III  
*Member, The Jockey Club; Owner/Breeder;*
- August Belmont  
*Steward, The Jockey Club; Owner/Breeder*
- Mrs. August Belmont  
*Owner/Breeder*
- Paul Berube  
*Vice President, Thoroughbred Racing Protective Bureau*
- James H. Binger  
*Steward, The Jockey Club; Chairman, Calder Race Course; Director, Thoroughbred Racing Associations; Owner/Breeder*
- Stephen Bochnak
- Ellen R. Bongard  
*President, Eastern New York Thoroughbred Breeders Association*
- Edward S. Bonnie  
*Attorney*
- James C. Brady, Jr.  
*Secretary-Treasurer, The Jockey Club; Owner/Breeder*
- Nicholas F. Brady  
*Member, The Jockey Club; Owner/Breeder*
- Mrs. Nicholas F. Brady  
*Member, The Jockey Club; Owner/Breeder*
- Peter M. Brant  
*Owner/Breeder*
- John Brunetti  
*President, Hialeah Park*
- J. Elliott Burch  
*Trainer*
- Timothy Capps  
*Editor, Thoroughbred Record*
- Hugh Carey  
*Former Governor, New York*
- Snowden Carter  
*General Manager, Maryland Horse Breeders Association*
- R. Anthony Chamblin  
*President, Finger Lakes Racing Association*
- Helen B. Chenery  
*President, Thoroughbred Owners and Breeders Association; Member, Executive Committee, American Horse Council; Owner/Breeder*
- George M. Cheston  
*Member, The Jockey Club; Owner/Breeder*
- Mrs. George M. Cheston  
*Owner/Breeder*
- William Christmas  
*Trainer*
- Melville Church III  
*Owner/Breeder*
- John S. Clark  
*Counsel, New York State Racing and Wagering Board*



A view of the audience at the National Museum of Racing during the 31st Round Table Conference.

Allen E. Coles  
Chairman, Oklahoma Horse Racing Commission

Charles Colgan  
Executive Secretary, National Steeplechase and Hunt Association

Brownwell Combs II  
Member, Executive Committee, American Horse Council; Owner/Breeder

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

Edward Comerford  
Columnist, Newsday

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

Mark Costello  
Vice President, Properties, New York Racing Association

Steven Crist  
Columnist, New York Times

Dominick J. DeLuca  
Owner/Breeder

Spencer J. Drayton Jr.  
Secretary/Treasurer, Thoroughbred Racing Protective Bureau

Don Drew  
Executive Vice President, New York Racing Association

Francis P. Dunne  
Retired Racing Steward, New York State Racing and Wagering Board

Mrs. Richard C. duPont  
Owner/Breeder

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

William B. Eimicke  
Governor's Office

Lawrence E. Ensor  
Vice President, Fasig-Tipton Company

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

William S. Farish  
Vice Chairman, The Jockey Club; Trustee, American Horse Council; 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 Company; Trustee, National Museum of Racing

Bertram R. Firestone  
Owner/Breeder

Mrs. Bertram Firestone  
Owner/Breeder

Thomas J. FitzGerald  
Retired President, New York Racing Association

James W. Fitzsimmons  
Attorney

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

Wes Gaffer  
Writer

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

John W. Galbreath  
Member, The Jockey Club; Trustee, National Museum of Racing; Chairman, Churchill Downs; Owner/Breeder

Alfred Garcia  
Director of Stud Book; Registrar, The Jockey Club

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

Mrs. Edward H. Gerry  
Owner/Breeder

Manuel A. Gilman  
General Manager, Harbor View Farm

M. Tyson Gilpin  
Member, The Jockey Club; Owner/Breeder

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

John Giovanni  
The Jockeys' Guild

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

Richard Goldstein  
Station Manager, WCAU-TV

John K. Goodman  
Member, The Jockey Club; Chairman, Arizona Racing Commission; Owner/Breeder

Mrs. John K. Goodman  
Owner/Breeder

Gordon Grayson  
Member, The Jockey Club; Owner/Breeder

William C. Greeley  
General Manager, The Keeneland Association

Fred Grossman  
Editor, Daily Racing Form

Virginia Guest

Robert Gunderson  
President, Bay Meadows Racing Association

Leonard C. Hale  
Racing Secretary, New York Racing Association

Richard Hanellin  
Director, National Horse Identification Program, The Jockey Club

John W. Hanes  
Member, The Jockey Club; Chairman Emeritus, National Museum of Racing; Owner/Breeder

Mrs. John W. Hanes  
Owner/Breeder

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

Mrs. F. William Harder  
Owner/Breeder

Russ Harris  
Sports Columnist, New York Daily News

Steward K. Harvey  
President, American Association of Equine Practitioners

James Heffernan  
President, AmTote Systems Division, General Instrument Corporation

Bill Heller  
Columnist Albany Times-Union

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

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

Mrs. John Hettinger  
Owner/Breeder

Joe Hirsch  
Columnist, Daily Racing Form

Clyde Hirt  
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

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

Mrs. Walter M. Jeffords  
Owner/Breeder

Nick Jemas  
Managing Director, Jockeys' Guild





Part of the large audience in attendance at the Round Table Conference on Matters Pertaining to Racing.

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

Philip G. Johnson  
Trainer

Ellsworth Jones  
Mayor of Saratoga Springs

Mrs. Richard I.G. Jones  
Owner/Breeder

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

Joseph F. Joyce Jr.  
Vice President and General Manager, AmTote Systems Division

Sam Kanchuger  
Director, News Service Bureau, The Jockey Club

Stephen E. Kaufman  
Attorney

John L. Keenan  
Director of Security, New York Racing Association

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

Ray Kerrison  
Columnist, New York Post

William R. Killingsworth  
Killingsworth Associates

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

Robert Kirkham  
Owner/Breeder

Peggy Vandervoort Kumble  
Trustee, New York Racing Association; Owner/Breeder

Lawrence J. LaBelle  
Judge, Saratoga Springs

John T. Landry  
Trustee, New York Racing Association; Owner/Breeder

Mrs. John T. Landry  
Owner/Breeder

Richard Lawrenson  
Racing Steward, Monmouth Park

William Leggett  
Senior Writer, Sports Illustrated

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

Martin L. Lieberman  
Vice President Administration; Secretary and Counsel, 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, New York Racing Association

Elaine E. Mann  
Director, National Museum of Racing

John DeWitt Marsh  
Owner/Breeder; President, Virginia Thoroughbred Association

William D. Mathews  
Director of Planning and Development, The Jockey Club

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

Henry T. McCabe  
President, Off Track Betting Corporation

Jon J. McClosky  
Executive Director, Joint Legislative Task Force

James McCulley  
Staff, New York Turf Writers Association

Gerard McKeon  
President, New York Racing Association

Richard McLaughlin  
Racing Steward, The Jockey Club

MacKenzie T. Miller  
Trainer

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

John J. Mooney  
President, Arlington Park

John A. Morris  
Member, The Jockey Club; Trustee, National Museum of Racing; Owner/Breeder

Mrs. John A. Morris  
Owner/Breeder

Dr. John A. Morris Jr.  
Member, The Jockey Club; Owner/Breeder

Robert E. Mulcahy III  
Executive Director, New Jersey Sports and Exposition Authority

Barney Nagler  
Columnist, Daily Racing Form

James Navolio  
Executive Director, Kentucky State Racing Commission

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

Walter F. O'Connell  
Member, The Jockey Club; Owner/Breeder

Joseph C. O'Dea  
Member, New York State Racing and Wagering Board

Francis A. O'Keefe  
Owner/Breeder

DeWitt Owen  
Designated Representative, American Association of Equine Practitioners

Dr. Joseph Palamountain  
President, Skidmore College

Stanley Panco  
Executive Director, Thoroughbred Breeders of New Jersey

W. Haggin Perry  
Member, The Jockey Club; Owner/Breeder

Stanley D. Petter Jr.  
Owner/Breeder

Joan Pew  
Member, Pennsylvania Horse Racing Commission

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

Mrs. Ogden Mills Phipps  
Owner/Breeder

James Picou  
Trainer

James Plemmons  
Washington Horse Breeders Association

Joseph P. Pons Jr.  
Owner/Breeder

Mitchell C. Preger  
Trainer; President, American Trainers Association

John Pricci  
Columnist, Newsday

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

Robert E. Quirk  
Vice President, Pinkerton New York Racing Security Service

Virgil W. Raines  
Trainer

Calvin S. Rainey  
Retired Executive Director, The Jockey Club

Jennifer Rauch  
Field Representative, Thoroughbred Owners  
and Breeders Association

Gilbert Razzetti  
Assistant Treasurer, The Jockey Club

William O. Reed  
Owner/Breeder

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

Milton Ritzenberg  
Owner/Breeder

R. Richards Rolapp  
President, American Horse Council

Lou Rondinello  
Trainer

Franklin D. Roosevelt Jr.  
Owner/Breeder

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

Mrs. Donald P. Ross  
Owner/Breeder

Louis R. Rowan  
Member, The Jockey Club; Owner/Breeder

William H. Rudy  
Writer

E. Barry Ryan  
Member, The Jockey Club; Trustee, National  
Museum of Racing; Owner/Breeder

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

Mrs. James P. Ryan  
Owner/Breeder

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

Michael Sandler  
Publisher, Triangle Publications

Chris Scherf  
Director, Service Bureau, Thoroughbred Racing  
Associations

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

Kenneth Schiffer  
Member, The Jockey Club; Owner/Breeder

Mrs. Kenneth Schiffer  
Owner/Breeder

Charles E. Schmidt Jr.  
President, National Association of State Racing  
Commissioners

Hilmer Schmidt  
President, Florida Thoroughbred Breeders  
Association

Paul Schosberg  
President, New York Thoroughbred Breeders  
Association

Edward Seigenfeld  
Vice President, Marketing, New York Racing  
Association

Bayard Sharp  
Member, The Jockey Club; Owner/Breeder

Mrs. Bayard Sharp  
Owner/Breeder

Herman C. Smith  
Executive Vice President, Oak Tree Racing Asso-  
ciation

Harold E. Snowden  
Manager, The Stallion Station

Harry D. Snyder  
Commissioner, New York State Racing Commis-  
sion

Viola Sommer  
Owner/Breeder

Hans J. Stahl  
Director of Operations, The Jockey Club

James D. Stewart  
Trustee, National Museum of Racing

George Strawbridge Jr.  
Member, The Jockey Club; Owner/Breeder

Robert P. Strub  
Member, The Jockey Club; Director, Thorough-  
bred Racing Associations; Chairman, Santa Anita  
Park

Charles Taylor  
Owner/Breeder

Charles H. Thieriot  
Member, The Jockey Club; Trustee New York  
Racing Association; Owner/Breeder; Trustee,  
The Jockey Club Foundation

Mrs. Charles H. Thieriot  
Owner/Breeder

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

Whitney Tower  
President, National Museum of Racing

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

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

Mrs. Daniel G. Van Clief  
Owner/Breeder

Daniel G. Van Clief Jr.  
Executive Director, Breeders Cup, Limited

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

Alfred G. Vanderbilt  
Member, The Jockey Club; Trustee, New York  
Racing Association; Trustee, National Museum of  
Racing; Owner/Breeder

Michael Veitch  
Columnist, The Saratogian

S.E. Veitch  
Trainer



A view of part of the audience just prior to the opening of the 31st Round Table Conference on Matters Pertaining to Racing.

Newman E. Wait  
Trustee, New York Racing Association

Thomas M. Waller  
Owner/Breeder

Mrs. Thomas Waller  
Owner/Breeder

John Weber  
President, Florida Breeders' Council; Owner/  
Breeder

William H. Welch  
Executive Administrator, New York Thorough-  
bred 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

Clifford Wickman  
President, Thoroughbred Racing Protective  
Bureau

William H. Williams  
General Manager, Triangle Publications

Jack W. Wilson  
President, New York Turf Writers Association

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

Louis E. Wolfson  
Owner/Breeder

Mrs. Louis E. Wolfson  
Owner/Breeder

Joanne Woodward  
Owner/Breeder

Frank Wright  
Trainer

David L. Yunich  
Trustee, New York Racing Association

**OBSERVERS:**

John Ballo  
Steven H. Brooks  
Henry S. Clark III  
Robert Clay  
Jack Cohen  
Allan Dragone  
Bonnie Dursi  
Howard Giordano  
Greg Gunderson  
David L. Heckerman  
John Imbriale  
Patrick T. Kelly  
Mike Letis  
Greg Magruder  
Mrs. R. Martin  
Patrice Miller  
Peter Perkins  
Rich Podolsky  
Josh Pons  
George W. Pratt  
A.C. Saake  
Diane Scherf  
Jeffrey A. Seder  
Gene Stevens  
Richard Stokes  
Helen Ueltzen  
Mr. & Mrs. von Wiesenthal



*Chairman, Ogden Mills Phipps, welcomes the invited guests.*

**MR. PHIPPS:** Good morning ladies and gentlemen, and welcome to the 31st Annual Round Table Conference on Matters Pertaining to Racing. I remember when this conference was upstairs in a little room and then it had to move over to Skidmore College and a little bigger room. Now the National Museum of Racing lets us use this wonderful space and we seem to be growing out of it a little bit. This morning we have two panels: one on Public Relations Opportunities for Racing and the other on Simulcasting of Races. We welcome you and wish and hope that you all interrupt and ask questions at any time you like. The first moderator is John T. Landry, known as Jack by all of his friends in racing. He's a Trustee of the New York Racing Association and Senior Vice President, Director of Marketing for Philip Morris. He's the man behind the Marlboro Cup, and he's been a great friend to racing for many, many years. Jack . . .

### *The Public Relations Opportunities for Racing*

Moderator, John T. Landry

**MR. LANDRY:** Thank you Dinny. And good morning, members of The Jockey Club, ladies and gentlemen. The subject we're going to discuss in this portion of the 31st Annual Round Table is critical to the short-term and long-range welfare of horse racing in America. The need for more effective and more productive relations with the media has never been greater for horse racing than it has become in recent years. Today, we're competing for the leisure dollar and for gambling dollars with a vast array of professional and amateur sports, and with ever growing numbers of gambling casinos and state and local lotteries. To compete in this arena, horse racing needs the support, the interest and the in-depth coverage of newspapers, magazines, radio and television. I think it's becoming urgent for us to explore the question of whether or not the racing industry and its component racetracks are indeed doing an adequate job in the area of media relations. To address this challenging subject this morning, we're fortunate to have three uniquely qualified representatives of the media. Not only do they bring to the table vast and distinguished records in the communications world, but each also has a long and deep involvement in the world of Thoroughbred racing. I'd like to introduce our panel now, and then turn the mike over to them. First, the very well known, and well read turf authority and columnist for the New York Post, Mr. Ray Kerrison. Having lived and

worked as a journalist in Australia for many years before coming to America, Ray is most familiar with that enviable situation in his native land where as most of you know, every newspaper carries four to six pages of racing information every day. The second panelist is the noted journalist, television commentator and author, Mr. Pete Axthelm. Interestingly, I believe Pete is the only person who has ever won Eclipse Awards for both writing and television. His first Eclipse was for his 1973 Newsweek cover story on Secretariat, and he received his Eclipse Award for television as a member of the announcing team for the 1979 running of the Marlboro Cup. The third panelist is Mr. Richard Goldstein, station manager of WCAU television in Philadelphia. For years Dick has been responsible for his station's aggressive, knowledgeable racing coverage, and in 1980 he received the Eclipse Award for outstanding local television achievement. And now I'd like to introduce our first speaker of the morning, Ray Kerrison.

**MR. KERRISON:** Dinny, Jack, ladies and gentlemen. I think I'm supposed to talk to you about racing's problem or relations with the press. And to understand that, if you think you've got problems, the press' problems with the press is even greater. Aside from the Wall Street Journal, the biggest selling newspaper in the country is the New York Daily News. I work for the New York Post, and I think we are the third or the fourth largest





Ray Kerrison

selling newspaper in the country. If you pass the hat around between the both of us, you couldn't raise a dollar. We're both going broke, and you people are selling yearlings for \$10 million. So you should be telling us how to run our business, and I'm not sure I should be telling you how to run yours. But I operate on the newspaperman's creed: I may be in error, but I'm never in doubt.

If I were a young man starting out today, to build a career in sports, I probably wouldn't even think of going into newspapers. Television occupies the high ground that newspapers had 20 years ago. That's where the money is, visibility, travel, prestige, recognition, whatever you call it. And you people remind us of that every year. The Kentucky Derby, all the journalists go down there about a week before the race, and they walk around the backstretch, and they get mud and dust on their shoes, and on Thursday, Howard Cosell comes in, and the earth shakes, and the heavens rattle, and the television cameras and the trucks take over the whole track, and we get left up the track. But it's a funny thing. Did you ever go to the Churchill Downs backstretch the day after the Derby? You'll still find all the journalists there with their notebooks. You won't find a TV camera or a TV commentator anywhere. They've long since fled in their limousines.

So, we may not be the glamour, but we provide you with the bread and butter. All the television networks in this country don't pro-

vide one man on the racing beat.

The three tabloid newspapers in New York maintain two men full time. We print your entries, results, charts, stories, day-by-day. So we are kind of important to you.

Now, when we came to the Preakness and the Belmont this year, both tracks threw their usual breakfasts. And they both passed them over into the hands of the television commentators, Jim McKay and Brent Musburger, and all the national press was there, and at those two breakfasts by my count, not one journalist asked a question. I think there was a fair bit of resentment as to what had happened, and yet probably what happened is what is happening in the business.

If I was starting out today in newspapers, I'd probably try and get a beat on baseball or football. At least there's some prospects there. The last beat I'd try and get is horse racing. And one of the reasons for that is we're not very well paid. A young man has very little chance for advancement if he gets into horse racing. There's no recognition in it. And worst of all, you're working for sports editors who don't really understand the sport and care even less.

So, what am I doing in the business? I work in horse racing because I love it and because television, publishers, editors notwithstanding, I still think it offers great potential for a young reporter who is creative, and has some energy.

I know what it can be, because as Jack told you, I came originally from Australia where racing dominates the sports world and permeates the whole society. Sydney has a population of nearly four million people, which makes it comparable to the biggest cities in America, outside New York. And yet in the Sunday papers, in the pullout sections, the first six pages of both papers are devoted exclusively to horse racing. Stories about races, pictures, charts and even the bets; the big bets laid by bookmakers.

So, if I was starting out in Australia, the first beat I'd try and get is horse racing, because that's where the visibility is. I'm sure you all know Robert Sangster. He told me, that when he went to Australia for the first time, he couldn't believe the amount of press coverage that horse racing gets there. And he told me that he figured, gee, with a business like this, getting all this publicity it must be a good business to get into. And he did, and today he has about 100 horses in Australia.

Now when my boss, Rupert Murdoch,

who's an Australian, bought the New York Post back in 1976, he didn't do much with the sports section because like most foreigners he's not too familiar with American sports. But he did issue one directive. He said he wanted good, strong racing coverage. Now like all Australians, he has a heritage in the sport. When he was a young man he used to bet them, and later he owned them. But when he made the decision that he wanted good horse racing coverage, I don't think he did it out of personal interest so much as he thought it was good business, good newspapering business. And as the results suggest, with all due modesty, he's not too far wrong. The last few years, the circulation of our paper has doubled. Within the house, the sports section is regarded as the prime asset, and in advertising revenue, the sports section is our best feature. In a calendar year, the New York Post today devotes more space to horse racing than any single sport. We have no reader surveys to prove it, but our editors at least believe that a lively racing section is a critical ingredient in the package.

When we came to town, the New York *Daily News* and *Newsday* both stepped up their coverage by hiring Russ Harris, and John Pricci, and so far as I know, they're not sorry for it. They've done well with it.

So, horse racing is not bad business for newspapers. How do you convince newspaper publishers of that? I am not sure. This much I am sure of. In America, there is a conspicuous lack of an awareness, of racing's appeal, and its following in the public. There is certainly a lack of appreciation of its worth. And nowhere is that more apparent than in Los Angeles. I went there this winter. Spent a week. *The Los Angeles Times*, one of the biggest, wealthiest newspapers in the country, and if you've ever been out there, you can't help but be shocked by the small amount of space they give to horse racing. Bill Christine works that beat, but it's unbelievable. Those people have no conception of what horse racing is in Los Angeles. The impact, the number of people that go there, the amount of betting, what it does for that city. In the newspaper business, we talk a lot about horse racing; we think there's a fair bit of ignorance and incompetence in it; but we'll match you. In the press business, we'll match you stride for stride. Take a look at the horse, John Henry. If John Henry was racing in Australia, he'd be a folk hero today. Instead, in this country he's one of the best kept secrets.

When he came out of Hollywood Park, I think around the July 4 holiday and won that race; I hung around New York, and I tried to find out on radio and television whether John Henry won. I couldn't find anything, didn't hear anything. And there's only one reason for that. The people who run the media in New York are unaware of what's going on in the horseracing business. Maybe partly your fault, but the larger fault lies with us.

Now, if you're not quite satisfied with what you get in the press, I don't blame you, but at the same time we have our problems with you, and I'd just like to run through, very quickly in the time I've got, and maybe mention a few points.

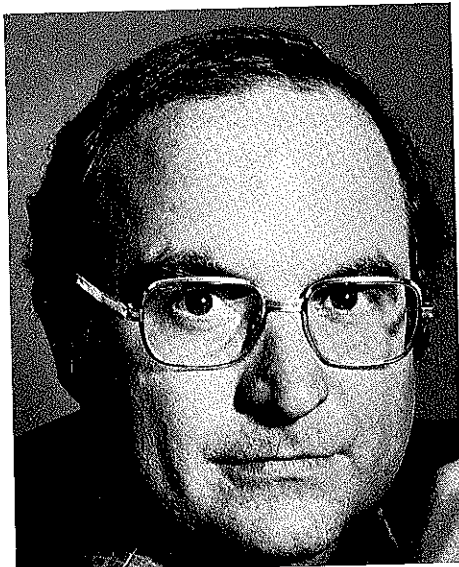
Racing is a huge industry here, but it has no leaders. There are a lot of organizations who have presidents, but who speaks for the business in this country? I can't find out. There is nobody. I would guess the logical choice for that is The Jockey Club. Well, they got blown out of the water a few years ago, but maybe it's time they got back in and try to give the people some direction. The industry is fragmented. Everybody talks to themselves. I really don't know how to handle that.

Most of you think you're in the horse business, and I don't think you are; you're essentially in the gambling business. Because if you close those windows, all the breeders and all the owners and all the trainers will go out of business. Gambling, whether we like it or not, is the primary source.

So you have an obligation to make your gambling competitive with the rest of the games of chance and I don't think you're doing it. You enter into pacts with politicians thinking either they're your allies, your partners, or your friends, and I think they are neither. You allow legislatures to dictate too easily the terms on which you're going to operate. They even set the price at which you're going to sell your product. Let them try to tell General Motors what price they ought to sell Cadillacs for. There's no free market in horse racing.

As a reporter, I'm frequently frustrated and bewildered at your lack of fight in the public arena. Sometimes the press does it for you, but you ought to do it yourself.

I think you need to rewrite the gambling laws in this country. Too often they favor the illegal sector. The illegal bookies are not doing bad business, but the legal bettor is penalized. Harsh taxes, not much convenience, very little service. When I was in Sydney



*Pete Axthelm*

in March a man bet a \$1 Trifecta, and he hit the jackpot for \$375,000. When he went to get the money, nobody asked him his name, or his address, or his social security number. And sure as hell nobody lopped 20 percent off the top. But you're saddled with the withholding tax, and I know the American Horse Council and some people worked at it, but you don't work hard enough. You've got to get rid of it. They are impediments to the growth of your business.

Now America, we all know, leads the world in technology. In horseracing, we're still pretty much in the horse and buggy stage.

On Friday, I went over to a little company here in Saratoga, a very small but successful high tech company. They told me that they could put a little sensor in the bridle of any horse, and electronically time and place every horse in every race. They could do it tomorrow. They told me they could institute a horse identification system electronically. They said they could install a far better electronic betting system. If you can go to the bank on Sunday with a piece of plastic like this and withdraw money, why can't you make betting as easy? I think the technology is out there but you're not moving in that direction, maybe because we have no central authority who's really looking at it. All the tracks look after themselves. I understand that. But where at the top are you moving or pushing into new frontiers? It's not visible to me.

I know later today you're going to have a

simulcasting panel. For what it's worth in my view, I think radio offers horse racing far greater potential. It's cheap, easy, convenient, portable, and maybe the only reason I'm here today is because of radio. When I was a small kid back in a little backwoods town in Australia 46 years ago, I used to tune in every Saturday and get live radio broadcasts of races from two cities; Adelaide and Melbourne. That's when I got hooked into the newspaper business and into the racing business. And here I am in 1983 in America, the leader of the world, and I can't get a race call live anywhere, except in one or two OTB parlors in New York City. I think you've really failed to take your sport to the public.

Recently I read in a trade magazine, an article by the marketing expert in California. He said that racing of itself will no longer draw people. You need a gimmick to draw the crowds. And if he's right, I think that's very sad. I hope he's not right, and I'm not sure he is, but if you people have no faith in your sport, don't expect the readers in the New York Post to have any either.

Racing has flourished around the globe for about 300 years. In the past 15 years, the United States has enjoyed a golden era of horseracing, and I consider it a privilege that I've been here, seen it, been a small part of it. It can get better, if you get off your behinds. I just wish more Americans understood it, or were involved in it. So, we come to the bottom line. I could fix your problem overnight. The remedy would be drastic, and Dinny Phipps would have a heart attack if I did it, but it would work. Just fire all the American sports editors and replace them with Australians.

(Laughter)

**MR. LANDRY:** Thank you very much Ray, our second panelist is Pete Axthelm.

**MR. AXTHELM:** Thank you Jack, and Dinny, ladies and gentlemen, it is a great honor to be invited here. I'm particularly glad that Ray has established for openers, and perhaps on a little unusual scale, that you are talking with gamblers here. You're talking to guys who go up against the windows. I look out in the crowd and see John Brunetti. I'm not going to say that my handle at Hialeah has built new wings on his house, but I will take credit for building at least the Paddock Bar that he added this past year. And there's really only slight truth to the rumor that some tourists



*Sharing a light moment before the Round Table Conference were the officers of The Jockey Club, (left to right) Ogden Mills Phipps, Chairman; William S. Farish, Vice Chairman; James C. Brady, Jr., Secretary-Treasurer.*

come to Hialeah and think there are two statues in the paddock: the Citation statue and one of me at the bar with the beautiful barmaids that he has supplied there.

But in the gambling spirit, I'm trying for a little bit of a trifecta here. I think I'm speaking from three points of view. One is as a columnist for a national news magazine. One is as a commentator for NBC Sports. And third as someone who really does love racing and who tries to be an ambassador of racing to those areas. There is a lot of conflict there and perhaps there's a little risk. Ray started out by telling you his problems with editors and with getting space and so forth. I want to tell you a little bit about that in relation to my business. To start out with; one of the great editors at Newsweek, Osborn Elliott, who is now Dean of the Columbia School of Journalism, used to like to tell audiences who wanted to know the essence of Newsweek journalism. that the job of a great editor is to separate the wheat from the chaff, and then print the chaff. He also used to like to refer to

the news magazine exercise as a delicate mechanism that cannot be easily overturned. It is a delicate mechanism, and I have found in my 15 years at Newsweek, and in observing my colleagues and competitors at Time, that news magazines are delicate mechanisms of fairly small proportions into which 1,200 pound horses seldom fit.

I went back over the last four or five years of issues of the news magazines and I find as a rule, Times' horseracing coverage for the year IS the Kentucky Derby. Before and after. Sometimes not even before. Just after. Newsweek's is also the Kentucky Derby, plus usually one major story on the horse or personality of the year, which happens at about the time their columnist is dying to get a week at Saratoga. And maybe one other story on a good scandal or controversy of the year. That's a lot by the standards of the history of news magazines. Even that much is published only because their columnist happens to be a person who spends most of his life, his free time at the racetrack. What is happening? Why

does this happen, that we can't get racing the same amount of coverage as, say, the America's Cup, which we jump at, with some knee jerk reaction every time it comes along, as if there are millions of readers out there who want to read about the new keel on an Australian sailboat.

I think they want to read about John Henry. I don't think I'm prejudiced to say that, and yet it's very hard to sell. To explain it, I'll go back to the delicate mechanism. News magazines operate on a system which is based on what they call a story conference. All the editors get together on Tuesday and Wednesday and discuss what's going to go into a magazine. It's a wonderfully democratic system, and it works. They've tried, people have tried other ways, more dictatorial ways, and they find that really, it does work best to have everyone feed in the input. However, in specialized areas, like sports and most particularly racing, you become a victim of a terrible syndrome. Everybody's entitled to second guess. Any editor is entitled to second guess.

To give you an example of some of the lines I've heard over the years: when Steve Caughen first came to Aqueduct in that winter and started winning, when he won six races one day and he set a record for most victories in one week. And I sent a message down through my editor—"there's this sensational 16 year old kid won six races yesterday, and set a record for races this week," and the word came back that several editors had said, "well doesn't that happen every year?"

In golf, when Nancy Lopez came on the scene, this wonderful, bright, magnetic personality in women's golf. She won her first two tournaments in her victory streak. Now she wins the third one, I sent word down, "we ought to do a cover story on this girl, she's fantastic." They said, "Let's see how she does this week." Now it's the fourth week, and she won the fourth week. I sent the note down again, and they said, "Let's see how she does this week." Well the next week she finished fifth, so, a few weeks go by and now, lo and behold, she wins another tournament. I said . . . , "maybe now we ought to think about doing Nancy Lopez," and they said, "No, No she was last month's story."

This is the kind of logic you get and the kind of logic that I think pervades our little branch of the media, and in a lot of the media.

Ray already mentioned John Henry, I thought it was shocking. When John Henry came back from the long layoff, at the age of

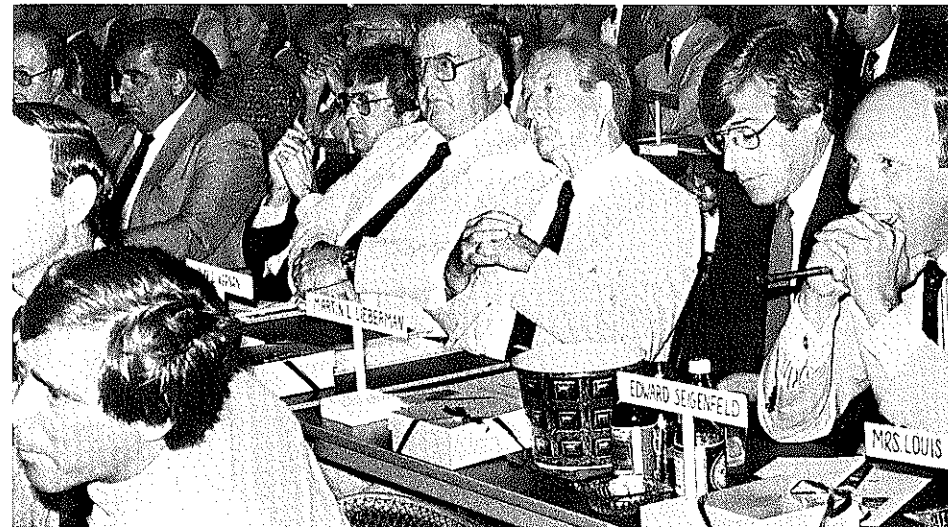
eight, it was one of the most sensational training performances by Ron McAnally and one of the most sensational performances by a horse to come back and win that race on the Fourth of July weekend. I happened to be in Miami at the time and the Herald gave it one paragraph. I got back to New York and suggested it as a Newsweek story and I got the same kind of reaction. "Well you did John Henry two years ago, what do you want to do him again for?"

We have a very short attention span, and it's a problem. I want to go on to setting up the second part of my problem which is television, then give you some brilliant solutions which do not involve Australia.

I know Dick Goldstein's going to address many of the attitudes of television on an executive level. I just want to tell you a little bit on a production level. The way television treats horse racing in my experience, with a very few exceptions, the most notable being Bob Fishman of CBS. Most producers come to a racing event and don't have a clue. They don't sense the story, they don't sense the history or tradition or grandeur that we in this room may feel in a race. They come in and, in many cases they treat it like it was just another trash sport. I mean it could be refrigerator racing or rock climbing or something. They bought the rights to it and racing better damn well provide it. If you sell television the superstars competition, part of what you sell them is that every superstar, after he gets off his bicycle or out of the pool or whatever, is available immediately to their announcer with a microphone.

Well we all know that when you go to do a major race, you don't expect every jockey to leap off the horse and immediately give an interview. You don't expect every trainer to be available every minute of the morning to yank him away from trackside to give an interview. But television does, and it can produce some real controversies and real problems. When they go in to cover a race and find they won't let you light the stall to take a picture of every horse or any horse, it can produce a little startled reaction. I think the problem is on both sides.

I think some of our public relations people in racing have not sensed what television wants and also have not realized what novices they're dealing with in most areas of television. I would say that in the average, when a network sends a crew, there might be one or two people amidst the talent and the produc-



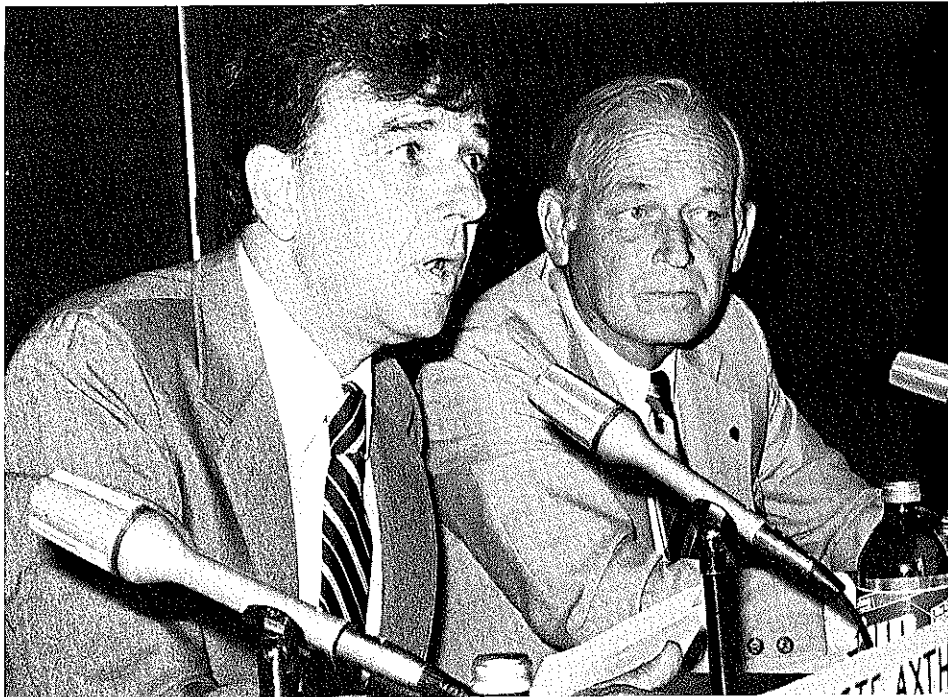
*The audience at the National Museum of Racing absorbed in the presentation of the panel on Simulcasting of Races.*

tion people that really know the sport. That would be there of their own volition. I mean that's how I always judged it. I mean if I go to cover a race, obviously I would be there anyway, paying to get in and betting on it and so forth. Very few other people that you work with in television would be, so in a sense you have to sell them on the race, even after you've sold them the rights to your event. You have to sell them on what the story is, what the importance is.

I think they're letting down there, and I think television does a terrible disservice when they go in and treat a horse race as they would treat the latest rock diving contest.

To go back to the answers, now that I've set up the two problems—in terms of print media, I happen in my daily existence as a horse player as well as a journalist, to be exposed to what I think are two of the best public relations organizations this side of the National Football League. And those are the NYRA and Gulfstream Park. I think both of those are examples that have, if anybody else around the country wanted to look at marketing and obviously I haven't been everywhere, so I'm not saying somebody else doesn't do it as well. But if I wanted to make a study in marketing and public relations, I would go to those two places. At Gulfstream they sell the product, they create a sense of excitement about it. They have one of a number of good preparations for the Kentucky Derby in the

Florida Derby. And yet I think they make the Florida Derby an event that I look forward to, and people I know look forward to it. Really, it's almost just below the level of a Triple Crown race. I think it's one example. New York, in the last few years, made tremendous strides in terms of press kits, in terms of promoting what's going on. I think some of you know I'm speaking about a friend. But I don't think I'm prejudiced when I say Harvey Pack's Paddock Club, and his Sports Channel cable show are things that everyone in this business should be looking at. Bringing humor and bringing something that both the astute horse player and the novice can relate to. I couldn't really sit here and say how New York could improve on it in any way. I wish I could tell you how you could get into one of those story conferences and help me get John Henry into Newsweek more often, but within the structure of what we do, I have to say very positive things there. On the negative side, I think what we're lacking is a national force that gets the same kind of consciousness to our magazines and our newspapers. I happened to be talking the other day to several of the most astute horse players in New York up here at Saratoga. Guys that could tell you the fractions of a horse that Bobby DeBonis ran two weeks ago without having to look it up, and one of them said, "Well, why do they pay all that money (for foals by Alydar) the other night. Alydar hasn't done anything." And I



Ray Kerrison, the racing columnist for *The New York Post*, makes a point during his speech.

said, "don't you know that Althea (by Alydar) beat the colts by 12 lengths in the Hollywood Juvenile?" . . . and he said, "Oh, I don't pay any attention to the results from out there." Well, that's ridiculous of course. The most important racing in the country is going on in California as well as New York, and yet the fact is that California doesn't pay much attention to New York, and New York pays almost no attention to California.

I think any steps that can be taken, and I gather that The Jockey Club itself is taking those steps or is at least starting to move in those directions toward getting national information. I know Sam Kanchuger will be involved in some of that. I think that's a very important and valuable idea that all of us should be aware of. I know this from my television experience. When the death of Landaluce occurred and I did a eulogy to her on television. There were people all over the country, east of the Rockies who weren't aware of Landaluce. She had to die to get our attention.

I suspect that similar things would happen if a horse doesn't happen to be on national

television. They go unnoticed and anything that we as a community could do to make us conscious of what's happening at Arlington or at the Super Derby in Louisiana Downs, things that now are just footnotes in all of our regional coverage of things, would be a tremendous step forward.

On a wider philosophy, I think racing publicity suffers greatly from what has become a growing closed door policy. We aren't open enough, partly as a reaction to some scandals or threatened scandals over the last few decades. We've made it difficult for people to get to our personalities. I mean, I would like everyone to know the fun it is to spend a morning with Woody Stephens or Wayne Lukas or Leroy Jolley, learning what they do and sharing their wit. I don't think that is getting across. I think even more alarming, at many of our tracks for various reasons, the jockeys got annoyed at somebody or somebody abused the privilege and went in asking for tips or whatever, but at many of our tracks now the media doesn't have free access to the jocks room. Well, in my experience, many good stories, and going back to when I work-

ed for newspapers, many of the best stories you get are going and hanging around the jocks room while the guys are playing pool, or playing cards . . . and exchanging opinions. That's where you get a lot of the fun of racing in these exchanges. When you have to make an appointment through the stewards or the clerk of scales to go and talk to a rider, you're getting a formal, stiff interview, instead of something that's spontaneous.

Why are we selling the highest price yearlings in the history of the world, at a sale where they still feel they can't be honest and say which buyer bought his horse back. I don't understand it. To me, any of those things creates a feeling that racing has something to hide and in talking to people the kind of people I've mentioned to you . . . you know, good journalists, outstanding people who want to understand racing, but they have that concept, they see headlines about scandals, they see headlines about problems, and they have a general feeling that we have something to hide and I don't think we really have very much to hide. I'd like to show it to more people. On television the answer, I think I've already touched on: you know we've gotta give television more cooperation while not sacrificing the dignity and traditions of our sport. I look to New York for examples. If the networks took a closer look at what Frank Wright and Charlsie Cantey and Harvey Pack and humbly enough at what I've tried to do and on both regional and national telecasts to show how much fun this game can be. I think we can do a lot of educating.

Jack, when he introduced us, talked about the importance of both short term and long-range thinking and I'd like to take a few minutes to think a little bit about the broader and long-range thing and the image of this sport. Why do people, outsiders, people, who don't really know and love the game? Why do they sort of inherently suspect it, or back away from it? Partly it's that so many of our headlines have been negative. I don't hear reports that after one former jockey, Scamp Errico, was convicted and no other jockeys were convicted or even indicted. I didn't see headlines saying 99 percent of the jocks in the rooms of this country are clean. Just the other day *New York Magazine* ran a piece on Mafia dons and what a great job the Justice Department is doing in bringing the Mafia to heel and Scamp Errico's picture was in there. Just to get racing in there. Scamp Errico is about

as close to a don as I am to Prime Minister of Australia.

Secondly, we have the tremendous problem of sanctimonious misunderstanding or greedy politicians and I don't want to go on about that. Ray has already touched on it very well. I would only point out that anyone who wants to really understand how to mismanage this sport, and who also likes nice weather, go to Florida and find the place where they can't keep teenage girls from working Federal highways, but they sure can keep them out of the racetracks, because they'd be tainted if a minor could go into one of our racetracks in Florida. It's just one example, as I say we have great examples of that.

Second, Ray's comments about the IRS, and I won't go through that again, it is the most regressive and unfair tax in the world to tax the \$2 bettor and not the guy who bets \$2,000 on an even money shot.

There's the cosmetic problem. The casual observer of racing goes by OTB parlors in New York. What does he think we're running? The casual observer doesn't see Saratoga, he sees the OTB parlor on 2nd Avenue and 54th Street, and it's not a pretty sight. That makes it a hard sell too.

Fourth, the problem that I think is probably the central problem of racing and maybe I'm diverting a little bit from the pure media problem, take the medication issue. What do people in the public think about medication? They think "60 Minutes." "60 Minutes" has rerun their one-sided presentation of medication more times to my knowledge than any other show that "60 Minutes" ever did. What are the buzz words of the medication issue? Now, I'm not here to take sides one way or another, but in all this public debate, the uninitiated person reads, what are the words we hear? We hear the word "inhumane," the Humane Society is involved. It is "inhumane." Well the fact is many people, many honorable people in this sport, many veterinarians find it's more humane to use a medication, to use a therapeutic medication that alleviates a horse's bleeding or respiratory problems, than it is to make him go on about his business without giving him that relief.

It's not really a humane issue, but that's the word. The word "mask." Does a drug "mask" something? Well, that's great. That's the image that we're all sneaking around in the night with something over our eyes. Can we



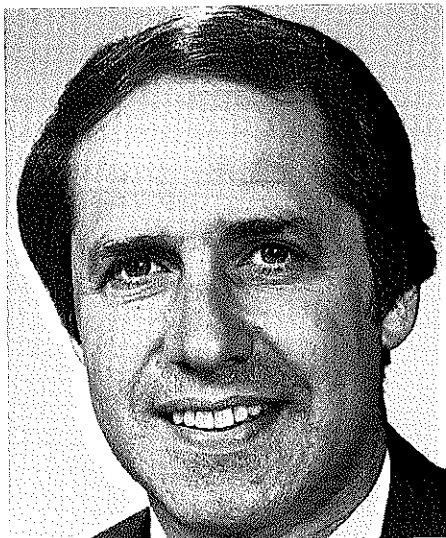
"mask" something? Well, we're all concerned about the problem of masking, but pending more studies, it seems like every study I read, there's plenty of contradictory issues about what "masks." Let's be worried about it, but let's not throw the word "mask" up to the media, to the public at all times. "Form reversals." The argument always seems to be someone wants to use drugs, they'll use it to produce "form reversals." Well, a veterinarian just the other day was presenting me with a very cogent argument, that really medication is the surest way in which you maintain a horse's form, as long as it is controlled and regulated.

And finally, just the word "drug" itself. I was just reading some of the debate in Illinois, it happens, where people arguing before the racing commission were equating therapeutic medication with the word "drug," and in turn, equating that with the danger of using batteries, race fixing and so forth. My point is that on both sides of this debate, whichever way you go on it, I think there are people of honor, there are people who are trying to do the right thing for the sport. And I think the mistake is that each side is accusing the other of in effect wanting to cheat rather than wanting to survive, to make the sport work.

Finally, and partly, taking off on the subject of medication, on medication and other things, the one thing that we all run from is the idea, that if we don't solve this problem on a national basis, the federal government will. Somebody will step in and we'll be doomed by people who come in from outside. I would submit that right now, in terms of racing and its image through the national media, if anything, we're going to be doomed by those who allow the "60 Minutes" kind of mentality. Those who don't seize the chance to explain that most jockeys, even the accused, are not guilty. That Lasix may be disputed, but it's not discredited, and the vast majority of us, on all sides of these issues are trying to put on a great show, do the right thing, and as I said at the top, maybe even hit a trifecta, and maybe do it the old fashioned way, by earning it. Thank you.

**MR. LANDRY:** Thank you Pete. . . . And now our third panelist, Dick Goldstein.

**MR. GOLDSTEIN:** Thank you Jack, members of The Jockey Club, ladies and gentlemen. Good morning. I very much appreciate the opportunity to visit with you this morn-



*Richard Goldstein*

ing. When Dinny Phipps first called me and asked me to participate on this panel, he made reference to some remarks that I had offered at the American Horse Council Convention in Washington this past May. Dinny's point was that perhaps I would like to expand upon those remarks and that I should say my piece. I'm not sure I want to say my piece since we took a lot of shots at Australia already. I titled these remarks: "We are all in this together", or "We should be." The specific comments I offered in Washington perhaps should be reiterated, for those who may not be aware of them, or as a refresher for the rest of you.

It's my personal experience in the television industry, and in the racing industry, to some degree, that there is a tremendous need for a national information office that would encompass all of the many diverse organizations that comprise the racing industry. An information flow that would go from these organizations to a central point, to which the television people and the print people, and the radio people could go to get information, or the other way around.

The racing world however, needs one definition from me and that is, that in these remarks and in the remarks that I offered in Washington, I really am talking about the entire industry. I'm not talking about just the racetracks, or the TRA, or the non-member associations. I'm talking about the owners, I'm talking about the breeders, I'm talking

about the jockeys, I'm talking about the sales companies, I'm talking about the sales agents, I'm talking about the track superintendents, the turf publicists, we are all in this together. Or we should be.

Frankly, if we all don't get in it together, the decade of the 1980's will see more of the problems that Ray and Pete just outlined because the competition for air time . . . on television, whether it's television that comes through the air, or over a cable, or on a home video tape, or on a disc, or in the mail, or via laser beam, or however the distribution system is designed, but it ends up on home television sets. The competition for the viewer's time and attention will just keep going on the direction it's going with football, basketball, baseball, college, professional, amateur, girls, boys, and everybody else.

And racing will be in about the same spot, and there I go saying racing. I don't mean racing at the tracks only, I'm talking about the Thoroughbred industry, will be in the same spot it's in today. There is absolutely no doubt that racing needs television more than television needs racing. And that's sad, and it bothers me but folks, it's important. It is important for your business, all the way down the line till we get to the end of the century.

I have what I think is an extension of the remarks I made in Washington to offer today, which may help with this problem. I think that the office that I proposed should not just be an information office. It should not be a passive office waiting for phone calls to come in, waiting for a reaction to be offered. Rather it should be a sales office. It should be a sales and information office. Staffed by people who understand racing and staffed by people who understand television and it should sell racing, and the total Thoroughbred industry to the television networks, to the cable companies, to the local television stations, to whomever will listen 52 weeks a year, because the Thoroughbred industry is in business 52 weeks a year. The television industry is in business 52 weeks a year and the viewers are watching 52 weeks a year.

This business that you people are part of, is more than just the first Saturday in May. But the television people don't know that. Somebody has to tell them. If nobody tells them, then it's not going to change. If Lee Iacocca didn't grab Chrysler by the back of the neck and restructure it and organize it, and pull it together, and go out and sell it to the American public via television I think we can all

guess that the results may have turned out to be a lot different then they really are today.

The things that sell sports in America in this day and age are celebrities, championships and tradition. It's simple, and television is in my view, simple too. Television is simply the railroad tracks down which the messages are shot at the audience. And the television executives try to put on the air programs that will be watched by the greatest number of people. And the advertisers are willing to pay for advertising time in those programs because they know a lot of people will be watching. That's all there is to it. The most watched programs stay on the air. The least watched programs are not economically viable and they go off the air.

So, here we have the Thoroughbred industry. A big industry with lots of very bright people, with lots of very enthusiastic people, dealing with the ingredients of sports in America that everybody likes. Competition, speed, thrills, strategies, dealing with animals that are top flight athletes, dealing with jockeys that are top flight athletes, and it's a secret to the television industry. That's a mistake, and it's costing you money, it's costing you fans, and it may be costing you your future.

My view is that the Thoroughbred industry, everybody, that whole alphabet soup of organizations, should get together and establish a national sales and information office that is located on Madison Avenue in New York City, or on 6th Avenue in New York City, with people who are in constant contact with the television industry.

And I think at this point it's worth it to take one minute and tell you a little bit about how the television industry goes about telling it's own sales people to sell commercial advertising time. At WCAU in Philadelphia, we have 40 account executives spread around the country. Ten are in Philadelphia, the other 30 are in New York, Chicago, Los Angeles, Atlanta, Dallas and Detroit. Our sales mission is frankly parallel to what I think your sales mission should be. We ask our account executives to get in touch with the advertising agencies or the advertisers themselves, and to try to establish a dialogue and find out what it is, that the advertiser and their agencies are trying to accomplish. What their needs are. And then to see, if what we have for sale, matches up with what the needs are. We're not interested in one sale. We want the second and the third and the fourth sale. We want the repeat business, and I believe you do too.





*The panel on Public Relations leads off the 31st Round Table Discussion on Matters Pertaining to Racing.*

You don't want to have a race on once and for the next four years no more race. You're trying to build a dialogue. That dialogue requires feedback, it requires information that can be acted upon. Plans that can be executed. Certain things that have to be rejected. An example: if this national sales and information office were in existence in New York right now, I believe that that office would be telling the Thoroughbred industry in total that nobody should sign long-term television contracts. By long term I mean, more than three-year contracts for rights to broadcast anything. The reason is the television industry is in upheaval itself. It's changing all the time. Why lock yourself in to a long-term contract that you may want to change? What you're saying is, I think my product will be worth about the same five years from now, six years, seven years, eight years from now as it is now. And the television people would like you to sign long-term contracts, because then they know they have a commitment. That's a program that they're going to broadcast on the air. So if we had an office in New York in a dialogue situation with the industry, I think what would happen is the people would come back and talk to appropriate representatives of The Jockey

Club and the TOBA and every other organization that you all can think of and provide feedback that you can act upon.

To my knowledge, the Breeders Cup does not have a television contract for November 10, 1984. Today it's August 7, 1983. I hope that the Breeders Cup gets a wonderful contract. And I hope that it's not just a one-year contract, but at least it's a commitment to go forward from there. But there are huge problems in terms of scheduling in October and November of any calendar year. Football is all over the place. And the fact of the matter is that it takes a lot of negotiation and a lot of discussion, implying a two way street. The Thoroughbred industry would benefit from having an appropriate representative, able to talk both industries' language.

In Washington I gave a series of six of what I call war stories, or horror stories of things that had happened to me, personally, as a television executive in dealing with the Thoroughbred world. One of those stories is worth repeating right now. Two or three years ago, our television station was in Atlantic City to broadcast the Jersey Derby. We were pre-taping an interview in the winner's circle with a prominent trainer, who had a

name horse in that race. This interview was to last a minute and a half. It was to be shown on the air when the horses were in the post parade. I was standing alongside our announcer and the trainer being interviewed. But I was out of camera range. I was trying to listen to the interview so that when the interview was concluded I would be able to talk with the announcer about the substance of the interview. So the announcer turned to the trainer and said, "How is your horse? How do you expect your horse to run tonight?" The trainer says, "my horse can run on the lead or he can come from behind. He can run on fast tracks and he can run on off tracks. He can run on grass and he can run on dirt." And he went back and forth like that for a little while. The interview is over. The trainer turned to me, just a person standing there, not knowing who I am or connected with the broadcast or anything, very proudly said to me, "I didn't tell them nothing".

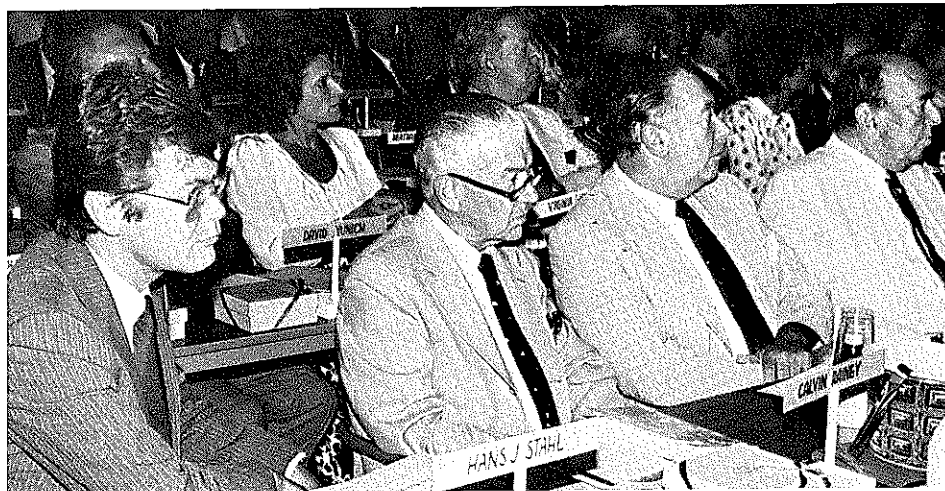
Unfortunately we can laugh now, but it's not funny. Because the trainer didn't understand the power of television. There were 250,000 people, maybe more than that, watching that broadcast. The American sports fans do not want double talk. Not when foot-

ball and baseball and basketball and the Olympics and everybody else you can think of, will provide meaningful interviews with background and educational information to enlighten the fan, and make them better fans. Match that interview with an interview that happened this past June. Third round of the U.S. Open Golf Tournament. Jack Nicklaus played very badly on that day and Jim McKay of ABC turned to Jack Nicklaus and he said, "Jack what happened? Obviously you had a tough day today." And Jack Nicklaus, who was at the top of the profession, and is a quality, quality man . . . said, "Well Jim, I studied my round and I realized that I'd played very badly on the par 5 holes. On number 8, I took the wrong club and I cost myself a shot. On number 12, I decided to hit the ball to the left of the green, and that was a mistake because when I got over there, I found that I couldn't have a clear shot to the green. Cost me another stroke." And he mentioned some other mistake that he had made on another par 5 and he said "you can't win, or play well enough to win in the United States Open if you make those kinds of mistakes."

Terrific interview. Terrific interview for the sports fan. Matched up against the double talk that the viewers received from the trainer



*The Public Relations panel delivers its presentation to the audience at the National Museum of Racing.*



*A view of the audience at the 31st Round Table Conference at the National Museum of Racing.*

in the story I mentioned a minute ago. This national office that I propose should be able to help with that kind of a problem, because I envision the office, not only selling the Thoroughbred industry to the networks, but also selling it to the people in racing and the industry, and providing counsel and guidance to the networks as to whom to interview, and coaching and trying to make sure that what gets on television is good stuff for the Thoroughbred industry.

Because every opportunity to be on the air counts a lot and everybody wants to be on television including Pete. It's true. All the advertisers want to be on television, it's just a question of whether they can find the right way to be on television and can they afford it. Everybody wants their sport to be on television. Penn State football is all over us trying to get a special show on, a highlight show on once a week this year. Everybody wants their sport to be on television.

Your sport is a major league sport. And it needs to be sold in a major league fashion. It cannot be sitting back and waiting for people to come to you. You have to have people going out and selling it or else it's not going to change. The situation is not going to change, because the rest of the sports world is selling their sport. So you're in a pretty competitive struggle.

I would like to shift now, just briefly, to a promotion discussion. It's kind of hard to tell where promotion starts and stops, and where public relations starts and stops, where pub-

licity starts and stops, but I originally, in the comments I offered at the Horse Council, mentioned that those 3P's: Promotion, Publicity and Public Relations were things that I thought that this office should work diligently on for the benefit of racing. I would like to show five promotional spots now. There are spots here from the National Football League, from the National Collegiate Athletic Association, from the National Basketball Association, and from Major League Baseball. And I would ask you to watch these spots and tell me what's missing. Let me have the spots please.

(Five promotional spots shown)

Well what's missing is a spot for the Thoroughbred industry. What's missing is a spot for racing. These spots under contractual agreement in the NFL football games, the NCAA football and basketball games, the NBA games and the baseball games are selling their products to the viewers. The only complaint I have with these spots is, they should be running in the other guy's sport. The Thoroughbred industry should have had spots like this, that are running in baseball games, as well as in every racing related event that goes on any kind of television station any place in the United States. These are in the contract. That United Way spot that you saw, The Christmas spot, is in the contract between the National Football League and CBS. And one of those spots runs every time a football game goes on television. You watch for it. It's a key. That's salesmanship, and it's a

key, and they're using the television medium, which is absolutely the most intrusive medium ever invented to sell their sport, and their business. And the Thoroughbred industry should do the same thing.

I have one more thing to go over, very quickly. I want to show another promotional spot, one 30-second spot that relates to the Pennsylvania Derby. Five years ago, I was involved at the very first discussions where the Pennsylvania Derby was created. It's now been run for five years. The race has grown and this year was a Grade II race, \$200,000 added purse. Some very prominent horses have been involved in the race. Smarten and Summing and Temperance Hill. Dixieland Band won it this year.

We felt that, as the race grew in popularity, that it was very important to get the endorsement through his participation, of the Governor of the State of Pennsylvania. So that the viewer would pick up on the idea that this is a big thing, a championship race in the State of Pennsylvania. He had been invited in previous years, but had not come to the race. This year, through the combined effort of the people at Keystone and our television station, he agreed to come and he did enjoy himself very much. He says he's coming back next year. He was absolutely a great addition to the race and it accomplished what we had hoped in terms of the marketing of it in the Philadelphia area. This promotional spot that



*John T. Landry*

you're going to see now ran 10 times in the 10 days leading up to the Pennsylvania Derby this year. The Derby, for your information, achieved approximately double the audience of the Belmont Stakes. Same television station, same time of the day, 12 days apart. The only difference between those two programs had to be the promotion. Look at this carefully please.

(Promotional spot shown)

In summary, the one thing I would say that can help solve these problems is a national sales and information industry wide supported office selling this industry to the television people. Thank you very much. . . .

(Applause)

**MR. LANDRY:** Thank you Dick. I have questions for them, and I'm sure many of you do, but we have run too long and we do have another most interesting panel discussion coming up. So thank you Ray, Pete and Dick and in their behalf, thank you all for being here, and for your kind attention. Thank you.

(Applause)

**MR. PHIPPS:** Thank you Jack. Thank you all. We at the Jockey Club have long had the same problem as these three gentlemen. We're most fortunate to be able to have Sam Kanchuger join us to help in this effort. I think Sam's real job is probably not going to be to so much help Bill Leggett or Russ Harris or Joe Hirsch or any of the other fine columnists that are here today. They have a lot of information already at their fingertips. Maybe what we're really going to be able to help is the sports editor in Iowa that doesn't know much about racing. Maybe we're going to be able to help the person that doesn't see anything but NFL releases. As a matter of fact, Jack and I have been talking and I think racing shouldn't be too proud to learn. We're going to go to the NFL offices. We're going to talk to Pete Roselle and his staff, going to see how they do it, and how they do it well.

We're here and we're going to try and help you all. The other thing I'd like to say is that we're very pleased today to have with us Mr. Allen Coles, who is the new Chairman of the Oklahoma Racing Commission. It's always nice to see racing come to another one of our states and we thank you for being here sir. We'll take a very short three or four minute break and get right back with the program.



Moderator John Hettinger introduces the members of the panel discussing the topic of Simulcasting of Races.

**MR. PHIPPS:** Could everybody sit down in the back? Our second panel for today is headed by John Hettinger, leading breeder in New York, member of The Jockey Club, and the issue is simulcasting of races. John:

#### Simulcasting of Races

Moderator  
John Hettinger

**MR. HETTINGER:** Thank you Dinny. Good morning ladies and gentlemen. The topic of our second panel is Simulcasting of Races. The revolution in communications which permits us to send television signals around the world, and the technology of cable television which makes it possible to consider simultaneous transmissions of racing into people's living rooms, presents us with quite a range of opportunities and pitfalls. Properly handled, this technology can create new fans for the sport, and vastly increase the handle nationwide. Improperly handled, it will put racetracks out of business and render the majority of the 40,000 odd foals born each year redundant. We hope that the discussion this morning can help us focus on ways to maximize the opportunities, and minimize the pitfalls of this new technology which will probably change racing as we know it over the next decade. Our panelists view the subject from different vantage points. Our first panelist is Mr. Gerard McKeon, President, New York Racing Association, who will have to deal with simulcasting with an off-track betting mechanism already in place. Our second panelist is Mr. Robert P. Strub, Presi-

dent of Santa Anita Park, who will view it from the vantage point of not having an off-track wagering system in place, and our third panelist is Mr. John A. Bell, owner-breeder, who will view it from the point of view of a Thoroughbred breeder, who, like many of us, is probably haunted somewhat by the specter of horseless horseracing. Gerry, would you like to start?

**MR. McKEON:** Before I start my presentation, I want you to know that I've been given ten minutes and I will take no longer than ten minutes, because I want to make the Daily Double and I hope you all do, too. Also, I want to thank John for forcing me to write down some notes rather than winging this, which is my customary style, and I'd also like to thank John for sending all the way to Pasadena to find somebody who could agree with me.

But, to get this thing off the ground, I'm going to talk about what I consider to be three essential ingredients to a successful simulcast, and it's really a very simple concept. First, you have to have a racetrack. And I'm using the word racetrack. I'm not talking for the industry. I'm talking about a very nar-

row branch of it, the racetrack operator, and narrower than that, the New York racetrack operator. You also have to have a product worth selling, obviously, and you have to have a receptive buyer.

I'd like to take those, one by one. First of all, to understand NYRA's interest in simulcasting, you really have to draw a comparison between NYRA now and what it was like, say, ten or twelve years ago in 1970, which was really the zenith of our business operations in New York. A lot has happened to the New York market area in the intervening thirteen years. And any racetrack I don't care if it's NYRA or some smaller race track in the Midwest—any racetrack needs a core of what I call its regular attendees, who live in close proximity to that racetrack. Those are the people who are going to be there Monday through Friday, when you don't have the big stakes races to draw them in. They pay the bills. The people that come on the big stakes races are the gravy, the profit of the operation.

In the last ten years—I'm going to throw some numbers at you now that you'll probably find startling and Bill Killingsworth will eat them up, I know—our primary marketing area, I'm talking downstate, not Saratoga . . .

is comprised of the five counties of New York City plus Westchester and Nassau. In the twelve or thirteen years since 1970, the population of those seven counties has decreased 1,000,000 people. Eleven percent of the population has gone. Where have they gone? They've gone to suburbia. And when they're in suburbia, buying their house, their first house for instance, they've mowing lawns on Saturday. So, it's a very hard sell to get them to come to the racetrack. So we've lost a million people and of those people that are remaining, particularly in the three counties that are closest to us: Brooklyn, Queens and Nassau, the mean household income of those three counties has decreased 22 percent, 29 percent, and 20 percent respectively, a total combined decrease in average mean income of 23.4 percent.

So you have decreasing population, a poorer remaining population, and an increase in competition. A lot of our competition comes from other professional sports. You heard that from the other panel. They viewed it in terms of other sports being represented on television. Well, there's an awful lot of sports activity in the New York area. For instance, Baseball: Yankees, Mets. Football, Giants, Jets. Basketball: Knicks, Nets. Hockey:



The officers of The Jockey Club, (left to right) Ogdon Mills Phipps, Chairman; William S. Farish, Vice Chairman; and James C. Brady, Jr., Secretary-Treasurer; listen to the panel's presentation.



Rangers, Islanders. Soccer: Cosmos and Arrows. And think back a minute and see what it was ten years ago, in 1970, or twelve years ago in 1970. The Islanders, the Cosmos, the Arrows, were not in existence at that point in time. The attendance at these professional games in the metropolitan New York area has grown from six million, three hundred thousand annually, to seven million eight hundred thousand annually, a 20 percent increase.

So now we have three factors influencing our track market area, a decrease in population, a poorer population, and increased professional sports. Add to this mixture, in 1971, the creation of the Off-Track Betting System so that now, not only are we facing competition from other professional sports, but we are facing competition in one area of what we operate. We operate two areas: the sport of Thoroughbred racing, and as Ray pointed out, the game of pari-mutuel wagering. We are now sharing the pari-mutuel wagering market with Off-Track Betting. There are approximately 250 Off-Track Betting shops in this state, and about 150 of them are within an easy drive of either Aqueduct or Belmont Park. So, our market area is shrinking.

It costs NYRA about \$175,000,000 a year to run its operation. Our income, revenue rather, is about \$235,000,000 a year. So we have a margin, between a profitable operation and a losing operation, of about \$60,000,000 a year. But you can see that with an expense base of \$175,000,000 and a normal impact of inflation, it wouldn't take long for that expense base to creep up and eventually surpass the revenue base, unless that revenue base were expanded substantially.

We feel that with all of the competition in the New York area, we cannot count on expanding the on-track market base sufficiently to cover increasing costs into the future. That's not to say we're not going to try and we won't have some success. We have as you know, quadrupled the amount of advertising dollars we've spent during the last decade, and that has had some good success. We seem to have stopped the erosion of fans away from the racetrack to the off-track parlors, but our revenues on-track are not growing quickly enough to give us a comfortable margin ten years from now, between profit and loss.

So we simply look at simulcasting as a way to expand our market, to get out of the geographical limitation of metropolitan New York

City and sell our product elsewhere. So we're looking at it, admittedly, from a very narrow point of view. We want to make money and that's the primary goal of our simulcasting venture.

I talked about why we have an interest in simulcasting but now I want to talk about a product worth selling. Not everybody has, in my view, a product worth selling, via simulcasting. To me, there are several elements that make up a saleable simulcast product, and first and foremost is the same thing that makes the product go, on-track. That is—quality racing. And by quality racing, I mean the stars of racing, running at a racetrack which is run in a professional manner, and a racetrack, which has as its primary goal; high integrity. Without that kind of quality, who would want to buy your product? We take a lot of effort to make sure our product is of a quality nature, not only to satisfy our own patrons, but we have this simulcasting market in mind. We want to have the reputation of having a product which has a lot of stars and is run with a high degree of integrity.

But, there are also some other elements that are necessary. One is a quantity of racing. We have found that one thing that makes NYRA's product marketable is that we do run all year. So that Connecticut, for instance, which is our major simulcast buyer, chooses to go with NYRA not only because of its quality product, but with signing of one contract, they are assured of a continuous flow of races nine times a day, 312 times a year. That's not to say NYRA is the only one that can offer that. California certainly could put together a circuit and sell its product as a package. Florida could do that. The same thing, but I think it would be easier for either one of those states to market their product as a package, rather than as individual racetracks.

Another element, as far as the product being worth selling goes, is that you have to be flexible in your approach. You have to market your product differently to different racetracks. Ray or Pete mentioned Harvey, and Harvey is an excellent marketing tool for us in the New York area. However, I suspect that he would be a little too New York sophisticated, say, if we were simulcasting into Iowa. So, you would have to tailor your show for different audiences, and in fact on Wood Memorial Day, we had five different telecasts of the Wood Memorial being received at different places around the country.

For instance, we had the network televi-



*Gerard McKeon the President of the New York Racing Association, notes the importance of on-track attendance to his three racetracks.*

sion, which appeals to the most general type audience. We send the image to Connecticut, which tailored it to their audience. They have their own handicapper, their own special shows. And each of the racetracks that were hooked up on a simulcast network. Some of them chose to either take the Harvey Handicapping Show or to block that out, and put in their own handicappers.

So you have to have that flexibility; and for that reason and others we have found it beneficial for us to create our own Programming Department within NYRA. That department's job is to do on a mini basis, what Dick suggested be done on a national basis. That department, first and foremost, sells simulcast to other racetracks and other interested parties, and secondly is in charge of the technical production and also of tailoring each show to the particular audiences it's being beamed at. Another factor which is worth mentioning is that a simulcast track, or a track hoping to simulcast will be more successful if

it is part of a large mutuel pool. To point this out I'll just do a quick example about this. A couple of weeks ago, where in Las Vegas the bookies pay track odds, they don't run a pari-mutuel operation, they just pay track odds. Well, some sharpies made substantial show bets at the originating racetrack distorting the show pool on the favorite, so their partners out in Las Vegas put several hundred thousand dollars to show on the favorite, and of course it did win, and the show price at the track was something like \$6.80 where it should have been \$3.20, and they made a big score. Well, you can't do that if the track where the bet is being placed has a mutuel pool so large that it would take several hundred thousand dollars to manipulate the pool, and that kind of a wager would be too much of a risk to take. So the size of the pool gives the recipient of the simulcast some sort of assurance that he's not going to get burnt.

The third element is, naturally, that you need a receptive buyer of your simulcast im-

age, and we have several that buy it for different reasons. Connecticut, for instance, is a state which looked at building a racetrack and chose not to, for many reasons. The first and foremost was the economic reason. And it's almost like being at a racetrack you will agree, if you have been to the Teletrack in Connecticut. Las Vegas is in the gambling business, and they just view us as an added excitement for their fans. Something that the other casinos didn't have when we started, and that's why they wanted us. They wanted us as a promotion. Many tracks use our major races as promotional events, rather than using T-Shirts. And I think that's good for racing, where instead of having a nice looking young lady in a T-Shirt on the television camera, you can advertise that if you come to our track, you will be able to see and bet on the Marlboro Cup, for instance.

I'm just going to summarize quickly, because I am going to stick to ten minutes. My view of simulcasting in the future. I'd never think simulcasting is going to replace the on-track operation. Just to give you a scale of things, I said before we have an expense base of \$175,000,000. We will always depend on our on-track attendance to cover that. All we view simulcasting as, is an avenue of growth, another avenue of growth, so that we are not totally dependent upon on-track attendance. Thank you very much.

**MR. HETTINGER:** Thank you very much, Gerry. Our next panelist is Mr. Robert Strub.

**MR. STRUB:** Thank you, John. Gerry's told us about New York. My area is California, and unfortunately we don't have a law in California that allows us to have a simulcasting situation. We can't have a simulcast within the state to other racing associations, nor can we have a simulcast outside of our state to another area. We are seeking to be able to do that, because we feel that simulcasting has a great future, and we would like to be part of it. One of the things that Gerry said was that a key to good simulcasting is to have a good product. Certainly New York has a good product. We, in California, think we also have a good product, and want to take the opportunity and the advantage of what New York has done and try and follow in their footsteps. Usually the person that gets there first has captured the market Gerry, but we'll be close behind you. We look at simulcasting as an opportunity to enlarge the market place for racing. Racing, as we've heard earlier from our press friends,

is a great sport. We know that but it's important that the people out in the rest of the world know that too, at least out in the United States, and I think from what we've heard earlier today, we haven't been able to get that message across. When we can put top racing in every community in the United States that will accept it, and still not put other racing associations that exist, because of the federal law which wouldn't allow that ... then I think we ... will accomplish something ... and when people travel, because it's a very mobile world today ... they come to New York, or come to California, they may want to come and go to the racetrack, which they saw on the television screen or as an imported product, or an exported product. We look forward to that opportunity and we think that it ... will be good for racing, if it's done properly. It can really do two things, it can supplement an existing program at a race track, which New York has been doing by putting in a major feature race wherever they can get it and make the proper arrangements where it's financially profitable for both the host track and the satellite track, or it can be a full program of all nine races that are supplied to another area, such as Connecticut. I think there are several forms, or really two forms that this takes, either on an intrastate basis or an interstate basis. Canada has enjoyed a tremendous success with their race-track-to-racetrack experiment which produced 413,000 people in attendance at ... a satellite track and \$54,000,000 in wagering. They saw some deterioration of their attendance and handle at the host track, the one that put on the show, but they more than made up for that with the satellite track and enjoyed a tremendous success. I understand ... that ... in 1983 you're looking for a substantial increase in that and ... good luck to you, we'll all be watching you. In California ... we have Bob Gunderson out in the audience someplace and he's very anxious to have a simulcast across the bay. Bay Meadows is on the San Francisco side of the bay and Golden Gate Fields is on the Oakland side of the bay. When one is operating, the other is closed. It would be a similar thing to what Canada has done. So they're looking forward to doing that, but again, it will take legislation in California to make that possible. New York is faced today with an experiment that, I know they're very not very happy about, and I can certainly understand that, and I'm very sympathetic, and that is simulcasting into OTB



*John A. Bell III makes a plea for "home betting" during the panel discussion of Simulcasting of Racing.*

shops. We don't have OTB in California, we have a bill that's progressing, and maybe we will in the next several months. If we do one of the features that we expect to have protection on, is no OTW, Off-Track Wagering, as we've referred to it there, to differentiate from the New York system, within 45 miles of any existing racetrack. It will be a teletheatre concept where we will export our racing to that theatre and hopefully it will not, it will not, compete with our on-track operation because it will be 45 miles away. We've engaged the Killingsworth firm to do some studies and ... the fallout of that is, even at 45 miles, we expect to be hurt 18% on our pre-tax profits. So ... you can see what happens when you have an OTB or an OTW operation that's too close to the racetrack. So, we want to export our operation to areas that will not affect existing racing associations, and certainly that will be true with the Bay Meadows-Golden Gate Fields experiment, because they're across the bay, and as I said earlier,

when one's operating, the other doesn't. On the interstate scene let me get back to the New York situation. I understand there's an experiment going on with the harness races now, which has been quite successful for the OTB shops but if I was an operator here in New York, I would not want to have simulcasting going into OTB shops that were within an area where my patrons would go there, instead of come here. If you get far enough away and get 45, 50 or 60 miles, then I think there's a benefit to it, but if you're putting live television into OTB shops that are going to compete with your own attendance, I think that's very bad, from the point of view of the racetrack. Getting to the other form of simulcasting would be interstate, which is from state to state. New York has done a lot of that on a feature race program. They've also done it on a Connecticut basis where they put in not just the feature race, the entire program. I believe their arrangement with Connecticut is pretty much a 50/50 arrangement after



they've paid the taxes. One of the inequities that I see in this arrangement which we're concerned about in California is the fact that those dollars are being taxed twice. They're being taxed in Connecticut, and they come . . . the money that Connecticut feeds back to New York is taxed again by New York authorities. Actually those are Connecticut dollars, and in my opinion should only be taxed in Connecticut, when they come back here they should not be taxed again. If they were New York dollars, then that would be different, but they were bet in Connecticut. We're very concerned that that precedent doesn't follow us in California, because we don't want to see the double taxation. I understand in the Las Vegas experiment that, as you said earlier, they pay off at track odds but that's a flat fee arrangement. And also what Pimlico is doing with simulcasting into Caliente, across the border in Mexico, is also a flat fee arrangement. So . . . the typical 50/50 program . . . or 50% coming back to the host track, and the 50% being retained by the satellite track and then divided on whatever formula is appropriate with the horsemen seems to be the typical way to go, except in these few exceptions where a flat fee is arranged for. I think there are other opportunities for interstate which is similar to what's going on in Canada and that is, putting your signal into a racetrack, either on an interstate basis, where that racetrack is dark, and another racetrack in the general area is not running, and of course the federal law would protect again on an interstate basis, any intrusion . . . on other racetracks in that area, so I think there are adequate protections with the federal law. Arlington, I also understand is sending their signal over to Las Vegas, and I don't know just what those financial arrangements are. One of the things that we hear about today is the future of the electronics industry, which we all know is tremendous, growing by leaps and bounds. How does the sports world fit into that, and specifically how does the racing industry fit into that? We hear . . . hear about cable television. We know that we've had telephone betting, that New York has had . . . Florida has had, and I believe Kentucky has now also embraced it . . . We heard from our press that . . . the 20 percent reduction on a big wager that has to be taken out and fed back to the IRS is a very bad thing. We certainly agree on that. And everything else that's been said earlier. How we get out of that, I have no idea except just to work hard

and continue to work hard, and we're certainly doing that. But looking at cable television, it's really akin to telephone betting. And as long as we have the IRS, and I believe we're the only country in the world that collects a tax on a winning wager, or a sweepstakes, or whatever. As long as we have that sort of a thing, where the IRS is being unfair with our bettors, reducing their payoff by 20% on these large wagers, not paying any attention to the fact that you may have lost a similar amount the race before, or will lose a similar amount the day after and then you have to wait til April 15th to try and reclaim that, and then keep very . . . detailed records. Really, that money never comes back to that person, even though he might . . . might have lost 2 or 3 times what he won . . . because I think when people go to the races, they go there for a good time, they don't take their books or their accountant with them and keep track of those things. But as long as we have that kind of a philosophy, in our federal government, I don't think telephone betting or cable betting is going to be a big thing. But that remains to be seen. I've been wrong before. That concludes my remarks other than what I've said. We don't have it in California, we look forward to having it. We think done properly it can be a real plus for racing. Thank you.

(Applause)

**MR. HETTINGER:** Thank you very much Bob, our final panelist will be Mr. John Bell.

**MR. BELL:** Thank you John. I guess my serious interest in betting started right here at Saratoga. When I paid a tout . . . a reasonable sum of money for a tip on my father's horse, who was running in the 1941 Alabama. Unfortunately, she finished third. Now I have a good deal of empathy for bettors, and I am concerned for their welfare, their protection, good health and long life. For they are racing's customers, and they are the purchasers of our product. The bettors are the source of the money that comes into racing, the money that provides the operating funds for the tracks. The tax for state government, the purses for horse owners. From the betting comes the salaries and the per diem paid to trainers and then to exercise riders, grooms, hot walkers, and the feed men. From the bettors come the purses that the owners are trying to win with the horses they have bought from me as a breeder. Purses which I try to win, with a filly I keep to race. The amount of money bet by bettors determines



*The audience listens intently to the presentation of the Simulcasting panel during the Round Table Conference on Matters Pertaining to Racing.*

the amount of purse money, which in turn determines the price I pay for a stud fee . . . the price I pay to buy a mare to produce a foal that can win that purse. So, I'm very concerned about the bettor. All the bettors and how much they bet. I read in *The Blood-Horse* . . . last week that New York was the highest daily average betting in the United States . . . with \$4,786,000 a day. California is second with \$3,349,000. Californians bet the most at the race track, New York is higher because half of the money bet on New York races is bet off-track. As a consequence of this greater betting, off-track as well as on-track on New York Thoroughbred races . . . purses for Thoroughbreds racing in New York are the highest in the United States. According to the figures published last week in that same article, purses offered at New York State by both NYRA and Finger Lakes average \$151,000 a day. California with just on-track wagering offers purses averaging \$145,000 a day. As a breeder and owner, I am trying to raise horses good enough to win purses in New York. So I share with Mr. McKeon a great concern for New York purses and the betting

on New York races that produce these purses. As a breeder and owner however, I am also interested not only in New York purses, but purses in California, Florida, Maryland, Nebraska, and Arizona, and each of the 23 states that has racing. And I'm vitally interested in this because not all the horses I breed and race, or breed and race for others to race, can race in New York. Some of them have to race in West Virginia, and I might add here that the very first time I ever went to a track and was spotted by a tout was at Wheeling Downs. So I have a long standing betting interest in the horses raced in West Virginia. Be that as it may, it is fair to say that it has been shown in New York, and in foreign countries, that more money is bet on horseraces when off-track betting is legalized, than is bet on horse races when betting is restricted to the association enclosure. In New York, as in France, Australia, and Japan considerably more money is bet off-track than is bet on track on the same horse races. I think it has also been shown . . . here specifically on a small short experiment, with two off-track betting shops on Staten Island and two in Suffolk County,

that betting in those shops on harness races doubled, when pictures of the races were simulcast to those off-track betting shops. This doubling of off-track betting when the picture of the race is available is reflected also in the betting patterns abroad in England and New Zealand. As a breeder and owner, I am interested in expanding the market for betting on horse races to obtain additional revenue for racing. We probably have reached all of the market for on-track betting. I doubt we can draw many more people to our race tracks in the future. You can only give away so many T-Shirts and tote bags to promote the gate. I think we must look for additional revenue in the future from off-track betting, and expansion of that off-track betting market, through home betting on televised horse races, a form of simulcasting. I'm not talking about simulcasting races from one track to another track.

The man who leaves his house, and drives to a race track to bet on a horse, whether live racing or simulcast racing from another track, that bettor probably already is in our present market. He already knows where the track is, because he's been there. He may bet a little more by virtue of the opportunity to bet on races when his local track normally would be dark, but we cannot expect to realize the great additional revenue racing needs, by tapping our present customers a little deeper in their pockets. We need to reach new bettors. Those who never have gone to a track or placed a wager around the corner in an off-track betting shop. We need to reach those people who stay at home and watch television. Pro football and college basketball games, and who place bets with an illegal bookmaker on those games watched on television. This betting market already exists. We need to reach this home bettor on television sports with horse racing televised or simulcast on cable television. The technology already is in place. There is mechanical capability right now to bet on horse races, simulcast over home television sets through computerized betting accounts. To be instituted it needs but a paragraph or two amendment to a state's existing pari-mutuel betting statute. The urgency in getting this legislation passed can not be understated.

Home betting on televised horse races must be legalized first. Just as simply as statutory provision can be adopted to permit home betting on other televised sports, other

than horse racing, if home betting on televised football comes first, I do not believe horse racing ever will realize the potential revenues it could, and needs, from the home betting market. Football already has the greatest simulcasting system there is. Saturday, Sunday, Monday night, Thursday night, supported and reinforced by extensive newspaper coverage. And we know there already is a great deal of money bet illegally on those televised sports. If home betting on other televised sports is legalized, horse racing will lose its most valuable asset, which is the exclusive franchise on legal sports wagering. It was this franchise which channelled all legal wagering to horse racing. It made the Thoroughbred industry economically viable. It changed the purse structure from \$300.00 overnight purses, derived from track admission fees, to \$20,000 overnight purses derived from pari-mutuel betting. This enrichment came about because horse racing was the only game in town for legal betting. If betting on other televised sports is legalized, and legislators seeking for additional sources of taxed revenue have been thinking seriously about this for several years now, racing will be poorer. Not richer, which it could be, if it were the first sport on which home betting were legalized. It is reasonable to expect that simulcasting an entire racing program on cable TV will reduce attendance at racetracks. This drop however, will be offset by increased revenue to racetracks and to horse owners from an expanded betting market. Reduction of on-track attendance will not, in itself, hurt the racing industry. On the other hand, simulcasting of entire race programs from New York and Los Angeles to a teletrack theater at a racing state, or in a current non-racing state, can hurt the racing industry. It can stymie expected growth of the racing industry or stunt it. Teletrack theatres substitute televised racing, dead racing, for live racing. There is no need for live racing in a state that permits teletrack theatres.

The racing industry is something more than just horses or racetrack and a betting window. It is an industry of jobs for many people, an industry which has tremendous economic impact on each state and every community where it exists. Ask any local resident here in Saratoga what it means to him to have Thoroughbred racing come to town four weeks out of that year. I'm not talking about the pari-mutuel tax derived from bet-



*The panel on the Simulcasting of Races awaits its turn at the rostrum at the National Museum of Racing.*

ting on racing. I'm talking about the additional jobs racing creates here. More waitresses, more customers at restaurants, more hotel rooms occupied, more cars rented, more shirts laundered, at least those that are not lost at the races. The racing industry provides jobs for feedmen, insurance agents, men in addition to the pari-mutuel clerks and the grounds keepers. I'm talking about the jobs and salaries and payments to people who service racing people. Doctors, barbers, car dealers, grocery clerks, local people not in racing but people who benefit economically from the very existence of the racing industry here. The economic impact of the racing industry, the people directly involved in racing, the trainers, the exercise riders, grooms, owners, breeders, jockeys, provide an economic benefit to a state, to a community that a teletrack theatre does not. Simulcasting to a teletrack may be financially rewarding to electronic companies, and might produce

significant direct tax revenues from pari-mutuel betting, but in substituting for live racing, it stunts the racing industry and deprives the state and community of economic benefits generated by the racing industry. I understand how in New York, money can be made by New York State, and by the NYRA, and by horse owners and trainers and jockeys in New York if New York races are simulcast or sold to other states. I also am cognizant of how important the welfare of New York racing is to me, in Kentucky as a breeder and an owner, but the survival and expansion of racing interstate, where there is no racing now, also is important to me as a breeder and an owner. The overall economic vitality of the Thoroughbred industry throughout the United States is important to all of us . . . The Thoroughbred horse industry includes both racing and breeding and the Thoroughbred industry in the United States is bigger than just one state and bigger than New York. What



Robert P. Strub, the President of Santa Anita Park, points out the advantages Off-Track Wagering would have for his racetrack.

is good for New York is not necessarily good for the entire Thoroughbred industry, if the New York racing segment is enriched at the cost of economic devastation or the demise of racing and breeding elsewhere.

In summary, permit me to submit for your consideration: One, the principal source of revenue to racing is legal wagering. Two, that additional revenue is needed by racetracks and horse owners and this can only come from additional wagering. Three, on-track wagering cannot reasonably be expected to increase significantly in the future. Off-track wagering may be expected to expand the market and increase total wagering on horse races. Four, off-track bettors will wager more on a picture of a race than on an audio report of the running or posting of the order of finish. Five, simulcasting and home betting on major racing via cable television can produce extraordinary additional revenue to racing if home betting on televised races is legal-

ized before betting on other sports is legalized. Six, proliferation of simulcasting to teletracks to the contractual benefit of one racing association, one group of horse owners, and two states, to the detriment of the entire Thoroughbred racing and breeding industry is not progress in the usual sense of the word. It is a progression toward the end of economic vitality of the sport and business as we know it today as the Thoroughbred industry. I hope I made my 10 minutes.

(Applause)

**MR. HETTINGER:** Thank you John. I had hoped that we might have some time for questions and answers, but we've already run past our deadline . . . however, I've noticed my . . . panelists here making some notes and I don't think that it would be a bad idea to give each one of them one or two minutes to comment on any segment of what the others have said, so Gerry, would you lead off.

**MR. McKEON:** Yes, I'd like to make a comment on something Bob said. At one point he mentioned that we were displeased with the simulcast experiments currently operating in New York, that is, harness racing going into four off-track shops, two in the city, and two in Suffolk County. I'm not displeased with that. My feeling is that it's their product and if they want to sell it, they can sell it any way they want, and god bless. And perhaps if I were going to sell my race track in a year, I'd want to take some quick money that way too. But the fact is I don't want to sell any race tracks within a year. I want to be here for a long, long time and I want simulcasting revenue *in addition to* on-track revenue, *not instead of* on-track revenue. And because we have that attitude, and because of the financial problems we have, we are very protective of our on-track fan base, and will do nothing to jeopardize that on-track fan base.

I suspect that there will be a point in time when we are simulcasting within New York State, but only when two conditions have been met. First, when we are assured that that simulcasting will not affect our on-track attendance, and secondly, when we are offered a fair price for our product. So we have no philosophical disagreement with simulcasting within New York, but our major concern is first, to protect that on-track fan base, which is sufficient to pay for our expenses. We're not going to jeopardize that.

**MR. HETTINGER:** Thank you Gerry, now Bob.

**MR. STRUB:** Well my remarks . . . I think what everybody has to understand is, I'm an outlander. I come from the West Coast, I'm a racetrack operator, and my observation of OTB in New York is that when NYRA was reorganized, it had an upswing that was sensational. When OTB came in, that started down. And it's only as OTB shops have gotten further and further out from the metropolitan area that you are starting to see, in my opinion, an increase . . . tapping a new market area. It's my belief that actually New York racing is off about 70% because of OTB. If they hadn't had OTB, I think the on track business, with the tremendous facilities that you have in New York, the NYRA has in New York, that you'd be about where you are now on a combined basis, without OTB. I'm very concerned about California. I told you that we are fighting for a OTW bill in California that keeps any kind of facility that might be

called OTB or OTW as a teletheatre concept, outside of a 45-mile limit. I've said that that's going to hurt us, in our opinion 18% on our bottom line pre tax. We're private organizations. We're listed on the New York Stock Exchange . . . we . . . enjoy, or have lack of enjoyment of a return of about 6% pre-tax on the value of our property. That's not very attractive. We want to enlarge that. We don't think we can do it with on-track because we're already I think, reached the point where we handle big crowds, and we can't handle too many more through that method, so the simulcasting of the off-track wagering we think is tapping a new market.

I am very concerned about cable television or television wagering, or in home wagering, whatever we want to call it which John referred to . . . unless we have a protection zone or a black out, that's going to cut into our attendance. Forty per cent of our revenue comes from attendance related facilities. Admissions, parking, programs and concessions. When we lose a customer, we not only lose his betting, which represents 60% of our income, but we also lose those attendance related income sources that are forty percent of our revenue. We think an off-track dollar is worth maybe 40¢ to getting that same dollar, as a full dollar on-track. So when it comes back to us, after going through the off-track situation which we anticipate it's going to be a more expensive operation than on-track, we can take an incremental dollar bet at the race track and have it cost us very little, when you have to go out and create that dollar and probably lose attendance and handle on-track to do it you see that dollar coming back at a very much smaller base, unless we can . . . enlarge our business substantially off-track, it's not going to pay. And if we're going to have racetracks like Santa Anita and Aqueduct and Belmont, we've got to protect that attendance base. Who wants to go to a racetrack where, on a big day you don't have a big attendance. If you don't have a screaming crowd, that's yelling and excited and they're all together. There's an electricity that goes through the air on a big day. If it isn't there, racing has lost an awful lot. That's what we want to preserve.

**MR. PHIPPS:** Thank you very much . . . I guess Lenny Hale must be having some nightmares or something about the weights he's assigned us, and for some reason he's brought us a whole supply of programs for



*The panel on the simulcasting of Races, (left to right) John Bell III, Robert P. Strub, Gerard McKeon and Moderator John Hettinger, offer closing comments.*

today's racing and they're outside if you'd like to pick one up . . . I want to thank John Hettinger who's had the primary responsibility today for all the conference . . . Jack Landry, moderator of the other panel, and all the panelists, who I think did a wonderful job.

Mickey Smithers, who you all know has done this so many times, does an incredible job and thank you very much Mickey. We thank you for coming, we look forward to the 32nd annual conference and hope to see you next year.

## NOTES