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ROYAL COMMISSION

IN

# RACING INQUIRY

REPORT OF J. G. RUTHERFORD, C.M.G

COMMISSIONER

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

J. DE LABROQUERIE TACHÉ,

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1920

[No. 67—1920.] *Price, 10 cents.*

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**REPORT OF J. G. RUTHERFORD, C.M.G., Commissioner.**

[67]

CERTIFIED COPY of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General, on the 9th March, 1920.

P.C. 518.

The Committee of the Privy Council, on the recommendation of the Right Honourable Sir George E. Foster, Acting Prime Minister, submit for Your Excellency's information the attached report of the Commissioner appointed under Part One of the Inquiries Act, by Order in Council of 23rd August, 1919, to inquire into and concerning the conditions pertaining to running race meets and betting in connection therewith in Canada, together with the evidence taken at such inquiry and exhibits relating thereto.

RODOLPHE BOUDREAU,  
*Clerk of the Privy Council.*

CERTIFIED COPY of a Report of the Committee of the Privy Council, approved by His Excellency the Governor General, on the 23rd August, 1919.

The Committee of the Privy Council, on the recommendation of the Right Honourable the Prime Minister, advise that John Gunion Rutherford, Esq., be appointed a commissioner, under Part One of the Inquiries Act, R.S.C., 1906, to inquire into and concerning the conditions pertaining to running race meets and betting in connection therewith, in Canada, including, without limiting the generality of his powers, inquiry into and concerning:—

(1) The number, character, and methods, of operation of race tracks in each district or locality;

(2) The amounts of capital invested in the several jockey clubs and race tracks in each district;

(3) The respective periods of time and the seasons during which race meets have been or are customarily held in each year, in each locality;

(4) The general effects of such race meets and betting upon the community or any particular class or classes of the community;

(5) The methods, devices, and operations, in connection with betting at the race meets and at other places; and the extent to which and the methods by which betting is carried on legally, or illegally, in each locality;

(6) The effects of racing upon the production of improved breeds of horses and thoroughbred stock;

(7) Generally all matters, directly, or indirectly, connected with, or relating to conditions surrounding race meets and betting in connection therewith;

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And to submit, with his report, the evidence to be taken in the case for the information of Your Excellency in Council; and moreover, that said Commissioner be authorized, by his Commission, to have and to exercise all the powers specified in and by Section 11 of the said Act, as enacted by Chapter 28, of the Statutes of Canada, 1912.

RODOLPHE BOUDREAU,  
*Clerk of the Privy Council.*

TO HIS EXCELLENCY THE GOVERNOR IN COUNCIL:

The Report of the Royal Commission, appointed to inquire into, and concerning the conditions pertaining to, running race meetings and betting in connection therewith, in Canada;

MAY IT PLEASE YOUR EXCELLENCY:

I, the Commissioner appointed by Order in Council, dated August 23, 1919, to inquire into and concerning the conditions pertaining to running race meetings and betting in connection therewith, in Canada, have the honour to present my report to Your Excellency.

The subject matter of the reference to me is as follows:—

- (1) The number, character, and methods of operation of race tracks in each district, or locality;
- (2) The amounts of capital invested in the several jockey clubs and race tracks in each district;
- (3) The respective periods of time and the seasons during which race meets have been, or are customarily held in each year in each locality;
- (4) The general effects of such race meets and betting upon the community or any particular class or classes of the community;
- (5) The methods, devices, and operations in connection with betting at the race meets and at other places; and the extent to which and the methods by which betting is carried on legally, or illegally, in each locality;
- (6) The effects of racing upon the production of improved breeds of horses and thoroughbred stock.
- (7) Generally all matters directly, or indirectly, connected with or relating to conditions surrounding race meets and betting in connection therewith.

After making a preliminary survey of the whole situation, I decided that in view of the widely divergent opinions held, and from time to time expressed by certain organizations and individuals, as to the advisability, or otherwise, of permitting public betting on race courses, it would be necessary to hold a number of public hearings, at which evidence might be taken, under oath, with regard to the various matters coming within the scope of the inquiry.

These hearings, which were widely advertised, were held, as follows:—

Ottawa, Ont., September 23, 1919.  
 Montreal, Que., September 25, 1919.  
 Toronto, Ont., October 1-2, 1919.  
 Windsor, Ont., October 4, 1919.  
 Winnipeg, Man., October 15, 1919.  
 Regina, Sask., October 17, 1919.  
 Calgary, Alta., October 20, 1919.  
 Vancouver, B.C., October 23, 1919.  
 Victoria, B.C., October 25, 1919.  
 Ottawa, Ont., January 30, 1920.

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The evidence taken at these hearings (volumes 1 to 5), together with the submissions, documents, and other information obtained during the course of the inquiry, is submitted herewith:—

As practically no running race meetings are held in eastern Quebec, or in the Maritime Provinces, I did not deem it necessary to arrange hearings east of the city of Montreal.

In regard to this area, however, steps were taken to secure, by correspondence, from official sources, such information relative to the general features of the inquiry as might be considered essential to the furnishing of a complete report.

As was anticipated, the information obtained in this way dealt only with harness races, and therefore does not properly come within the scope of the inquiry, as authorized. Some of the statements made are, however, of general interest, expressing as they do the opinions held in a number of different localities as to the necessity, or otherwise, of public betting as an adjunct to racing.

I have, therefore, under a separate head, briefly summarized the sense of the several communications received.

In addition to advertising the hearings, I wrote to the officers of the jockey clubs and racing associations, of whose existence I was aware, inviting them to attend at the points most convenient to them, prepared to furnish specific information concerning the various matters covered by the commission.

I am glad to say that in the great majority of cases this request was willingly complied with.

At each of the Eastern hearings, and at Vancouver and Victoria, the Social Service Council of Canada was represented by counsel; at the first hearing in Ottawa, and at Montreal, Toronto, and Windsor, by Mr. W. E. Raney, K.C.; at Vancouver and Victoria, by Mr. R. L. Maitland; and at the second Ottawa hearing by Mr. J. M. Godfrey.

Members of that organization addressed the commissioner at Winnipeg, Regina, and Calgary, their submissions being, by consent, embodied in the record of proceedings. It was also intimated at each of these hearings that the commissioner would receive and embody in the record any further submissions which the Social Service Council might desire to make. Such of these submissions as were forwarded are appended as exhibits to the evidence.

Members of the Social Service Council were called as witnesses by Mr. R. L. Maitland, at Vancouver, and Victoria, while representatives of the Ministerial Association appeared at Regina, Calgary, Vancouver, and Victoria, generally endorsing the stand taken by the first-named organization.

At the second hearing at Ottawa, on January 30, 1920, Mr. Gorfrey, on behalf of the Social Service Council, called as witnesses, four gentlemen, three of whom gave evidence bearing on clause 6 of the Order in Council, while the fourth, Police Inspector David McKinney, of Toronto, testified on the matter referred to in clause 4 of the said order.

At Winnipeg representatives of the Local Council of Women appeared before the Commissioner and preferred a brief statement, which will be found in the Record of Proceedings at that point.

All the evidence given, and the statements and submissions made, indicate that, the Social Service Council does not, in any way, object to racing in itself, but merely to the carrying on of public or legalized betting in connection therewith.

At all the Eastern hearings, the Canadian Racing Association, which includes in its membership the Connaught Park Jockey Club of Ottawa; the Montreal Jockey Club of Montreal; the Ontario Jockey Club of Toronto; the Hamilton Jockey Club of Hamilton; the Niagara Racing Association of Fort Erie, Ontario; and the Windsor Jockey Club of Windsor, was represented by Mr. D. L. McCarthy, K.C. At the Montreal hearing, Mr. F. E. Meredith, K.C., also appeared for the Montreal Jockey Club, and at Windsor, Mr. A. R. Bartlett, for the Kenilworth Jockey Club. At a number of the

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hearings, counsel representing other clubs, or associations, were present, but, speaking generally, took no public part in the proceedings. At none of the Western hearings were turf clubs, or racing associations, represented by counsel.

No counsel was retained on behalf of the Commission.

At a number of hearings, in both Eastern and Western Canada, much evidence was offered as to the importance and value of the thoroughbred in the breeding of horses for military purposes and other general use.

A summary embodying the evidence offered and the various submissions made relative to this phase of the subject will be found at pages 186 to 261.

At the hearing at Ottawa, on September 23, it was mutually agreed between myself as Commissioner, and the counsel then present, that, at the hearings then arranged for in Eastern Canada, those at Ottawa, Montreal, Toronto, and Windsor, at which representatives of the various jockey clubs and racing associations had already been invited to give evidence, no steps should be taken to compel the attendance of witnesses by subpoena, or otherwise.

This agreement was reached on the understanding that, in the event of failure to secure any evidence deemed necessary for the purpose of the inquiry, further hearings should be called, at which the attendance of witnesses might be made compulsory.

On a perusal of the evidence taken at Toronto and Windsor, it may be noted that in some cases witnesses declined to answer certain questions asked by the legal representative of the Social Service Council, and that I ruled, in view of the understanding reached at the initial hearing, at Ottawa, on September 23, that they, being voluntary witnesses, should not be compelled to answer, especially as they all declared themselves willing to furnish me, as Commissioner, with any information which I might deem necessary for the purposes of the inquiry.

I may add that this undertaking on their part has been duly carried out, and as will be seen from the exhibits and other papers accompanying this report, that, with possibly one exception, which will be dealt with in its proper place, no attempt has been made to conceal, or with-hold, any available facts, or figures, the production of which I considered essential.

It may be noted that during the whole course of the inquiry it was necessary to subpoena only one witness, namely, the former secretary of the Minoru Jockey Club, at Vancouver.

Of those to whom letters were sent asking them to attend and give evidence at the hearings, very few failed to appear. In only two cases, namely those of the Maisonneuve Driving Club, and the Montreal Driving Club of Delorimier Park, both in Montreal, was the absence of representatives of any importance. In the statements regarding these two tracks, which were compiled from information subsequently obtained, explanations will be found, as to the absence of representatives at the hearing.

At the first hearing held in Ottawa, on September 23, the evidence taken in 1910 before the special committee of the House of Commons on Bill No. 6, "An Act to Amend the Criminal Code" was, by mutual consent of the counsel present, filed as Exhibit No. 3, (Volume No. 1) on the understanding that its acceptance by the Commissioner would obviate the necessity of again traversing the ground covered by that inquiry.

In reporting on racing, in Canada, as a whole, I have thought it best, instead of following the progress of the inquiry as it proceeded, to deal first with the conditions found to exist in those portions of the Dominion in which the situation is not, at present, acute.

This report will, accordingly, treat first of the Maritime Provinces and Eastern Quebec, then of the three Prairie Provinces, (Manitoba, Saskatchewan, and Alberta), afterwards of British Columbia, and finally of Central Canada, where the issues involved are, just now, greatly more important than elsewhere in the Dominion.



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Owing to the necessity of dealing with each jockey club, or racing association, as an individual entity, it was not feasible to group, under its respective subject head, the evidence secured with regard to each of the lines of inquiry covered by the Order in Council, such evidence being widely distributed throughout the record of proceedings.

The matters calling for investigations, under Clauses No. 1, No. 2, No. 3, No. 5, and No. 7, are dealt with in the reports on the individual clubs and associations; the last section of clause No. 5, which relates to illegal betting, having, however, been made the subject of a brief supplementary statement.

While, in these individual reports, reference is incidentally made, to the question raised in Clauses No. 4 and No. 6, it was found impossible to deal with them fully, or effectively, in this way.

The subject matter of Clause No. 4 has, therefore, been dealt with separately, as have also certain questions coming within the scope of Clause No. 7, which from time to time arose, during the course of the inquiry.

As the reference in Clause No. 6, in its various ramifications, is one of outstanding national importance, special attention has been given to its elucidation. An abstract of the evidence bearing upon it, as taken at the various hearings, is therefore, submitted, as a part of this report.

## MARITIME PROVINCES AND EASTERN QUEBEC.

No running race meetings of any consequence are held in the Maritime Provinces, or Eastern Quebec, and there is, therefore, no public betting on races of that character.

## PRINCE EDWARD ISLAND.

Mr. C. R. Smallwood, Secretary and Manager, of the Charlottetown, P.E.I., Exhibition, states that there have been no running races on the Island for over twenty years; at such harness meetings as take place at Charlottetown, or elsewhere, there is no public betting.

## NEW BRUNSWICK.

Mr. E. P. Pradt, Secretary for Agriculture, for the Province of New Brunswick, states that there are a number of Racing Associations, of which he furnishes a list, and that, for the most race meetings are conducted separately from the agricultural fairs.

Through correspondence with the Racing Associations, at Fredericton, St. Stephen, Moncton, Sussex, Woodstock, and Chatham, N.B., above referred to, it is apparent that only harness races are held and that there is no public betting.

Dr. McAllister, the Manager of the Racing Association, at Sussex, N.B., expresses the opinion that horse racing cannot be continued without betting.

## NOVA SCOTIA.

Dr. M. Cumming, Secretary for Agriculture for Nova Scotia, and Principal of the Agricultural College, at Truro, N.S., states that trotting meetings are held at Springhill, Truro, New Glasgow, Sydney, Glace Bay, Inverness, and a number of smaller points in the Province. Since the destruction of the Provincial Exhibition grounds, at Halifax, where the principal yearly meeting was formerly held, no races have taken place there. Some of the tracks are owned by Associations and some by private individuals. While betting was a prominent feature at all of these trotting meetings, there was, generally speaking, no organized system. Dr. Cumming is con-

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vinced that if betting of all kinds were disallowed, horse racing would, to a great extent, disappear, which would, in his opinion, be a serious blow to the horse breeding interests of the Province, as without it, many of the best stallions now there, would not have been brought in. He therefore considers racing a valuable impetus to the improvement of horse breeding in the Province of Nova Scotia.

While having no personal experience of betting in this connection he states that he is told by many of his horse-men friends that some system of betting seems essential to the conduct of good race meetings and that, in general, they would like to see betting carried on under proper regulation.

Mr. James W. Power, of the *Acadian Record*, Halifax, N. S., states that while he would like to see horse racing without any kind of betting, it seems that the sport cannot thrive without some form or other. He believes that the Pari-Mutuel is easily the best form of wagering, as it less encourages crooked work. He believes that betting of some sort is needed, as racing will not prosper without it.

#### EASTERN QUEBEC.

Mr. J. A. Grenier, Deputy Minister of Agriculture for Quebec, states that the ordinary annual exhibitions are prevented by the regulations from organising races. He, however, kindly furnished the names of the officers of the larger exhibitions at which racing is carried on, and correspondence with these, elicited the following facts;

At Sherbrooke no running races are held, but there are considerable number of harness events, including several stake races, for which large purses, ranging from one to two thousands dollars are offered. Public betting is not allowed; that is, bookmaking is not officially connected with the Association. An attempt was made, in two succeeding years, to carry on betting on the Pari-Mutuel System, but led to a small loss, attributed by the Secretary, to inexperience in operating the machines.

At Three Rivers there are no running races, and harness meetings are held only in connection with the annual exhibition. These have been very successful and are apparently gaining in popularity, the amounts offered in purses having risen steadily from \$2,400 in 1913, to \$6,700 in 1919. The Manager states, that no betting of any kind is allowed on the grounds.

At Ste. Scholastique, harness races have been held since 1917, carried on at the annual exhibition, under the rules of the National Trotting Association. The Exhibition Association is not interested, nor does it purpose to become interested in betting. As at Three Rivers, the races are evidently a very popular attraction, the amount offered in purses having grown from \$1,200 in 1917, to \$5,000 in 1919, while during the same period the gate receipts which, previous to the introduction of racing, were never higher than \$1,000, rose in 1917 to \$2,719, in 1918 to \$4,600, and in 1919 to \$8,600. The Secretary states that his Board is convinced that if the racing were cut off they would return to the state of affairs which existed in 1912, 1913, and 1914. On account of the races, the Management has added a fourth day to the duration of the Fair.

#### MANITOBA, SASKATCHEWAN AND ALBERTA.

At the hearings held at Winnipeg, Regina and Calgary, the evidence adduced was to the effect that while there are a few minor Driving Clubs and small local Associations holding short meetings, comprising harness races interspersed with some running events, racing generally, is conducted under the auspices of the Western Fairs Association.

At Winnipeg, owing to distance from other centres of population, the limitation on length of meetings and other conditions, there has been little racing of recent years.



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The old established Manitoba Jockey Club, which has been reorganized, secured a new Charter by Special Act of the Provincial Legislature, in 1914. A copy of this Charter and a statement regarding the Club and its operations accompanies this report.

As will be seen from the evidence, the Winnipeg Driving Club and the Fort Garry Turf Club are merely associations of local horsemen who give occasional harness meetings among themselves. They do not own tracks and have never made money from their meetings.

The Fairs forming the Western Fairs Association receive financial and other assistance from the Federal Department of Agriculture, as also from the Governments of their respective Provinces, and in most cases from the cities or towns at which they are held.

As a rule, there is but one meeting at each place in one year, but at several points, small meetings have, from time to time, been held; in some cases under the auspices of the Exhibition Association itself, and in others by small local Associations, which are granted the use of the Fair Grounds.

There are two circuits, known as circuit "A" and circuit "B," the first comprising the meetings held at:—

Brandon, Manitoba;  
Regina, Saskatchewan;  
Saskatoon, Saskatchewan;  
Calgary, Alberta;  
Edmonton, Alberta;

and the second, those at the smaller and less important fairs, such as Swift Current, Weyburn, Lloydminster, North Battleford, Prince Albert and Yorkton, Saskatchewan, and at Red Deer and Camrose, Alberta.

These meetings comprise both harness and running races, the former generally predominating. The races take place at the same time as the Fairs, and form a popular attraction, the public paying no extra charge for admission thereto.

Prior to 1917 the Pari-Mutuel machines had, in practically all cases, superseded other methods of betting, the percentage derived therefrom forming in each case part of the general revenue of the Exhibition Association, thus indirectly assisting the latter to increase the size of the purses offered.

Before the adoption of the Pari-Mutuel system the moneys derived from the book-makers were applied in the same way.

As will be seen from the evidence, there was a difference of opinion among the Managers of the larger Fairs as to the relative importance of this source of revenue.

Mr. W. I. Smale, Manager for the last ten years, of the Manitoba Provincial Fair, at Brandon, appearing at the Winnipeg hearing, stated that bookmaking was in vogue when he became Manager and that he understands some system of betting had been the practice ever since the Exhibition was organized. A change was made to the Pari-Mutuel system in 1914 and there had been a marked decrease in the amount of money bet during the period between 1914 when this change was made, and 1917, when public betting was prohibited.

He attributed this falling off in the amount of betting to the unpopularity of the Pari-Mutuel machines, as compared with book-making, while at the same time affirming that he personally, is in favour of the Pari-Mutuel system and would like to see it continued. He further stated that, in his opinion, the quality of the racing had not deteriorated as a consequence of the abolition of betting, and that, on the contrary, there had been decided improvement in that respect.

The experience of Mr. D. T. Elderkin, Manager since 1913 of the Regina Agricultural and Industrial Exhibition Association, has been somewhat similar to that of Mr.

Smale. There was a distinct falling off in the amount of money bet from 1913, when the Pari-Mutuel machines took the place of book-making, to 1915, the last year in which they were operated. Owing to the decrease in revenue from this source there was no provision for public betting in 1916.

Mr. Elderkin does not attribute this falling off to the unpopularity of the Pari-Mutuel machines, but to the war and crop conditions. The crop outlook was especially bad at the time his Fair was held in 1915.

In this connection, it is worthy of note, that his financial statements also show a very considerable decrease in the amount of money offered for purses; the figure for 1913 being \$16,000, as against \$6,850 in 1916, and \$8,875 in 1919.

He has not observed any difference in the quality of the racing, or of the horses entered.

At the Calgary hearing, held on October 20th, Mr. E. L. Richardson, who has been Manager of the Calgary Exhibition Association for the past eighteen years, testified that since 1911, the Pari-Mutuel system has been used, although during the meetings held in that and the following year, bookmaking was also practised.

From 1913 to 1917, the Pari-Mutuel system only was employed and, in the opinion of Mr. Richardson, the change was beneficial in every way; the races having shown a great improvement, and conditions generally being more satisfactory. He claimed that under the Pari-Mutuel system the public safety is assured, while at the same time, an opportunity is afforded of taking a special interest in the races. He also held that the money derived from the operation of the machines enables the Association to offer a better programme for the public, and more assistance to the horse-men, which is now more important than ever, on account of the greater expense in training horses and conducting races.

While disclaiming any personal knowledge of illegal betting, Mr. Richardson stated that he understands there is a good deal of hand-book betting carried on, especially since the discontinuance of the open betting.

Mr. F. A. Johnston, first vice-president of the Calgary Exhibition Association, fully corroborated the evidence of Mr. Richardson, especially in regard to the improvement in conditions which had followed the elimination of bookmaking and the adoption of the Pari-Mutuel system of betting.

Mr. A. McKillop, a Director of the Calgary Exhibition Association, also endorsed Mr. Richardson's views, stating that from his long experience as an owner and breeder of horses, he considered the Pari-Mutuel system the most desirable form of betting.

Mr. William J. Stark, Manager for the past eight years of the Edmonton Exhibition, also gave evidence at the Calgary hearing. The change from bookmaking to the Pari-Mutuel system of betting took place at Edmonton, in 1913. Mr. Stark expressed himself as being very strongly in favour of the Pari-Mutuel system as compared with bookmaking, for the same reasons as were adduced by Mr. Richardson.

He further stated that since betting was eliminated in 1917, his Association had found it necessary to reduce the amount of the purses and that there had been a consequent deterioration in the quality of the horses competing.

On being asked for his views as to the statements in this regard, made by Mr. Smale of the Manitoba Provincial Fair, and Mr. Elderkin, Manager of the Provincial Exhibition, at Regina, Mr. Stark gave it as his opinion that, in the absence of facilities for public betting, hand-booking had been going on at these places. He stated that, after the passage of the Order in Council prohibiting betting, hand-book men immediately became active in Edmonton, and that this was corroborated by the Police Department of that City.

With the exception of Mr. Elderkin, who has had no experience with bookmaking, the Managers of these larger Fairs were unanimous in declaring that the discontinuance of bookmaking and the adoption of the Pari-Mutuel system of betting had

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brought about an immediate and marked improvement in the conditions surrounding racing. The undesirable race track follower was entirely eliminated, the public was freed from the importunities of touts and others of the class, while the machines being absolutely impartial stake-holders, there was no influence at work to interfere with honest racing.

All including Mr. Elderkin, agreed that the racing programme constituted one of the most popular attractions and was largely responsible for greatly increased attendance at the Fairs.

Their evidence also clearly indicates that while, in the case of Brandon and Regina, the Pari-Mutuel Machines were not considered profitable, their use did not constitute an objectionable feature, and that, as stated by Mr. Smale, no difference in that regard was discoverable after their discontinuance by the Associations.

In this connection, the evidence of Mr. Stark, as to the absence of evil effects from the operation of the Pari-Mutuel machines and the attitude of the directors of his Exhibition, who are business men of Edmonton, and not horsemen, is especially interesting.

No one appeared at the Western hearings on behalf of the Saskatoon Exhibition Association, but a statement has since been secured from Mr. J. O. Hettle, the Manager of the Fair, which is appended as Exhibit No. 11 to Volume 4 of the Report of Proceedings.

From this statement it will be noted that race meetings have been held in connection with the Saskatoon Industrial Exhibition since 1913, and that in the first two years bookmaking was allowed; the bookmakers paying the Association \$4,000 per year for the privilege of operating.

In 1915 a change was made to the Pari-Mutuel system, the revenue from this course being, however, comparatively negligible during the two years in which it was operated. This low revenue doubtless accounts for the lack of interest evinced by the Saskatoon Association. No opinion is advanced by Mr. Hettle as to the comparative merits of the different methods of betting.

The Statements, regarding Race Meetings, as submitted by the Managers of these larger Fairs in the Prairie Provinces, have been appended as Exhibits to Volume No. 4, (Proceedings in Western Canada) as follows:—

Provincial Exhibition, Brandon, Man.,.....	Exhibit No. 4
Provincial Exhibition, Regina, Sask.....	Exhibit No. 4-A
Calgary Industrial Exhibition,.....	Exhibit No. 7
Edmonton Exhibition Association Ltd.,.....	Exhibit No. 10
Saskatoon Industrial Exhibition Ltd.,.....	Exhibit No. 11

At my request, Mr. George W. Hill, Chief of Police, of the City of Edmonton has furnished a statement embodying, as the result of a life-long experience, his observations and opinions in connection with race meetings and race track betting.

This statement will be found appended as Exhibit No. 12, to Volume 4, of the Report of Proceedings.

## CHINOOK JOCKEY CLUB.

On reference to the evidence of Mr. A. E. Cross, at the Calgary hearing, on October 20, 1919, it will be seen that a number of horse breeders and others interested in horses, had, prior to the war, organized a Racing Association, at that point, known as the "Chinook Jockey Club." A site was purchased, a Dominion Charter obtained and considerable work done, involving an expenditure of \$35,000. Operations were suspended in 1914, and, according to Mr. Cross, in the event of public betting being prohibited, this organization, of which Mr. George Lane is President, will, in all probability, sacrifice the money already invested and abandon the project.

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This course, if completed, would be one mile. The only other completed mile track, west of Winnipeg, of which I have knowledge, is the Minoru track, formerly operated by the British Columbia Thoroughbred Association of Vancouver.

Copy of the Charter of the Chinook Jockey Club, a list of Directors, and a statement furnished by Mr. Cross, will be found appended as Exhibit No. 9, to Volume No. 4, of the Record of Proceedings.

At the Winnipeg hearing, Mr. Charles G. Stewart, appeared on behalf of the Social Service Council, while Mrs. R. T. McWilliams presented the views of the Local Council of Women, on legalized betting. The submissions of these two witnesses appear on pages 752 to 755, of the Evidence. (Volume No. 4.)

At Regina, Mr. Reekie, Secretary of the Social Service Council, represented that body before the Commission; the statement presented by him appearing as Exhibit No. 6, to Volume No. 4, of the Record of Proceedings. The views of the Social Service Council were endorsed at this hearing by the Rev. E. W. Davidson, and the Rev. Dr. McKinnon, of the Ministerial Association.

At the Calgary hearing, Mr. A. D. Mahaffy presented a statement on behalf of the Social Service Council, which was endorsed by Rev. Canon James, representing the Ministerial Association of Calgary. Mr. Mahaffy's statement appears as Exhibit 8, to Volume No. 4, (Proceedings in Western Canada).

At the Regina hearing, Colonel D. S. Tamblyn, late Director of Veterinary Services, General Headquarters Canadian Section on the Western Front, and Chief Veterinary Inspector for Saskatchewan in the Health of Animals Branch, Federal Department of Agriculture, gave interesting evidence as to the importance of thoroughbred blood in horses for army use.

Testimony as to the value of the thoroughbred horse for crossing purposes was also given at Regina, by Messrs. J. A. Wetmore, and Mr. J. F. Lunny.

At Calgary where horse breeding has long been a prominent industry, Messrs. F. A. Johnston, A. McKillop, D. D. Adams, A. E. Cross, Osborne Brown, H. B. Alexander, B. S. Mitchell, and other witnesses gave evidence as to the value and importance of thoroughbred blood and the necessity of racing being continued as the only means of maintaining and perpetuating the good qualities which distinguish horses of this breed from all others.

The evidence bearing on this aspect of the inquiry, as given at the various hearings, is dealt with in a special section of this report, which will be found at pages 186 to 261.

#### BRITISH COLUMBIA.

At the opening of the hearing, at Vancouver, on October 23rd, 1919, Mr. R. L. Maitland, legal representative for the Social Service Council of Canada, made the following statement:—

“I have received instructions from Toronto to appear on behalf of the Social Service Council of the Dominion of Canada before this Commission. I understand they have been represented in the East. My instructions, I may say, are very brief and very meagre. I take it, however, from perusing these instructions, that they have no objection to take, no exception, to horse-racing as a sport; in fact, if I read the instructions handed to me correctly, they are of the opinion that clean healthy sport should be encouraged, and apparently, further, they have no objection to betting as between individuals at the race-course. I understand their position is that there has been considerable abuse of the Criminal Code as it stands at present. As far as my work here is concerned I will attempt to show that that was the case here at Minoru Park. I also propose to produce police evidence to show the general effect of Minoru Park as it was carried on in the City of Vancouver.”

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## VANCOUVER JOCKEY CLUB.

Mr. Robert Leighton stated, in evidence, that this Club, which was organized in 1896, continued from that date to hold race meetings on grounds at Hastings Park, leased from the City of Vancouver by James A. Fullerton and himself, until after the racing season of 1908.

On the organization of the Vancouver Exhibition Association, in 1909, the lease under which the Jockey Club had operated was cancelled and the Exhibition Association was given exclusive rights to the use of the grounds at Hastings Park.

The Vancouver Jockey Club had an incorporation of \$25,000; 5,000 shares at \$5 each. It was never operated for profit and was never in a position to declare a dividend, being simply an amateur organization for the furtherance of sport and the encouragement of racing and breeding.

## VANCOUVER EXHIBITION ASSOCIATION.

Mr. William C. Brown, who appeared as a Director of the Vancouver Exhibition Association, stated in evidence, that the Association has, since 1910, the first year in which a fair was held, conducted, usually in conjunction with the Exhibition, race meetings, generally of one week, but sometimes of two weeks duration. No public betting is permitted; a clause to that effect being embodied in the lease from the City. The races are mostly harness races, there having been an average of about one running race each day. No entrance fees are charged for running races. The purses are small, averaging from \$150 to \$200, although in each of the last two years there has been one race called a "Derby" for which the purse offered was \$500.

Mr. Brown was instructed by his Board, which had passed a resolution to that effect, to inform the Commissioner that the Association did not desire to have betting in connection with its races. Mr. Brown stated that to be the opinion of the Board, but that his personal opinion might be different.

## VANCOUVER DRIVING CLUB.

Mr. William C. Brown, as President of the Vancouver Driving Club, also gave evidence regarding that organization. He stated that it was purely an amateur Association composed of lovers of the harness horse, its meetings being held on the Exhibition Grounds at Hastings Park. It had no Charter and offered no purses owing to lack of gate money which he attributed to the absence of betting.

He gave it as his opinion that while both the Exhibition Association and the Driving Association had done something to stimulate the production of better horses, the majority of the members of the Driving Association were in favour of properly conducted public betting under Government supervision and control, as they thought it would greatly benefit the breeding of both the Standard Bred trotter and the Thoroughbred. He stated that he would not like to see a return to conditions as at Minoru Park, which killed public sympathy with racing, to the extent that the citizens rose up and put a stop to it.

## BRITISH COLUMBIA THOROUGHBRED ASSOCIATION (MINORU PARK).

Evidence in regard to this organization, generally known as the Minoru Turf Club, was given by the following witnesses:

Mr. M. W. Brighthouse, owner of the land on which the race course is situated on Lulu Island, in the Municipality of Richmond, about nine miles from the City of Vancouver, and to whom the property, which was held under a fifty year lease has now reverted owing to non-payment of rent and taxes.

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Mr. Robert Leighton, Racing Secretary and Clerk of the Scales at Minoru Course, when it was being operated.

Captain T. J. Wellman, Presiding Steward at Minoru.

Mr. James A. Fullerton, formerly connected for many years with the Vancouver Jockey Club and later Director and Associate Judge at Minoru.

Mr. George Lindsay, Secretary of the Minoru Turf Club, from its inception in 1909 until after the last meeting held in 1914.

The facts as gleaned from the evidence and the documents secured by the Commission are as follows:—

After the cancellation, in 1908, by the City of Vancouver, of the lease of Hastings Park, under which the Vancouver Jockey Club had there carried on racing, Mr. Robert Leighton and others interested in the sport, began to cast about, with the view of securing a suitable location for the establishment of a new race course. It was, at first, the intention to obtain the necessary capital from a Mr. Irving H. Whitcroft, a wealthy resident of the United States, of English birth, having at that time large interest in British Columbia.

Mr. Whitcroft was the owner of a racing stable and as legislation adverse to racing was about to be introduced in many States, including California and Washington, he contemplated removing his racing and breeding establishment to British Columbia.

While Mr. Leighton, on the strength of Mr. Whitcroft's interest in the project, was looking for a suitable site on which to establish a race course, Mr. H. E. Springer, then of Vancouver, became interested in the scheme, and together, he and Mr. Leighton selected the site on Lulu Island and took the initial steps towards securing the property and obtaining letters of incorporation.

Mr. Whitcroft was at that time absent from the Province in connection with other matters, and Mr. Leighton had to go to California to fill racing engagements there; the matter was, therefore, left in the hands of Mr. Springer and Mr. J. H. Senkler, who was acting as legal adviser. Mr. Springer, at this junction suggested that if Mr. Whitcroft did not care to entertain the proposition, he would undertake to finance it in Vancouver, and this being agreed to by Mr. Leighton, a syndicate with that object was organized by Mr. Springer and his brother, Mr. F. B. Springer, since deceased. This syndicate comprised a number of the then prominent, reputable, and more or less wealthy residents of Vancouver. These were all Canadians, no American or other foreign capital having been interested in the enterprise.

The British Columbia Thoroughbred Association was duly incorporated in June 1909, under the Joint Stock Companies Act of British Columbia, with a capitalization of \$225,000 divided into 2,250 shares of \$100 each. The principal shareholders were H. E. Springer, F. B. Springer, C. M. Marpole, A. E. Suckling and Charles Lewis, who, with about eighty-five other smaller holders subscribed for a total of 1813 shares, this being apparently the entire number of shares issued from time to time during the life of the Company.

A copy of this Charter, and of the Articles of Association, together with a list of Shareholders, as furnished in the returns made to the Provincial Government, are appended to Volume 4 of the Evidence, as Exhibit No. 16.

The first meeting was held at Minoru in 1909, continuing for about forty days. At this meeting, as in that of 1910, book-making was the system of betting used. In 1911 ten Pari-Mutuel machines were installed, the number being later increased to seventeen. On the introduction of the machines, book-making was entirely abolished. I have been unable to ascertain what the book-makers paid for the betting privileges in 1909 and 1910, but the Association apparently retained ten per cent of the Pari-Mutuel pools from 1911 to the end of 1914.

The evidence shows that in 1910 there were 28 days racing at Minoru, conducted under the subterfuge of using two different association names. In 1911, or 1912, a

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decision was obtained from Mr. Chief Justice Hunter to the effect that the provisions of subsection 2, of section 235, of the Criminal Code, did not apply to betting by the Pari-Mutuel system, and on the strength of this ruling, meetings of varying duration, but all far in excess of the limitations imposed by the Code, continued to be held, until 1914, when after a continuous meeting of ninety days, the Attorney General of British Columbia instituted proceedings against the Association for infraction of the Criminal Code and a fine of \$500 was imposed.

The total capital investment of the Association was \$274,277.65, with a share capital of \$181,300; the balance being apparently derived from profits invested in the plant. Only two dividends were paid, one of 25% in 1912, and one of 30% in 1913, a total of about \$100,000.

The only definite information available as to the finances of the Company is that found in certain annual returns furnished to the British Columbia Government to meet the requirements of the Companies' Act. Of these returns, only that made under date of February 24, 1914, covering the operations for the year 1913, gives any definite detailed information. A copy of this statement will be found appended to Volume 4, of the evidence, as Exhibit No. 16.

The Company having ceased operations after the conviction of 1914, no further returns were made to the Provincial authorities, and although every effort was made to secure possession of the books containing the financial records for that year these proved to be unobtainable.

It is probable, however, that there were no profits in 1914, the collapse of the boom in real estate, the advent of the war, and the cumulative dissatisfaction of the people of Vancouver with the conditions at the race course, which under the stress of hard times were evidently growing steadily worse, led to a marked falling off in gate receipts, as well as in the amount of money passing through the machines.

The evidence of Chief McRae, of the Vancouver City Police and that of Mr. W. E. Brown indicate, that these long continued race meetings were, to put it mildly, not regarded with favour by the respectable elements of the community.

As a matter of fact, although there are in Vancouver, many keen horsemen and lovers of good clean racing, it is very difficult to find any one who has a good word for Minoru, or who would like to see racing resumed there, under the conditions which prevailed in 1914.

The evidence of Mr. J. A. Fullerton, a Director and Associate Judge at Minoru, indicates that towards the last the operation of the Pari-Mutuel machines was not above suspicion and that there was a good deal of dissatisfaction on that account. The quality of the racing, apparently none too good at any time, deteriorated; purses became smaller, there was evidently increasing difficulty in financing, the owner of the property being unable to collect his rent, and the meeting being prolonged into October, the weather became unfavourable for racing as well as for attendance.

After the prosecution and conviction for infraction of the Criminal Code at the Fall Assizes in 1914, the Association appears to have died a natural death. Early in 1916, Mr. H. E. Springer the principal promoter of the enterprise, and who was Managing Editor throughout its entire history, left Vancouver, and at the date of the hearing on October 23, was still absent from that city.

The horses participating in the events at Minoru during the period of its operation were nearly all of American breeding and ownership, the number of such horses in attendance at one time being, according to the evidence of Mr. Leighton, five hundred and seventy two. This witness, although unable to make a definite statement, roughly estimated the proportion of Canadian owned or bred horses at ten per cent of the whole. He stated however, that the number of breeders and owners of Thoroughbreds in British Columbia showed a marked increase during the period when racing was going on at Vancouver and Victoria, with an even more marked decrease since its cessation.



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I have, perhaps, dealt with the Minoru Jockey Club at greater length than the circumstances would seem to warrant, particularly as it is no longer in operation.

The attention given to it is, nevertheless, to my mind, fully justified, as the history of this venture affords an excellent example of the undesirable results likely to follow the holding of long continued race meetings, especially under weak or irresponsible management.

At the Vancouver hearing the Reverend Arthur E. Roberts, Secretary of the Social Service Council of Canada, for British Columbia, was called as a witness by Mr. R. L. Maitland, counsel for that organization. Mr. Roberts stated that while all the members of the Social Service Council in British Columbia approved of the development of the Thoroughbred horse and realized that clean horse racing was an asset to the community, they were, unalterably opposed to legalized betting and race track gambling.

Evidence was given by Chief of Police McRae and Captain T. J. Wellman, in reference to hand-booking and other illegal betting practices. This subject is specially dealt with elsewhere in this report.

## BOWKER PARK COMPANY LIMITED.

At the hearing, in Victoria, on October 25, 1919, the first Association dealt with was the Bowker Park Company Limited. Evidence was given regarding this Association by W. J. Taylor, K.C., a shareholder. He stated that certain property in Victoria, having become subject to court sale, he induced some twenty men to join with him in the project whereby this land was acquired for the sum of \$20,000. Each member took one share, payable in ten instalments, the actual cash being borrowed from a loan company. The property was converted into an amusement park for cricket, polo, racing, and similar sports and was in operation for several years; the Agricultural Association being allowed to hold their race meetings and exhibitions there, without charge.

Later it was sold to the city of Victoria, and has since been used as a Fair Ground by the Exhibition Association.

The sale to the city did not include the Charter of the Bowker Park Company which is still in existence, although non-operative. A copy of this Charter is appended as Exhibit No. 17, to Volume 4 of the Record of Proceedings.

## VICTORIA COUNTRY CLUB.

Documents relative to this Club, secured from the office of the Provincial Registrar, at Victoria, indicate that it was incorporated under Letters Patent from the British Columbia Government in April, 1909, with a capitalization of \$100,000, divided into one thousand shares of \$100 each.

As in the case of the British Columbia Thoroughbred Association, the only financial records available are those embodied in the returns made by this Club to the Provincial Government under the Companies' Act, the latest of these being under date of February 4, 1913, and covering the operations of 1912.

The Club apparently made no profit after 1909, when a dividend of 41½ per cent was paid.

The Club was later struck off the Companies' Register of British Columbia, on account of the non-filing of the returns for 1913.

Copies of the Letters of Incorporation, the Articles of Association and of the returns above referred to, are appended as Exhibit No. 18 to Volume No. 4 of the Record of Proceedings.

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No races have been held under this Charter since 1913. Mr. George Fraser, who was Managing Director, is no longer a resident of Victoria, and none of the officers attended the hearing or could be located.

In the Parliamentary Inquiry of 1910 (Exhibit No. 3 to Volume No. 1), full evidence was given with reference to the prolonged meeting held under the auspices of this Club in 1909.

There was no racing in 1910, but in 1911 there was one meeting of seven days' duration. In 1912 the Victoria Country Club gave one meeting of fourteen days, while five days' mixed racing took place under the auspices of the Exhibition Association, making apparently a continuous meeting of nineteen days. Again in 1913, the same arrangement was carried out, namely, fourteen days' racing by the Victoria Country Club and five days' racing by the Exhibition Association. No racing has apparently taken place in Victoria since 1913.

At all these meetings Pari-Mutuel betting was carried on, and except for one book-maker, who in the year 1911 competed unsuccessfully with the Pari-Mutuel machines, this system was exclusively used.

Archibald M. Johnson, K.C., Deputy Attorney General for British Columbia, appeared at the Victoria hearing, at my request, and gave evidence regarding the indictment against the British Columbia Thoroughbred Association in 1914. Mr. Johnson has since also rendered valuable assistance in the tracing of Letters of Incorporation and documents of various kinds filed with the Government of British Columbia, relative to the several Racing Associations which have, from time to time, operated in that province.

At Victoria, the Reverend Dr. Wm. Clay was called by Mr. Maitland, and testified on behalf of the Social Service Council. He stated that the attitude of the Council was not opposed to racing, or to private betting between individuals, but that their campaign was directed against commercialized gambling.

Mr. Clay testified also, as a minister of the Presbyterian Church, that "The whole attitude of that Church, as expressed in the resolution of the General Assembly, is strongly adverse to the commercializing of what is otherwise a legitimate and manly sport and a proper business for the country, namely, the breeding of horses."

A copy of a resolution passed by the Synod of the Presbyterian Church in British Columbia, which comprises all the Presbyteries within the province, was presented by counsel during the progress of Mr. Clay's evidence, and is appended as Exhibit No. 15 to Volume No. 4 of the Board's proceedings.

Mr. Clarence Harris, of Victoria, appeared as representing the "Voters League" or "Citizens League" of Victoria; an association having similar aims to those of the Social Service Council with which it has now been merged. Mr. Harris was asked to put his evidence and opinions in the form of a written submission. This has since been received, and will be found appended as Exhibit No. 14 to Volume No. 4 of the Record of Proceedings.

Evidence was given at Victoria by Mr. W. J. Taylor, K.C., who formerly conducted a large breeding establishment on Vancouver Island, as also by Mr. W. H. Cochrane, for a number of years engaged in horse breeding in Alberta, and by Mr. James McCleave, a horseman of Victoria, as to the value of thoroughbred blood in the breeding of horses, not only for military purposes, but for general use. Very strong opinions are held, in this regard, by all three of the gentlemen named. This subject is dealt with under a special head elsewhere in this report.

Attention is drawn to the evidence of Mr. W. J. Taylor, and to that of Mr. W. H. Cochrane (see pages 909, 915, and 916) as well as to that of Mr. James A. Fullerton, at Vancouver, as to the advantages of the Pari-Mutuel system as compared with other forms of betting.

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The evidence at Vancouver and Victoria indicates that a number of the witnesses expressed themselves as being in favour of public betting carried on under reasonable regulation and proper control, notable among these being the statements of Mr. James A. Fullerton and Mr. W. C. Brown, at Vancouver, and Mr. W. J. Taylor, K.C., at Victoria.

On the other hand, the attitude in this regard of the Directors of the Vancouver Exhibition Association, and the submissions of the representatives of the Social Service Council and of the Ministerial Association, at both Vancouver and Victoria, are worthy of note.

It is very evident that the experience of the long-continued race meeting, held by the Victoria Country Club, in 1909, has left among the better elements in the City an adverse sentiment in regard to racing, very similar to that existing in Vancouver as an aftermath of the operations at Minoru.

### ONTARIO AND WESTERN QUEBEC.

Having dealt with the conditions in Eastern and Western Canada, we now come to that portion of the Dominion in which the question of racing and the authorization of public betting on race courses, constitute a live present-day issue.

At the time of the amendment to the Criminal Code, in 1910, there were in actual operation, in central Canada, only six race courses on which running race meetings were held. These were:

- The Woodbine Course of the Ontario Jockey Club.
- The Blue Bonnets Course of the Montreal Jockey Club.
- The Hamilton Course of the Hamilton Jockey Club.
- The Fort Erie Course of the Niagara Racing Association.
- The Windsor Course of the Windsor Jockey Club.
- The Metropolitan half-mile Track of A. Orpen, Toronto.

Under the amendments to the Code, as finally passed, each of these race courses was empowered to hold, in each year, two meetings with public betting, such meetings not to exceed in duration seven days each, with an interval of not less than twenty days between them.

As matters then stood therefore, the actual racing season for the territory lying between Montreal and Windsor was limited to eighty-four days, and at Toronto only was it possible to have in any one year, more than fourteen days racing with betting privileges.

The arrangement was, on its face, a reasonable one, and although some racing men would doubtless have preferred longer meetings and more of them, its adoption was very generally approved.

Matters did not, however, long remain as they were at the date of the amendment. The period was a very prosperous one in Canada, money was plentiful, racing was a popular form of amusement, and the law did not specifically limit the number of race courses to be operated in any locality. It is therefore not surprising that many new race courses came into existence during the period between 1910 and 1917, when the Order in Council prohibiting betting for the duration of the war and for six months thereafter, was passed.

Old, as well as new charters, were in keen demand, and although the Code was again amended in 1913, with a view to checking the traffic in these instruments, the number of race courses continued to increase.

The movement was, no doubt, stimulated by the fact that racing in the United States had suffered a severe check, through the adoption, by several of the States border-

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ing on Canada, of legislation prohibiting public race track betting. As a result of this action, many American horsemen and owners of race courses in that country, saw in Canada a field in which they might continue to operate, even if on a smaller and more restricted scale than that to which they had been accustomed.

As will be seen from the evidence submitted herewith, men of these classes are interested to a greater or less extent, either directly, or through Canadian representatives, in several of the race courses dealt with in the course of this inquiry.

Among the new race courses there are, however, some, which like Connaught Park, near Ottawa, have been organized by local people, solely with the object of providing the public with clean, high class racing.

Following is a list of race courses actually in operation in 1917, prior to the passing of the Order in Council prohibiting betting, above referred to:—

## MONTREAL.

*(One mile).*

Blue Bonnets Course of the Montreal Jockey Club.

Dorval Course of the Dorval Jockey Club.

Mount Royal Course of the Back River Jockey Club.

Kempton Park Course of the Kempton Park Jockey Club.

(Not incorporated; racing conducted under Charter of Sherbrooke Racing Association).

*(Half mile).*

Delorimier Park Course of the Montreal Driving Club.

Maisonneuve Course of the Maisonneuve Driving Club.

King Edward Park Course of the King Edward Park Jockey Club.

## OTTAWA.

*(One mile).*

Connaught Park Course of the Connaught Park Jockey Club.

## TORONTO.

*(One mile).*

Woodbine Course of the Ontario Jockey Club.

Thorncliffe Park Course of the Thorncliffe Park Racing Association.

*(Half mile).*

Metropolitan Course of the Metropolitan Racing Association.

Hillcrest Course of the Toronto Driving Club.

## HAMILTON.

*(One mile).*

Hamilton Course of the Hamilton Jockey Club.

## FORT ERIE.

*(One mile).*

Fort Erie Course of the Niagara Racing Association.

## WINDSOR.

*(One mile).*

Windsor Course of the Windsor Jockey Club.

Kenilworth Course of the Northern Riding and Driving Company (now Kenilworth Jockey Club).

Devonshire Park Course of the Western Racing Association.

Under the existing conditions, therefore, it is possible to hold in Montreal alone, ninety eight (98) days racing in one year; in Toronto, fifty-six (56) days, and in Windsor forty-two (42) days, or, including the remaining three tracks at Ottawa, Hamilton, and Fort Erie, a total of two hundred and thirty eight (238) racing days in one year in Central Canada.

In reporting on these various organizations, I have dealt with each one as an individual entity, giving a brief sketch of its history, operations and financial position, and quoting from, and referring to the evidence when this bears on any point, which, in my judgment, is worthy of special note.

The evidence itself accompanies the report and the exhibits and other documents pertaining to each Club, including copies of charters, financial statements, and written submissions, are also presented herewith, enclosed in an envelope duly numbered and marked with the name of the subject organization.

The order followed is that in which the respective cases were dealt with at the hearings.

At the Ottawa hearing, on September 23, 1919, Mr. D. L. McCarthy, K.C., appeared for the Canadian Racing Association, which is composed of six Clubs, namely:—

- The Ontario Jockey Club, Toronto, Ont.
- The Montreal Jockey Club, Montreal, Que.
- The Connaught Park Jockey Club, Ottawa, Ont.
- The Hamilton Jockey Club, Hamilton, Ont.
- The Niagara Racing Association, Fort Erie, Ont.
- The Windsor Jockey Club, Windsor, Ont.

He stated that the object of the Association is the betterment of racing by making the sport clean and regulating and governing those Clubs which form its membership. A copy of the Rules and Regulations of this Association and of its "Rules of Racing and Steeplechasing" were, at a later hearing at Toronto, filed with the Commission by the Secretary, Mr. W. P. Fraser, and appear as an Exhibit appended to Volume No. 1 of the Record of Proceedings.

In this connection it may be noted that the Dorval Jockey Club of Montreal and the Kenilworth Jockey Club of Windsor, while not members of the Canadian Racing Association, race under its rules, and arrange their dates so as to secure the horses from the Association circuits.

Mr. W. E. Raney, K.C., appeared for the Social Service Council of Canada, which he stated was a Federation comprising a considerable number of units, including,—The Church of England in Canada; the Methodist Church in Canada; the Presbyterian Church in Canada; the Baptist Church in Canada; the Congregational Church in Canada; the Salvation Army; the Dominion Grange and Farmers' Association; the Dominion Women's Christian Temperance Union; the National Council of the Young Men's Christian Association; the Canadian Council of Agriculture, and some dozen other organizations; he stated that the Social Service Council did not oppose racing either as a sport or as a test of the mettle or endurance of the thoroughbred horse, but that it took objection to the exception made by the Criminal Code which legalized race track betting.

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He put in evidence a letter addressed, on September 12, 1919, by the Reverend Charles L. Inglis, Chairman of Legislation, of the Social Service of Canada, to the Prime Minister, objecting to the Commissioner appointed in this Inquiry, quoting in support of his objection, the evidence of the latter in 1910, before the Special Parliamentary Committee, on Bill No. 6, relating to race track gambling. This letter, together with the acknowledgment of the Prime Minister's Secretary, is appended as Exhibit No. 1 to Volume No. 1 of the Evidence.

A verbatim report of the arguments advanced by counsel at this first hearing at Ottawa, on September 23, 1919, will be found on pages three (3) to twenty-five (25), inclusive of the Record of Proceedings.

## CONNAUGHT PARK JOCKEY CLUB.

At the first hearing in the Inquiry held at Ottawa, on September 23, 1919, the Connaught Park Jockey Club was the only racing association dealt with, the witnesses representing this club being the Honourable Senator N. A. Belcourt, President, and Mr. Thomas P. Gorman, Secretary.

The evidence given by these gentlemen was to the effect that the Connaught Park Jockey Club was incorporated by a Special Act of the Legislature of the Province of Quebec, passed in 1911, and assented to in April, 1912.

The one mile race course owned by the Club is situated in the Township of Hull, in the Province of Quebec, near Ottawa.

The capitalization was \$200,000 divided into 2,000 shares of \$100 each, and the entire stock issue was paid up by 193 stock-holders in 1912; the year of incorporation. The capital investment in land, buildings, and equipment, has been \$228,000 and the dividends distributed to the 193 shareholders have amounted to \$24,468, being for the five years of actual racing operations an average dividend per year of \$4,893.60, or about 2.4 per cent on the capital stock.

Racing was commenced on the Connaught Park Course in 1913, seven day meetings being held in the Spring and Fall of the years 1913-1914, 1915 and 1916, and a Spring meeting only in the year 1917, before the coming into effect of the Order in Council prohibiting betting.

Book-making was used for not more than three meetings at the outset, when the Pari-Mutuel system was installed. While at first the Club took only 5 per cent from the Pari-Mutuel machines, which was later raised to 6 per cent and 7 per cent, they finally, in order to enable them to substantially increase their purses, took the maximum commission of ten per cent allowed by the Quebec License Law.

It may be here noted that this ten per cent commission, which is the maximum allowed by law in the province of Quebec, must include the odd cents, technically known as the "breakages." These, which it is generally admitted, never exceed one per cent, are in the other provinces, usually retained by the club in addition to the regular percentage, whatever this may be, deducted from the Pari-Mutuel machines.

The Honourable Senator Belcourt testified strongly in favour of the Pari-Mutuel system of betting as compared with book-making, he having accepted office as president only on the understanding that the club would thereafter use nothing but Pari-Mutuel machines.

As will be seen from the financial statements submitted by the President, the profit at the end of eight years, with five years racing (nine 7-day meetings) was \$43,631.56; this however, including \$22,060 received as membership fees, the actual profit on operation for the entire period being, therefore, \$21,571.56. The total profit of \$43,631.56 is an average of \$5,453.94 for the eight years, or 2.66 per cent on the capital stock and 2.39 per cent on the capital investment.

The total purses paid during the nine meetings amounted to \$233,000, or an average of \$25,888 for each meeting.

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A copy of the Charter, the Bylaws and Regulations, financial statements, and list of Shareholders, are appended as Exhibits No. 4, No. 5, and No. 6, to the Record of Proceedings, Volume No. 1.

Evidence was given by Mr. John A. Ritchie, Crown Attorney for the County of Carleton; Judge McDougall of the Superior Court of the Province of Quebec, residing at Aylmer, Que.; Charles N. Wright, Sheriff of the District of Hull, and A. A. McDonald, Detective on the Ottawa Police Force, bearing on the general effects of the race meetings at Connaught Park, on the surrounding community.

These gentlemen all testified that no bad results had been apparent and that the conduct of the races left nothing to be desired.

Mr. W. E. Raney, K.C., legal representative for the Social Service Council of Canada, also stated that he had heard of no abuses, in connection with the management of this club, and that its personnel as indicated by the President, the Honourable Senator Belcourt, would appear to abundantly prove the high character of the men who are behind the enterprise.

It was brought out, in evidence, that a Charter obtained from the Dominion Government, by the now defunct Ottawa Racing Association, had, together with other assets of that body, come into the hands of the Connaught Park Jockey Club, and when the latter obtained its Quebec Charter in 1912, the Dominion Charter was sold to Mr. W. Bernard Hepburn, M.P., the consideration mentioned being \$10,000.

This charter was originally granted by the Secretary of State, under Dominion Letters Patent, to the Ottawa Racing Association in 1903, and has since been acquired by an organization known as the Western Racing Association. The corporate name was changed in 1914, and the Charter has been used for the holding of races on the Devonshire Park track, at Windsor, which is dealt with elsewhere in this Report.

#### MONTREAL JOCKEY CLUB.

At the Montreal hearing, on September 25, 1919, the first association dealt with was the Montreal Jockey Club, and Mr. F. E. Meredith, K.C., appeared with Mr. D. L. McCarthy, K.C., Counsel for the Canadian Racing Association, on behalf of this Club.

Mr. McCarthy submitted a list of Officials and Shareholders; Balance Sheet as at December 31, 1918; Statement of Purses and Gate Receipts, and a Statement of Purses paid to Canadian owners.

The Secretary of the Club has since forwarded, at my request, further statements, being Summaries of the Revenue and Expenditure from 1910 to 1918 inclusive, these covering the gate receipts, revenue from the betting system, and disbursements in purses and operation account.

These statements, together with a copy of the Charter, are submitted with the Evidence and appear as Exhibits No. 1-A; No. 2-A; and No. 3-A; appended to Volume No. 1 of the Record of Proceedings.

These documents show that the present Montreal Jockey Club, of which Sir H. Montagu Allan, C.V.O., is President, was incorporated by Special Act of the Legislature of Quebec, in 1909, at a capitalization of \$250,000; the stock of the old Montreal Jockey Club (Limited) being absorbed into the new Company, and power given by the Act of Incorporation to issue additional stock not to exceed \$250,000, the shares having a par value of \$100 each. One hundred and forty-four (144) shareholders hold paid-up stock to the extent of \$174,300. The capital investment in plant, buildings and equipment amounts to \$240,564.32, and the Club holds over \$9,700 in Canadian War Bonds. In 1915 the Association suffered some \$10,000 fire loss, and for the twelve years from 1907 to 1918, inclusive, while several years show a small profit, there is a total loss for the whole period of \$7,415 in Operation Account.



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The Club held two seven day meetings in 1910, and the years following, until 1917, when only a Spring meeting was held owing to the passage of the Order in Council prohibiting betting. Up to and including 1914, the system of betting used by the Club was book-making, but at the Spring meeting of 1915, Pari-Mutuel machines were installed and used thereafter at all the meetings of the Club. In 1915 and 1916 the percentage taken from the machines was 5 per cent and breakages, but in 1917 the 10 per cent maximum (including breakages) allowed by the Quebec Laws was taken. In this connection the Secretary stated in evidence that the breakages would not reach even one per cent. A detailed statement of the revenue from the betting each year, from 1910 to 1917 inclusive, is embodied in Exhibit No. 3-A. which is appended to Volume No. 1 of the Record of Proceedings. It will be noted that, beginning with 1915, the year in which the change was made to the Pari-Mutuel system, there was a marked increase in the revenue derived from the betting. This, however, may be attributable, at least in part, to the fact that money was much more plentiful during these later years.

The explanatory statement attached to Operation Account, will explain the seeming discrepancy between the amounts shown as balances on Operation Account each year, and the actual profit or loss, as shown in Profit and Loss Account, as depreciation, and in one year fire loss, has been deducted in each case.

Mr. William Northey, Secretary Treasurer of the Club since its inception, stated in evidence that the property consisted of one hundred and sixty acres situated partially in the City of Montreal, and partially in the Municipality of Cote St. Luc. He certified to the correctness of the statements, as submitted by Mr. McCarthy, and stated that the Montreal Jockey Club had never paid a dividend. He is the only salaried officer and no Directors' fees are paid.

During the course of Mr. Northey's evidence, information was secured with regard to the Quebec License Law, first imposed in the year 1917, which provides that mile tracks, operating in the City of Montreal, or within a radius of fifty miles of the said City, must pay a license fee of \$1,000 per day for each day of racing. Mile tracks outside the fifty mile radius are charged a fee of \$500 per day for each day of racing.

At half-mile tracks, where the admission fee is not more than fifty cents, the license duty is only three hundred dollars per day.

The special provision is however made, that is the event of any wagrr, bet, or pool, being recorded, received, or sold, by any other method than the Pari-Mutuel, the license fee is doubled in both mile and half mile tracks.

An interesting fact with regard to bets, or wagers, placed upon horse races was brought out by Mr. F. E. Meredith, K.C., who appeared on behalf of the Montreal Jockey Club; that while, under the Laws of the Province of Quebec, Articles 1927 and 1928 of the Civil Code provide no recovery in Court for an ordinary wager.

"There is no right of action for the recovery of money or anything claimed under a gambling contract or bet, but if the money or thing has been paid by the losing party, he cannot recover it back unless fraud be proved."

a special exception is made, borrowed from the French Law, in the case of wagers or bets placed on "exercises for promoting skill in the use of arms and of horse or foot races, and other lawful games, which require bodily activity."

At the close of his cross examination of Mr. Northey, Mr. W. E. Raney, K.C., stated that he had no doubt that so far as a race track can be conducted with decorum and propriety, that is with betting house privileges, the Montreal Jockey Club's track is conducted with the utmost decorum and that the names of the men behind it will be a sufficient guarantee that it is a respectable Club.

## KEMPTON-PARK DRIVING CLUB.

Mr. Frank Fleming, professional boxer, who stated that he is a resident of Laprairie, Que., appeared on behalf of the Kempton Park Driving Club.

He stated, in evidence, that an organization, called the "Kempton Park Driving Club" had conducted, in 1916 and 1917, race meetings, under the management of Mr. S. N. Holman, on the one mile track known as the Kempton Park Race Course, situated at Laprairie, Que., that he had been connected with this Club since 1916, when he entered into an arrangement with the Sherbrooke Breeding Association, whereby he secured a Charter owned by that body. He stated that he put \$20,000 into the venture and that he and Mr. Holman built the track and stables.

Some agreement was apparently made by Mr. Fleming with the Sherbrooke people, whereby they were to receive a proportion of any profits made at the race meetings. At least two meetings were held, managed by Holman; the betting privileges being in the hands of two local bookmakers, a man named Cattarinich and another. Evidently there was no profit on those meetings, and Mr. Fleming states that after the last of these, "Holman simply quit."

Following Holman's departure, Mr. Fleming became associated with a man known as "Gad" Bryan, who, he states, lives in Baltimore and has several race tracks down there, among them being the Bowie Race Track at Baltimore and the Jefferson Race Track at New Orleans.

The evidence is not clear whether Gad Bryan came into the project before or after the last meeting, but Mr. Fleming states that "we had no money to build and Mr. Bryan built the stables and finally we made him a partner."

Mr. Fleming's evidence is vague, and at times, apparently contradictory, but having no records, his memory might easily be at fault with regard to details.

The information secured by the Commissioner since the Montreal hearing, indicates that the "Kempton Park Driving Club" has never been incorporated, but that Frank Fleming (whether or not, acting in conjunction with Gad Bryan is not apparent) secured from the "Breeders' Racing Association" of Sherbrooke, Que., a certain "Declaration of Incorporation" issued under the authority of Article No. 7233 et seq. Revised Statutes of Quebec, 1909.

The Sherbrooke Racing Association was first incorporated, under Article 7233 et seq. R.S. Quebec, in June 1910; the name being afterwards changed to the "Breeders' Racing Association" by filed resolutions of certain of its members in August 1916.

A certified copy of the "Declaration of Incorporation" and of the resolution changing the corporate name is appended as Exhibit No. 6-A, to Volume No. 1 of the Record of Proceedings.

In view of the somewhat peculiar nature of these letters of Incorporation, and of consent and authorisation secured by the applicants from the Municipal Council of the City of Sherbrooke, there would appear to be grave doubts as to the legality of the at the track, are apparently owned by Gad Bryan.

At the meetings held at Kempton Park, absolutely no financial or other records are available. Fleming says they made no money, therefore, had no need to keep books, and the inference to be drawn from his evidence is that he simply sunk his money in the undertaking and got nothing out of it. Any buildings, or equipment, at the track, are apparently owned by Bryan.

The Commissioner has been informed that the Kempton Park Race Course is situated on what is known as "Laprairie Common". This is part of the Seigneurie of Laprairie, owned by the Reverend Father Jesuits, from 1650, common rights on which were granted by them in 1694 to the Syndicate of the Commons of Laprairie, and in 1812, taken possession of by the British Government (who erected barracks thereon

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for military purposes), and used during more recent years by the Government of Canada as a Military Camp. No information has been secured as to the authority on which a race track was built on this property.

## DORVAL JOCKEY CLUB.

Mr. J. T. B. Laurendeau, the President of the Dorval Jockey Club Company, Limited, appeared for this Association, and stated in evidence, that the Dorval Jockey Club, operated under a Charter, granted in 1911 to the St. Michel Driving Club Company, Limited, this being Letters Patent under the Quebec Companies' Act. In August 1913, when the Racing Charter was secured by the present holders, the Corporate name was changed by Supplementary Letters Patent, to the "Dorval Jockey Club Company, Limited", and in July 1915, the original capitalization of one hundred thousand dollars was reduced by further Supplementary Letters Patent, to ten thousand dollars. The one mile track is operated by the Dorval Park and Amusement Company, as part of the attractions at Dorval Park

About one hundred and fifty shareholders hold the paid up capital stock issue of the joint companies, and the affairs of the Amusement Company are handled by Mr. Laurendeau jointly with those of the Dorval Jockey Club Company.

A list of the Shareholders is appended as Exhibit No. 7/A, to Volume No. 1, of the Record of Proceedings. It will be noted that S. N. Holman, interested with Frank Fleming in the Kempton Park Track, holds 175 shares of the Dorval Park and Amusement Company.

Mr. Laurendeau stated that only the employees were paid, there being no salaried officers.

Mr. Raymond Beaudry, Secretary of this Club, has since furnished the Commission with statements covering the gate receipts, the betting revenue and the purses paid, together with the financial statements of the Dorval Park and Amusement Company. It is impossible, on account of the joint conduct of the two corporations to arrive at any accurate estimate as to the capital investment properly chargeable to the Jockey Club, but Mr. Laurendeau stated, in evidence, that the Amusement Company had expended about \$400,000 on the race track and buildings, of which \$150,000 had been raised by stock subscription, but that they were still deeply in debt, and that it had never been possible to declare a dividend.

The Dorval Jockey Club conducted one seven day meeting, in 1913; two seven day meetings in 1914, two in 1915, two in 1916, and one in 1917. Beginning with the second meeting in 1915, the Pari-Mutuel system of betting was thereafter used, book-making having been the system in vogue previous to that time.

The statements submitted by Mr. Beaudry will be found appended as Exhibit No. 7-A, to Volume No. 1 of the Record of Proceedings.

Mr. Laurendeau stated in his cross examination, by Mr. W. E. Haney, K.C., that he would be in favour of a policy by which the surplus profits from the betting would be devoted to horse breeding.

## KING EDWARD JOCKEY CLUB.

Mr. Alexander Desmarteau, President of the King Edward Park and Amusement Company, appeared for this Jockey Club, and testified, during the course of his evidence, to the following effect—

The half mile track, known as King Edward Park, is situated on an Island known as Isle Gros Bois, at the eastern end of the Island of Montreal, and is operated by the King Edward Park and Amusement Company, as part of the attractions at King Edward Park.

The King Edward Park and Amusement Company was incorporated by Special Act of the Quebec Legislature, on April 3rd, 1912; the original applicants being Mr.

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J. T. R. Laurendeau (now interested in the Dorval Jockey Club and the Dorval Park and Amusement Company), and four other residents of Montreal.

The Capitalization was \$750,000 divided into shares of \$5 each.

Sometime in 1914 the Company went into liquidation and under arrangement whereby Mr. Desmarteau acquired Mr. Laurendeau's shares, he became the sole owner and is now the Company.

The first race meeting was held in 1915, two seven day meetings being held in that year, one seven day meeting in 1916, and one seven day meeting in 1917.

In 1915 book-making was the system of betting at this track; in 1916 both book-making and Pari-Mutuels were used, while in 1917 the Pari-Mutuel system was used exclusively. During the 1915 and 1916 meetings, Mr. S. N. Holman, mentioned as being interested in the Kempton Park track and the Dorval Jockey Club, acted as Manager and handled the betting systems, while for the 1917 meeting Mr. Gad Bryan, of Baltimore, with a partner, named O'Hara, took charge of the Pari-Mutuel machines.

Under cross examination by Mr. Haney, Mr. Desmarteau stated that he owned the Company and that Gad Bryan had no interest in it.

Mr. Desmarteau submitted statements covering the racing operations of the King Edward Park and Amusement Company, but as in the case of Dorval, the racing programme being only a part of the Amusement Company's activities, it is impossible to form any accurate estimate of the actual capital investment chargeable to the race track.

It will be noted from the Statements, which appear as Exhibit No. 4, to Volume No. 1 of the Record of Proceedings, the receipts from the book-making system of betting at the first meeting in 1915, were \$30,843; at the second meeting, in 1915, these receipts were \$18,652.57; at the one meeting in 1916, the revenue from the bookmakers was \$10,927.65, while the Pari-Mutuel brought in \$4,646.05, a total of that meeting of \$15,573.70. At the one meeting in 1917, at which Gad Bryan and his associates conducted the Pari-Mutuel machines, the revenue turned over to the King Edward Park and Amusement Company was \$19,587.70, a considerable increase over the previous year in which the two systems were used.

The purses at the first meeting, in 1915, amounted to \$14,400; at the second meeting, 1915, to \$14,700, while at the 1916 meeting they dropped to \$13,500. The statement for 1917 does not show the amount of purses paid, but Mr. Desmarteau has since advised the Committee that the amount shown in the statement, as received from the Pari-Mutuel machines, is the balance after purses had been paid out of the betting receipts. He is not sure as to the amount of the purses at this meeting, but states they were about the same as 1916, probably about \$13,000. In this connection Mr. Desmarteau's evidence regarding the trouble he experienced with horse owners in 1916, in the matter of purses, is interesting. (See pp. 161).

A copy of the Charter, and of the statements referred to above will be found as Exhibit No. 4A to Volume No 1, of the Record of Proceedings.

#### BACK RIVER JOCKEY CLUB.

The Back River Jockey Club, Limited, now in liquidation, was represented at the hearing by Mr. Thomas J. Duggan, its former Secretary.

Mr. Duggan's evidence, and information subsequently secured from him and other sources show that the Back River Jockey Club, formerly operated the mile track, known as the Mount Royal Race Course, on property leased from the Canadian Northern Railway and situated on the City boundary in St. Laurent Subdivision.

The Club was first incorporated as the "Montreal Aero Company" by Letters Patent under the Quebec Companies Act, in March, with a capitalization of \$500,000 in 5,000 shares of \$100 each.

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In 1915, Thomas J. Duggan, acting in association with Mr. Grant Hugh Brown of New York, acquired this Charter and secured from the Provincial Registrar, Supplementary Letters Patent changing the name to the "Back River Jockey Club, Limited" and shortly after farther Supplementary Letters Patent reducing the capitalization to \$75,000. T. J. Duggan promoted the Company and it is said to have secured \$52,500 worth of paid up stock for certain parcels of land which he owned. Of the \$75,000 capital stock, only the \$52,000 acquired by Mr. Duggan is shown as paid up.

In the list of stockholders appearing on the Liquidators' Statement (See Exhibit No. 5-A to Volume No. 1), Grant Hugh Brown appears as holding stock to the extent of \$13,300, and T. J. Duggan as holding \$8,600. Mr. Duggan stated in evidence that he had since acquired Brown's stock, making his total holdings \$21,900. Mr. P. G. Demetre, a wealthy Greek fruit merchant, of Montreal, and former Treasurer of the Jockey Club, appears on the list as holding \$10,500 worth of stock, but from Mr. Duggan's evidence it would appear that Mr. Demetre is the joint holder with him of some of the stock acquired from Grant Hugh Brown.

Mr. Duggan and Mr. Demetre accordingly had a controlling interest in the Club when it went into liquidation, and it is a matter of common knowledge that Mr. Demetre (generally said to have secured a return on his investment) is not inclined to concern himself further as to its affairs, or assist financially in the matter of its liabilities.

A dividend of 17½ per cent on the paid-up capital stock was paid in 1916.

The Club has a long lease, of which there are about five years yet unexpired, from the Canadian Northern Railway, and has erected buildings, paddocks, and stands; the expenditure in this connection, according to the 1915 balance sheet, being about \$40,000, which is stated by Mr. Duggan in evidence to have been all paid out of the earnings of the Club. Further capital investment of about \$10,000 is said to have been made in 1916, but this is apparently still owing, as Mr. Duggan testified that the liabilities of the Club were in the neighbourhood of \$15,000. The liquidators' statement shows liabilities of only \$5,662.72, the difference being probably accounted for by the additional construction of the track, which, according to Mr. Duggan's evidence, is still unpaid for.

The Back River Jockey Club held under its own charter two seven-day meetings in 1915, two seven-day meetings in 1916, and one seven-day meeting in 1917. In order to enable this Club to hold another seven-day meeting in 1917, before the coming into effect of the Order in Council prohibiting betting, it secured from Mr. J. L. Counsell, of Hamilton, Ontario, the use of the charter of the London Jockey Club (then, as now, dormant), and under this charter held a second seven-day meeting on the Back River Jockey Club track, July 24 to 31, 1917.

The Commissioner has been unable to definitely ascertain the amount of the consideration involved in this transaction.

The only information given in the statements of the Club regarding this last meeting is an item in Operation Account covering the first 1917 meeting, "London Jockey Club Loss, \$5,498.08."

Mr. Duggan stated in evidence that the Back River Jockey Club went into liquidation shortly after the passage of the Order in Council of 1917, though the statement of the liquidators is dated May 20, 1918.

At the two meetings held in 1915, and the two meetings held in 1916, book-making was the system of betting, the Club using what is termed a "Syndicate Ring," itself acting as banker and hiring men at so much per day to conduct the betting.

In 1917 they rented twenty Pari-Mutuel machines from the Dorval Jockey Club.

Mr. Duggan stated in evidence that they were ready to install Pari-Mutuel machines in 1917, but when they found betting was to be suspended they cancelled their order and borrowed from Dorval.

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As will be seen from the statements submitted by Mr. Duggan (Exhibit 5-A, Volume No. 1), the revenue from the book-making in 1915 was, for the two meetings, \$106,213.54; in 1916, for two meetings, \$140,876.33, and for one meeting in 1917, with Pari-Mutuel machines, \$62,874.85. The books of the Club afford no information as to the revenue from the betting at the second meeting of 1917.

A statement of the purses paid at the five meetings, the gate receipts and betting revenue, a copy of the Original and Supplementary Letters Patent, Liquidators' statement and balance sheet, as taken from the Club books, are attached as Exhibit No. 5-A to Volume No. 1 of the Record of Proceedings.

It may be noted that Mr. T. J. Duggan, the former secretary of this Club, was also associated with Mr. Grant Hugh Brown in the Eastern Racing Association, which operated the Devonshire track at Windsor, Ont., since sold to a Mr. Bradley Wilson, the representative of a newly organized company, which will be dealt with elsewhere in this report.

#### MONTREAL DRIVING COMPANY, LIMITED.

No one appeared at the Montreal hearing on September 25 on behalf of this Club, but information was subsequently secured to the following effect:

The Montreal Driving Company, Limited, was incorporated by Letters Patent, under the Quebec Companies' Act, in March, 1909.

The half mile track, formerly operated by this Club, is known as Delorimier Park and is situated in Delorimier Ward, of the City of Montreal. It is held under a lease, expired since 1917. The land is at present owned by the Canada Cement Company.

Although the Club secured its charter in 1909, it apparently held no running race meetings until 1910. Two seven-day meetings were held each year, from 1910 to 1916, when the President, Mr. H. A. Dorsey, a respected citizen of Montreal, died. Mr. Roy Irving, of Toronto, said to be at that time associated with Mr. A. Orpen, of Toronto, acted as manager from the inception of the Club, and after the president's death, came from Toronto and conducted two meetings in 1917, before the passage of the Order in Council prohibiting betting.

The company being now out of business, no financial details could be secured with regard to these meetings. Book-making was the system of betting followed at all meetings up to 1917, when Pari-Mutuels were installed. The Commissioner is informed that the betting was handled at the meetings by Mr. Hare, partner of Mr. Abram Orpen.

Since 1917, and the expiry of the Montreal Driving Company's lease, no meetings have been held at Delorimier Park, but it is generally said, in Montreal, that under the regime of this Club, this was the most reputable of the half mile race tracks in Montreal.

Two bookmakers of Montreal, Messrs. Cattarinich and Dandurand, secured a lease of this track, in the spring of 1919, which is said by Mr. Dandurand to run for the next three years, for which period they have agreed to pay \$42,000 rental.

Mr. Dandurand has further stated to the Commissioner that they have already spent a large sum of money in bringing the track into condition, and that they have allowed the horsemen to use it free of charge during the past winter, for ice races. He states that they have acquired the Charter used, previous to the passing of the Order in Council, by the Maisonneuve Driving Club. This is still another instance of the traffic in Charters and Letters Patent, which is made the subject of special reference elsewhere in this report.

A copy of the original charter issued to the Montreal Driving Club Company in 1909 is appended as Exhibit No. 6-A, to Volume No. 1, of the Record of Proceedings.

A copy of the National Jockey Club Charter, referred to above, is also appended to Volume No. 1 as Exhibit No. 7-A.

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## MAISONNEUVE DRIVING CLUB.

No one appeared at the Montreal hearing, on September 25, to give evidence on behalf of this Club, and the information subsequently secured by the Commissioner with regard to its operations is summarized below:—

The Maisonneuve Driving Club, Limited, secured Letters Patent, under the Quebec Companies' Act, in May, 1915, and later operated the half mile track, within the city limits of Montreal, known as the Maisonneuve Race Track.

The applicants for incorporation, as appearing on the original letters patent are as follows:—

Napoleon Morin, gentleman;  
Joseph N. E. Morin, grocer;  
Urcisse Sauvageau, undertaker;  
Eustache Bissonnette, contractor;  
Joseph B. Bedard, advocate;

and the company was capitalized at \$45,000, divided into 1,800 shares of \$25 each.

These Letters Patent having been issued, after the amendment to the Criminal Code of 1912, they did not entitle the holders to conduct race meetings with betting privileges. Two seven day meetings, are, however, said to have been held under this Charter in 1916, at both of which book-making was used.

In 1917, under the Quebec License Law, Pari-Mutuel betting became imperative, under penalty of a double license fee, and in order to secure a license for racing with betting, the group, then composing this Club, is said to have acquired, from Napoleon Turcot, M.L.A., et al, a Charter granted to the National Jockey Club, Limited, and under its authority conducted two meetings in 1917, with Pari-Mutuel betting, before the coming into effect of the Order in Council.

A man named William Murray acted as manager for the 1917 season, and the conduct of the racing and betting at the Maisonneuve Track, especially during the second meeting, was as indicated by the Montreal daily press of that time, of a very questionable character.

In connection with the National Jockey Club Charter, it may be noted that this was at first in the form of Letters Patent, issued under the Quebec Companies' Act, on August 3, 1916, to J. A. E. Letellier, financier; Napoleon Turcot, master plumber; Thomas Girard, financier; Leon Therrien, financier, and Miss Jean Marsan, stenographer; all of the City of Montreal. These Letters Patent empowered the Club, among other things, to carry on races, "after eight o'clock in the evening only," but did not give authority to carry on racing with betting, owing to the amendment to the Criminal Code, above referred to. In December, 1916, therefore, a Special Act, of the Legislature of Quebec (Chapter 103, Statutes of Quebec, 7 George V. 1916), confirmed and ratified the Letters Patent, amending them, however, by the elimination of the authority to carry on races after eight o'clock in the evenings.

This is the Charter said to have been acquired by Messrs. Cattarinich and Dandurand, for their proposed operations at Delorimier Park. If they have acquired this Charter, the Maisonneuve Driving Club is left without any legal authority to hold race meetings with betting.

Still another meeting is said to have been held at Maisonneuve Track after the passage of the Order in Council prohibiting betting. This was called a "non-betting" meeting, and although it was not necessary, under the law, to have a Charter to hold a race meeting, without betting, the Maisonneuve people are said to have secured for the occasion, the Breeders' Racing Association Letters of Incorporation, used at Kempton Park and previously referred to in this report.

Despite the non-betting nature of this meeting, hand-books are said to have been present in large numbers.



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The financial records kept by this Club could not be secured, and seem to have disappeared at the time the former Manager, Mr. Murray, left.

A copy of the original Letters Patent issued to the Maisonneuve Driving Club, Limited, in May, 1915, the Letters Patent issued to the National Jockey Club, in August, 1916, and of the Special Act of the Quebec Legislature ratifying and confirming these Letters Patent, are appended to Volume No. 1, of the Record of Proceedings, as Exhibit No. 7-A.

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At the opening of the Toronto hearing on October 1, 1919, the Toronto Driving Club was the first Association dealt with.

In the course of the Inquiry into the affairs of this Club, and later in the hearing, into those of the Dufferin Driving and the Metropolitan Racing Association, it became apparent that Mr. Abram Orpen, the owner of the Metropolitan half mile track, and his partner, Mr. Thomas Hare, constituted an important element in the control of the two Associations first named. It was, therefore, decided to report on these three Associations, in the order given above before passing on to the larger Clubs.

The relations existing between Mr. Abram Orpen, the Toronto Driving Club, and the Dufferin Driving Club, respectively, are briefly summarized, as follows:—

In the case of the Toronto Driving Club, of which Mr. Samuel McBride is President, Mr. Orpen, having acquired from Mr. John McNamara and others, a lease of the property now known as the Hillcrest Race Track, erected buildings thereon, and sub-leased this property to the Toronto Driving Club for a term of years, at an annual rental of \$2,500. A special form of agreement was entered into between Mr. Orpen, as the Lessor, the Toronto Driving Club, as the Lessee, and Mr. Thomas Hare as the Party of the Third Part, whereby the sub-lease of the land to the Toronto Driving Club was implemented, and Mr. Thomas Hare was granted the sole right to all betting privileges in connection with both trotting and running races conducted on this track. On the other hand, Mr. Hare contracted to provide the purses for competition at any and all running races at race meetings conducted on the premises, up to the sum of \$2,400 per day, for fourteen days in each calendar year during the currency of this lease.

A copy of the agreement in question is appended to Volume No. 2, of the Record of Proceedings, as Exhibit No. 1.

With regard to the Dufferin Driving Club, Mr. Orpen and Mr. Hare have apparently a somewhat similar, but verbal, arrangement, whereby Mr. Orpen allows the Club the free use of the Metropolitan Race Track for its trotting race meets, and in the event of the Club being unable to pay its purses from the amounts received from privilege money, and gate and other receipts, exclusive of betting, Mr. Hare makes up the required amount. As in the case of the Toronto Driving Club, Mr. Hare has the betting privileges and conducts all the betting at the Dufferin Park Driving Club meetings.

The Metropolitan Race Track is owned, or leased, by Mr. Orpen, who conducts thereon running race meetings under the Charter of the Metropolitan Racing Association.

#### TORONTO DRIVING CLUB.

Mr. Samuel McBride, President, appeared on behalf of this Club, which holds both trotting and running races on the Hillcrest Racing Track.

The Driving Club proper was incorporated in 1902, under Chapter No. 211, of the Revised Statutes of Ontario, 1897, entitled An Act Respecting Benevolent, Provident, and other Societies.

At that time the Club held its meetings on property owned by the Dominion Government, but which was later sold to the city of Toronto. The meetings were

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afterwards held at the Exhibition Grounds, where there was no expense and no revenue.

When the city took over the Exhibition track, the Club moved to the Dufferin Park Track where meetings were also held without expense. In 1911 the Toronto Driving Club held its first running race meeting, but some question arising as to the legality of the Charter for this purpose, the Incorporation papers, and rules and regulations, were submitted to the Attorney General, the late Honourable J. J. Foy, and stated to be satisfactory.

After the amendment to the Criminal Code, in 1912, changing the conditions as regards incorporation, the Club was obliged to vacate the Dufferin Track, and it thereupon entered into an agreement with Mr. Abram Orpen, for a sub-lease of the twenty acres of land leased to him by Mr. John McNamara and others. This property, which has since been used by the Toronto Driving Club for its trotting and running races, is known as the Hillcrest Track.

The terms of the agreement with Mr. Orpen and his partner, Mr. Thomas Hare, have already been outlined. This agreement, which, since the Toronto hearing, has been forwarded to the Commissioner by Mr. McBride, appears as Exhibit No. 1 to Volume No. 2, of the Record of Proceedings, together with certified copy of the Charter and statements of the Treasurer up to the end of 1918.

It will be noted that the original agreement above referred to expired on November 1, 1917, although the evidence of Mr. Orpen indicates that this has been renewed.

Mr. McBride stated in evidence that the Toronto Driving Club entered into an agreement of this kind because of the fact that while it was an incorporated Company it had no shareholders; was simply a Club with officers, an executive committee of from three to five members, and members, active and non-active; the membership fees being \$10 for active and \$5 for non-active members.

He stated that the men connected with the Toronto Driving Club, who are among the most respectable in the city of Toronto, are not in it for the amount of money they receive; that not one of them has received a cent other than a small honorarium to the Secretary and Treasurer, and that it has never paid a dividend.

The statements submitted by Mr. McBride, the first of which is the certified statement of the Treasurer, up to the end of the year 1912 (previous to which time they have, apparently, no record) shows a balance in bank of \$5,088.65.

For the period from 1914 to 1917, inclusive, the expenditure, other than purses, totalled \$42,594.94, while the receipts were \$51,658.74, leaving a balance of \$9,063.80, out of which Mr. McBride states the up-keep and repair of the track had to be made. Their cash balance, at the date of the hearing, was \$3,366.01, while the Club owns Victory Bonds to the extent of \$2,000.

Up to 1917, the gate admission fee was 50 cents, while in 1917, it was raised to 75 cents, and the Club paid the War Tax.

Mr. McBride's arguments, in favour of the continuance of racing, appear on pages 188 to 191, inclusive.

During the course of his cross examination by Mr. Raney, Mr. McBride stated that the Club had never made any money. He gave further information as to the agreement between the Club and the Messrs. Orpen and Hare, and stated that he knew nothing as to the revenue from the betting privileges, at the race meetings, this being, under the agreement, a matter entirely in the hands of Mr. Hare, the Club getting nothing out of it, except the purses as provided.

He stated further, that the Club took the gate receipts, the refreshment privileges, the programme privileges, and out of that paid all the help, kept the track in repair and paid the annual rental of \$2,500 per year.

He personally had never received any money from Mr. Hare, since the inception of the Club; he had been engaged as Judge on several occasions, for which he was paid at the rate of \$25 per day, and may on some occasions have received a higher rate, but never more than \$275 for seven days' work.

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He stated that the only benefit the members of the Toronto Driving Club got from the operations on the Hillcrest Track was the right to use the Track at all race meetings; that they received no share of the profits.

He expressed himself as favouring the bookmaking form of betting, rather than the Pari-Mutuel, and stated that if the money derived from horse racing (i.e. betting) was not being used to elevate either the Standard Bred, or the Thoroughbred horse, he would be opposed to it.

See Exhibits No. 1, Volume No. 2, Record of Proceedings.

Mr. James McFarren, a Director of the Toronto Driving Club, also gave evidence; his cross-examination by Mr. Raney and Mr. Orpen's own evidence later in the hearing, serving to confirm the connection of the latter with this Association as already set forth.

#### DUFFERIN PARK DRIVING CLUB.

The reputedly verbal agreement existing between Mr. Orpen, his partner Mr. Hare, and the Dufferin Park Driving Club, as to the betting privileges on the Metropolitan Race Track, have already been outlined in this report.

Mr. W. A. McCullough, represented the Club, at the Toronto hearing, on October 1. 1919, and submitted a statement regarding its operations and embodying his views regarding racing, which is appended to Volume No. 2, of the Record of Proceedings, as Exhibit No. 8.

Mr. James McFarren, a member of this Club also gave evidence regarding the arrangement with Mr. Orpen. The information elicited from these two witnesses as also from Mr. Orpen, would indicate that the Dufferin Park Club is an Association of harness horse men who hold meetings on the grounds of the Metropolitan Racing Association, under a verbal agreement with Messrs. Abram Orpen and Thomas Hare, whereby the Club secures the free use of the track for its trotting races, and the control of the betting privileges at the track is in the hands of Mr. Hare. As a further consideration for this privilege, Mr. Orpen and Mr. Hare, guarantee to make up any deficit in the purses, in the event of the gate and privilege money not being sufficient for that purpose.

While during Mr. Raney's cross-examination of Mr. McCullough, he questioned him very closely as to the operations of this Club, and asked that the Commissioner require him to produce certain further evidence, the information later elicited from Mr. Orpen who, in giving evidence, was exceedingly frank as to the relations between the Dufferin Park Driving Club and the Metropolitan Racing Association has, in the opinion of the Commissioner rendered this unnecessary for the purposes of the Inquiry.

#### METROPOLITAN RACING ASSOCIATION.

The Metropolitan Racing Association was represented by Mr. Abram Orpen, of Toronto, who stated that he is the controlling interest in this Association, which is a joint stock company, incorporated under Dominion Charter, secured in 1909.

He has, as partner, under a verbal agreement, a Mr. Thomas Hare, who looks after the betting privileges which together they control on the two half-mile tracks in Toronto. He has had thirty years' experience as a bookmaker and race track man.

He and Mr. Hare conducted fourteen days of running races each year, up to 1917, with bookmaking. He keeps no books or records, simply taking over the balance of the fund after each meeting.

He confirmed the arrangement with regard to the Hillcrest track and the Dufferin Park Driving Club, and stated that the betting privileges from meetings on each of these tracks brought an annual revenue of from \$10,000 to \$20,000, but did not think it had ever reached the higher figure.

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He stated that he and Mr. Hare actually controlled the running races on the Hillcrest Track and that in regard to the Metropolitan Track, the running races there were conducted by him under the Charter of the Metropolitan Racing Association.

He expressed the opinion that trotting races could not succeed with the Pari-Mutuel system of betting, but that from the bookmakers' standpoint they took more chance than the Pari-Mutuel; that Jockey Clubs using the Pari-Mutuels were always sure of their percentages, while the bookmaker might "go broke."

A copy of the Charter of the Metropolitan Racing Association is attached as Exhibit No. 19, to Volume No. 2, of the Record of Proceedings. As stated above, no financial records are kept by Mr. Orpen.

A list of Canadian owners and breeders, using the tracks controlled by the Metropolitan Racing Association as submitted by Mr. P. E. Callen, is appended as Exhibit No. 20 to Volume No. 2.

## ONTARIO JOCKEY CLUB.

At the Toronto hearing, on October 1, 1919, Mr. W. P. Fraser, Secretary since 1898, of the Ontario Jockey Club, appeared on its behalf. A detailed history of this Club, from its foundation in 1861 up to the year 1910, will be found on page 142 and following pages of the report of 1910, of the Special Parliamentary Committee on Bill No. 6, relating to Race Track Gambling (Exhibit No. 3 to Volume No. 1, of the Record of Proceedings).

In his evidence at Toronto, Mr. Fraser brought this history up to the present time, furnishing much information as to the operations of the Club and the character of these operations during the intervening period. For this data see Mr. Fraser's evidence as appearing on pages 361 to 366 of the Record of Proceedings in this Inquiry.

Mr. D. L. McCarthy, K.C., under whose examination Mr. Fraser gave this evidence as to the operations of his Association subsequent to 1910, put in evidence a package of Racing Announcements as showing the character of the meetings held by the Ontario Jockey Club from 1911 to 1916 inclusive, attention being particularly drawn by counsel to the list of Governors, and the distinguished patronage enjoyed by this organization.

The Racing Announcements referred to were filed as Exhibit No. 14, to Volume No. 2, of the Record of Proceedings.

Under further examination by Mr. McCarthy Mr. Fraser stated in evidence that the Woodbine Track, owned by the Ontario Jockey Club, contains eighty-five acres, and is situated within the city limits of Toronto on Queen Street East. There are two grandstands capable of seating twelve thousand people, with stable accommodation for about 520 horses. It is a mile track, with a steeplechase course in the centre, where there is also a polo field.

Up to the year 1917, the Club held seven day running race meetings in May and September of each year, at which the Pari-Mutuel system of betting was used.

Mr. McCarthy here put in evidence a list of Directors, a list of Shareholders, with the number of shares held by each, a list of members as of 1919, a copy of the General By-Laws of the Ontario Jockey Club and the last Programme of the Club before racing ceased, this latter being the Spring Meeting of 1917. These documents are appended to Volume No. 2 of the Record of Proceedings as Exhibit No. 15.

Proceeding, Mr. McCarthy put in evidence also a statement of the gate receipts from 1911 to 1917; a statement of the purses paid for the same period, this statement covering also the proportion of those purses confined to Canadian bred and owned horses; a statement of the maintenance and up-keep, the amount of taxes and the dividends paid; and a statement of the receipts from the Pari-Mutuel system of betting at the Spring and Fall meetings during the years 1911 to 1916 inclusive, and at the Spring Meeting of 1917. These statements are appended as Exhibit No. 16 to Volume

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No. 2 of the Record of Proceedings, and also appear at pages 380 and 381 of the said Record.

In regard to these statements, as filed by Mr. McCarthy, on behalf of the Ontario Jockey Club, it will be noted that the racing season of 1910 is not dealt with. At the Commissioner's request, Mr. Fraser has since forwarded to him the figures for 1910 in each case, and these have been attached to Exhibit No. 16 to Volume No. 2.

In considering the statement of maintenance and up-keep, Mr. Fraser stated in evidence that the up-keep and maintenance of the track in the year 1918, when no racing was held, amounted, as shown by the statement to over \$21,000, and that in 1919 this expenditure would be much heavier.

In regard to the dividends, witness testified in support of the statement submitted, that the Club paid a 5 per cent dividend during the years 1911 to 1914, inclusive, a 10 per cent dividend in 1915, and a 5 per cent dividend in 1916 and 1917; no dividends since 1917. A special dividend of 5 per cent was paid in 1913 and 1914, and one of 10 per cent in 1915, as a result of the distribution of profits from the sale of lands at Scarboro, and, in regard to this, the witness, in reply to Mr. Raney, stated as follows:—

Mr. RANEY: "Were these extra dividends?"

Mr. FRASER: "Extra profits from the sale of lands at Scarboro. Some years ago the Ontario Jockey Club bought a property consisting of some 247 acres on the Kingston Road in the township of Scarboro. They decided that that land was not the best possible for the building of a race course when they located their present premises, and while they did not offer it for sale, they received an offer for it, which they accepted, and the difference between the purchase price and the selling price was \$75,000. Of that \$75,000, \$45,000 was distributed over 1913, 1914, and 1915, and the balance, \$30,000, was taken into the assets of the Club." (Page 378, Record of Proceedings.)

Mr. Fraser further stated, in reply to Mr. Raney, that this was explanatory of what might be considered the large dividends paid in 1914, and 1915.

Mr. Fraser further stated, in evidence, in reply to cross examination by Mr. Raney, that the statement of receipts from the Pari-Mutuel represented a percentage of 5 per cent, and the breakages taken by the Club from the machines for the Spring and Fall meetings during the years 1911 to 1916 inclusive, and the Spring meeting of 1917; and further that the breakages in the case of the Ontario Jockey Club had never amounted to more than three-quarters of one per cent.

As will be seen from a perusal of the evidence, given by Mr. Fraser, on pages 382, 383 and 384, the Ontario Jockey Club's capital stock, as at 1910, amounted to \$10,000, while its assets at that time were valued at over \$200,000, it having then acquired the ownership of the Woodbine Track, though not completely paid for, it being still encumbered with a mortgage. In that year (1910) the capital stock was increased to \$200,000 to make this correspond with the Club's assets; with this object in view, each holder of a \$100 share was given two shares of \$1,000 each.

In 1916 the assets of the Club had still further increased in value to \$600,000, and in that year the capital stock was again raised to correspond, whereupon the holders of two shares of \$1,000 each were given four additional shares, making them the holders of six shares of \$1,000 each.

On request, Mr. Raney was furnished with copies of the various statements referred to above for purposes of cross examination, and some question having arisen as to the production of the records of this Club, the witness, Mr. Fraser, stated:

"I say, again, Mr. Commissioner, that the instructions I have received from the Directors of the Ontario Jockey Club are these: That their books are open for your inspection, whenever you choose to make it, everything they have, every record they have from the time they were organized in 1881."

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to which statement, Mr. McCarthy, counsel for the Club, added:

"In other words, if you care to take advantage of that offer, Mr. Commissioner, and if, as a result of that, you think there are any facts which Mr. Raney, or his clients, or the public, or the Government, should know, you are at liberty to disclose those facts."

Mr. Fraser gave further evidence, which will be found on page 393 of Volume No. 2, of the Record, as to the falling off in gate receipts in 1918 and 1919, when the "King's Plate" only was run. On page 394 will be found his statements as to racing in other countries during the war.

Information regarding the Canadian Racing Association, its membership, the rules and regulations governing the various clubs composing it, its lesser jurisdiction over certain other Racing Associations and particulars regarding the personnel of its Executive Committee, as secured in evidence from Mr. Fraser, will be found elsewhere in this report.

Mr. Raney, in cross examination, questioned Mr. Fraser, as to the influential men and Members of Parliament on the Directorate of the Ontario Jockey Club, also with regard to the statements made by Sir John Hendrie, Colonel William Hendrie, and Mr. Fraser, in 1910, before the Parliamentary Committee, previously referred to. Mr. Fraser stated, in evidence, that he was still of the view that, as quoted by Mr. Raney, "the love of the horse, the love of the sport and the appreciation of the value of the thoroughbred would not be in itself an incentive to keep up the breeding of the thoroughbred," and that betting-house privileges are necessary to enable the thoroughbred to be maintained.

He stated that his impression against the Pari-Mutuel system of betting, as expressed before the Parliamentary Committee, in 1910, had been changed since that time, and that it does not offer as much temptation as book-making.

Further evidence given by Mr. Fraser, under cross examination by Mr. Raney was, as follows:

That Pari-Mutuel machines were installed at the Woodbine Track in 1911, at the opening of the Spring Meeting, but at the two seven day meetings in 1910, book-making was used. He was not sure as to the number of machines installed at first, but the number had been increased only once and had never reached 59 as has been stated in the daily press.

That the Canadian Racing Association had never considered the fixing of a uniform rate of commission to be deducted from the Pari-Mutuel machines, and he did not think they had jurisdiction to enforce a regulation in this connection;

The question of the increase in capitalization of this Club, and the several issues of stock, was made the subject of an exhaustive cross-examination by Mr. Raney; special attention being given to the extra 5% dividend first declared in 1913, continued in 1914, and the extra 10% dividend declared in 1915, as a result of the land profits of the Company.

Mr. Fraser stated, in evidence, that the Scarboro Land, was to the best of his knowledge, purchased in 1907 for \$47,000, and sold in 1912 for \$130,000, forty-five thousand (\$45,000) dollars being distributed in dividends and the balance put in the treasury of the Club;

That the property at Woodbine is paid for, being assessed at \$604,000; that the Club owns 180 acres of land at Long Branch, acquired in 1909, or 1910, for about \$140,000; that some \$80,000 has been invested by the Club in stocks (interest bearing investments), but it has no Victory Bonds, and no cash surplus;

That the present grand stand cost about \$160,000, but that he could not estimate the cost of the other equipment.

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The comparisons made by Mr. Raney in his cross examination of Mr. Fraser, of the betting revenue of this Club with book-making up to 1911 with Pari-Mutuels beginning in that year, will be found on pages 409 and 410 of Volume No. 2 of the Record of Proceedings. These figures will be later dealt with when taking up the various statements submitted by this Club.

Mr. Fraser would not agree that the increase shown in the betting revenue for the years in which the Pari-Mutuels were used, was attributable entirely to the change in the betting system, but stated, that it was due, at least in part, to the improved financial conditions.

Special attention is directed to the evidence of Mr. Fraser, when under cross examination by Mr. Raney, as to the disposition of the moneys derived, respectively, from the gate receipts, and from the betting privileges. This will be found on pages 412, 413, and 414 of the Record.

On further cross-examination Mr. Fraser stated that, the increased purses were the only contribution made by the Ontario Jockey Club towards the encouragement of horse breeding; that his Club had made no advances towards the work of the Canadian National Bureau of Breeding; that the Ontario Jockey Club, in common with other organizations, received from the Government of Ontario, a rebate of a portion of its license fee to assist in purses paid to Canadian owners; that the Canadian Racing Association, as such had, at least once, and probably more often, made a contribution of \$200 towards certain classes of horses in the Canadian National Exhibition.

He stated that there was no salary attached to the office of President, but that he was paid a salary as Secretary.

Some misunderstanding arose with regard to certain figures, appearing in the report of Messrs. Clarkson, Gordon & Bilworth; there being an apparent discrepancy between these and the figures supplied by the Ontario Jockey Club in the matter of the betting revenue. This was, however, explained by the Commissioner who pointed out that the Auditors quoted the gross figures while the Club's statements showed the net amounts after expenditure had been deducted.

Appended to Volume No. 2, of the Record of Proceedings, will be found the following exhibits, filed on behalf of the Ontario Jockey Club—

Exhibit, No. 14—

Announcements—1911 to 1916.

Exhibit, No. 15—

List of the Directors, January 1919.

List of Shareholders, 1918, with statement of number of shares held by each.

List of Members, 1919.

General Bylaws, Ontario Jockey Club.

Announcement, Spring Meeting 1917, (last meeting held).

Exhibit No. 16—

Statement—sheets 1, 2, and 3, i.e.

1. Gate receipts, total purses, and purses confined to Canadian owners, years 1911 to 1919, inclusive.
2. Maintenance and up-keep, purses, taxes, dividends and special dividends, 1911 to 1919, inclusive.
3. Receipts from betting 1911 to 1917, inclusive.

NOTE: (Attached to this exhibit is a fourth sheet, giving all the above data for the year 1910, in accordance with the Commissioner's request.)

A reference to Exhibit No. 16 will show that, in the period, from 1910 to 1917 inclusive, the gate receipts amounted to \$725,248. The betting revenue, with book-



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making for two meetings in 1910, realized \$58,932, while the Pari-Mutuels from 1911 to 1917, inclusive (thirteen meetings) brought \$800,415.71, a total of \$859,347.71. The revenue from these two sources for the period was, therefore, as follows:

Gate Receipts . . . . .	\$725,248 00
Betting Revenue . . . . .	859,347 71
Total . . . . .	<u>\$1,584,595 71</u>

During the ten years, from 1910 to 1919, inclusive, the amount paid in purses by the Ontario Jockey Club was \$796,960.75, this including the two "King's Plate" races run at the Show of the Toronto Hunt Club, in 1918 and 1919. Of this total amount \$192,350 was paid in purses to Canadian bred and owned horses exclusively, but this latter amount does not, of course, include the purses won by Canadian bred and owned horses competing in open races.

It will be noted that the revenue of the Club during this period, from gate receipts and betting privileges exceeded the purses paid by \$787,634.96, and the amount expended each year in the maintenance and up-keep, and in taxes, will be found on a reference to page 2, of Exhibit No. 16, appended to Volume No. 2. Considerable information as to the disposition of the balance is to be found in the evidence given by Mr. Fraser, under cross examination by Mr. Raney; pages 394 to 422 inclusive, of Volume No. 2, of the Record of Proceedings.

## CANADIAN RACING ASSOCIATION.

On the opening of the hearing, at Ottawa, on September 23, Mr. D. L. McCarthy, K.C., stated that he appeared on behalf of the Clubs composing this Association, and gave a list of these (see pages 3 and 4, Volume 1, Record of Proceedings).

The Secretary of the Association, Mr. W. P. Fraser, also gave evidence regarding it at the Toronto hearing, on October 1, 1919, and under examination by Mr. McCarthy, filed a copy of the Rules and Bylaws of the Canadian Racing Association, to which was attached the rules of racing and steeple-chasing. These will be found appended as Exhibit No. 13, to the Record of Proceedings, Volume No. 2

Mr. Fraser also stated, in evidence, that in 1918, the Canadian Racing Association had authorized Colonel William Hendrie, at that time its Acting Chairman, to present its views to the Prime Minister, with regard to the continuance of racing under proper regulation, and that Colonel Hendrie had accordingly, under date of November 25th, addressed a memorial to Sir Thomas White, then Acting Prime Minister, setting forth, in detail, the recommendation of the Canadian Racing Association, and endorsing the facts set forth, in a memorial addressed to the Minister of Agriculture by the Canadian Thoroughbred Horse Society, on February 22nd, 1918.

Copies of the documents in question will be found appended to Volume No. 2, of the Record of Proceedings, as Exhibit No. 17.

In the course of his evidence, at Toronto, Mr. Fraser, under cross examination by Mr. Raney, stated that the same Clubs compose the Canadian Racing Association now as in 1910, except that The Connaught Park Jockey Club has since been admitted; that the Kenilworth Jockey Club, at Windsor, and the Dorval Jockey Club at Montreal are not members, but race under the jurisdiction of the Association, and receive dates enabling them to arrange their circuits; that the revenue of the Association is derived from the licenses issued to trainers and jockeys, the several Associations being assessed to cover any deficit in its operations; that its Executive Committee consists of the President, or Vice-President, of each of the Clubs composing its membership, and that no officers are salaried except the Secretary. Upon being examined further, as to the representatives of the various Clubs he stated that, Mr. Seagram, until his

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death, had always represented the Ontario Jockey Club; Mr. John Madigan, the Niagara Racing Association, Mr. George Hendrie, the Windsor Jockey Club, and in the case of the Hamilton Jockey Club, Senator Gibson, during his lifetime, and occasionally Judge Monck. He knew nothing of the affairs of Mr. John Madigan, President of the Niagara Racing Association, and had never heard that the officers of the Canadian Racing Association took exception to association with Mr. Madigan; that the Association had taken no steps to prevent racing on the Hillcrest, or Thorncliffe tracks, in Toronto, or the Devonshire Track, at Windsor.

## HAMILTON JOCKEY CLUB.

At the hearing in Toronto on October 2, 1919, Mr. George S. Kerr, President of the Hamilton Jockey Club, for the past three years, appeared first for this Association, Mr. A. R. Loudon, Secretary, testifying on its behalf later in the hearing.

Mr. Kerr, under cross-examination by Mr. Raney, K.C., testified as follows:—

He had been President of the Hamilton Jockey Club since the death of the late President, Mr. John J. Scott, K.C., about three years previous, and had been connected with the Club for about seven years. There had been, during that time, certain transfers of shares. The "Hendries" were out of the Club before he came in.

He had no inner knowledge of the Club's transactions in shares, but he holds 20 shares of a par value of \$100 each; he did not know whether he had been in the Club in 1912; he thought there were between 15 and 20 shareholders, and after corroborating Mr. Raney's statement as to the 100 shares each held by Mr. H. J. McIntyre and Mr. E. R. Loudon, and the 300 shares which they jointly held in trust, a total of 500 shares out of 970, admitted that these two men practically controlled the Association.

He stated that Charles C. Smith, of Chicago, held only 10 shares; he had met Mr. Smith once or twice. Asked as to the identity of the person for whom Mr. McIntyre and Loudon held the 300 shares in trust, he stated that he did not know; he thought that Mr. C. C. Smith had no interest in the Club above ten shares; this man attended the race meetings but took no part in the management of the Club, and to Mr. Kerr's knowledge had nothing to do with the betting privileges.

Continuing his cross-examination Mr. Raney questioned this witness as follows:—

MR. RANEY: So far as the President of this Club is concerned, he does not know that Mr. C. C. Smith has any interest in the Club, except the ten shares?

MR. KERR: Well I don't know but I would say not.

MR. RANEY: Do you know who McIntyre and Loudon hold the 300 shares for?

MR. KERR: No I do not. I would judge it was presented in the usual way and went through in that way. I don't think there is anything in the Minutes, or anything stated anywhere to show that.

Continuing, under cross-examination, by Mr. Raney Mr. Kerr stated as follows:—

The "high water mark" in the price of shares of the Hamilton Jockey Club was, he understood \$2,500; he thought the original investment was \$10,000, and that the nominal capital stock was \$40,000; he had been told by Mr. Bruce, one of the originals, that \$10,000 had been paid up, that the Club carried along for 13 years with many losses, many retiring, and that Mr. Bruce paid a great many of the debts out of his own pocket and lost money by it.

He understood that the capital stock, was increased in 1909 to \$100,000, this being distributed as bonus stock, ten new shares for one original, the holder of one share of the par value of \$100, becoming the holder of ten shares whatever he had paid on his original stock, after twenty-six years, from the foundation of the Club.

The capital stock was increased in 1919 to \$500,000, the \$400,000 of bonus stock being not yet distributed. The intention of this further capitalization was to make the capitalization more nearly equal to the actual money invested in the business.

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He had no recollection of the inquiry in Ottawa in 1910 and did not know that there was any change in the law in that year, though he later admitted that he knew the Statute was amended in 1910.

His evidence on this point is quoted herewith:—

Mr. RANEY: In 1910 after the change in the law legalizing betting houses on the race tracks, this Club paid a dividend of \$200 on each of these \$100 par shares. You remember that?

WITNESS: I did not know there was any change in the law in 1910.

Mr. RANEY: You know the law was changed at Ottawa in 1910?

WITNESS: There was always betting.

Mr. RANEY: You know the Statute was amended in 1910?

WITNESS: Yes.

Mr. RANEY: So as to make book-keeping legal on the race tracks, do you not?

WITNESS: Well I would not say without looking that up that you are right.

That is not my recollection of what took place.

He stated that at the time of the Inquiry in Ottawa, in 1910, he held one or two original shares and could not remember whether he secured the two dividends paid during that year. He had purchased during the past two months about 20 additional shares, at \$2,500 per share; to the best of his recollection there had been only two dividends, one of \$200 and one of \$700 per share; he had no distinct recollection of these dividends.

Continuing, Mr. Kerr stated that he did not remember the amount which had been paid for each of the \$100 shares on which dividends amounting to \$910 were paid in 1910. He admitted that in 1906 a syndicate of six members, namely, Judge Monck, John L. Counsell, A. E. Loudon, F. C. Bruce, H. J. McIntyre, his partner in the Hotel Royal, and himself, was formed for the purpose of securing the shares in the Hamilton Jockey Club.

Asked by Mr. Raney as to the value of the Hamilton Jockey Club stock to-day, Mr. Kerr stated: "On the basis of the profit that I know the track is making per year, they are worth at least \$5,000, figured on a basis of ten per cent investment. There is no question about that."

He bought his shares in the Club from another party, but preferred not to state what he paid for them. He could not remember what dividend he received in 1917, and did not know that a Government auditor made a report on the 1917 meeting; he understood that 7 per cent or 8 per cent was taken by the Club from the Pari-Mutuels; he knew that the purses at the 1917 meetings were \$40,900, but had no knowledge as to the other statistics as taken from the Auditor's report by Mr. Raney.

On being examined by Mr. McCarthy, this witness stated that the track owned by the Hamilton Jockey Club, while surrounded entirely by the City of Hamilton, was not a part of that corporation; it consisted of 65 acres, with the Grand Trunk railway on one side and the street railway on the other. The Club held race meetings in June and September of each year on dates arranged by the Canadian Racing Association, two seven-day meetings each year. Large but orderly crowds attended this meeting; the Pari-Mutuel system of betting was used. The track has been carried on since racing ceased at an expenditure of \$17,000 to \$20,000 per year; the property is paid for, and grandstands costing \$70,000 to \$80,000 and other buildings costing about \$230,000 have been erected.

No member of the Hendrie family is connected with the Hamilton Jockey Club, they having left of their own accord before he came into it.

Under Mr. Raney's cross-examination, this witness, although President of the Club for three years, and connected with it for a much longer period, displayed an

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astounding lack of knowledge of its history and business affairs. A perusal of the Record of Proceedings, pages 423 to 439, will show that his evidence throughout was of the most elusive and unsatisfactory nature.

Mr. A. R. Loudon, Secretary of the Hamilton Jockey Club, under cross-examination by Mr. Raney, stated that he and Mr. H. J. McIntyre did not hold a controlling interest in the Club; in answer to Mr. Raney's query as to the identity of the person for whom he and Mr. McIntyre held the 300 shares in trust, he stated: "That is our own business."

Replying to the Commissioner, he stated that he did not intend to answer the question, but stated that "it is a gentleman in Hamilton, no one outside of Hamilton."

Continuing under cross-examination by Mr. Raney, witness stated that he knew Mr. Charles C. Smith very well; that he had no connection with the Hamilton Jockey Club, except that of a shareholder, holding ten shares; he was positive that Mr. Smith only held and received dividends on ten shares, that being his whole connection with the Club. He (Mr. Smith) had no connection with the Pari-Mutuel system, and upon being asked if this man came to the Club meetings as a visitor, the witness stated, "He has been a visitor there."

He confirmed the statement of the Government auditors as to the amount of dividend (\$48,500) paid in 1917, but declined to furnish Mr. Raney with any further information as to dividends or financial records.

Reference to the evidence given by Mr. George S. Kerr, K.C., and Mr. A. R. Loudon, President and Secretary respectively of the Hamilton Jockey Club, will show that neither of these witnesses disclosed the identity of the person for whom Messrs. McIntyre and Loudon hold in trust 300 shares, which, together with the 100 shares held by each of them (a total of 500 out of 970) constitutes a controlling interest.

The Commissioner has since secured from Mr. Loudon definite sworn statements covering all the other matters relative to the Hamilton Jockey Club which he deems essential for the purposes of the Inquiry, but he does not consider the information offered as to the actual ownership of the 300 shares in question in any way conclusive.

It is true that Mr. Loudon, in a communication addressed to the Commissioner, under date of January 8, 1920, made the following statement:—

"As to the shares held in trust by McIntyre and myself, they are owned equally between us and Judge Monck, which, for certain reasons, he did not wish his name to appear;"

but upon being asked for a declaration to that effect, he failed to furnish the same.

The Commissioner, having carefully considered the situation, decided that nothing would be gained by going further in the matter, in view of the fact that both Mr. Loudon and Mr. Kerr had, at the Toronto hearing, stated under oath that C. O. Smith, of Chicago, was the holder of only ten shares, while the list of shareholders, on which C. C. Smith's name appears for that amount of stock, bears Mr. Loudon's affidavit.

The sworn statements of Mr. Loudon are appended as Exhibit No. 18 to Volume No. 2 of the Record of Proceedings. These comprise, a list of Directors, Officers and Shareholders, showing the amount of stock held by each; a statement of dividends from 1893; a list of purses paid at meetings since 1910 showing the amount allotted to Canadian owned or bred horses; a statement of the number of days' racing each year, the system of betting used, with receipts from gate, betting, and other sources, and expenditures for the period from 1910 to 1919 inclusive; a condensed balance sheet as at October 31, 1917, the last year of racing; also a letter addressed to the Commissioner, by Mr. Loudon, on October 1, 1919 (which, however, was not forwarded to him until some weeks later), giving considerable detailed information as to the earlier history of the Club; all including the letter last mentioned, bear Mr. Loudon's affidavit as to correctness.

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Copies of the Letters Patent (appended as Exhibit 18-A, to Volume No. 2 of the Record of Proceedings) indicate that the Hamilton Jockey Club was incorporated in 1893, with a capitalization of \$10,000, divided into 100 shares of \$100 each, the original applicants being George Roach, James Murray Lottridge, Charles Matthew Counsell, John Strathern Hendrie, Robert Thomson, John J. Stuart, and William Hendrie the younger, all of the City of Hamilton. In 1895 Supplementary Letters Patent were granted raising the capitalization to \$100,000, by the issue of 900 shares of new stock of one hundred dollars each. In 1918 the capitalization was for the second time increased by Supplementary Letters Patent to \$500,000, by the creation of 4,000 shares of new stock of one hundred dollars each.

From the evidence of the several witnesses it would seem clear that only \$40 was paid on each original share by the original shareholders.

On this stock, according to the sworn statement, (Sheet No. 4 of Exhibit No. 16), dividends aggregating \$378,300 have been paid, beginning with 1910, the total amount distributed in dividends in that year being \$82,700.

No dividends were declared in 1911, but in 1912 the sum of \$48,500 was distributed among the stockholders in this way. The statement shows that the highest amount paid in dividends after 1910 was in 1916, when \$77,600 was paid on 970 shares of \$100 each, while in 1917 when one race meeting only was held, a dividend of \$48,500 was again declared, and in 1918, with no meeting, a last dividend of \$9,700 or 10 per cent was declared.

Two seven day meetings were held in each year, 1910 to 1916 inclusive, and one seven days' meeting in 1917. At these meetings the gate receipts for the two meetings in 1910, amounted to \$59,042, rose steadily year by year until in 1914 for two meetings they reached \$81,227, and while somewhat lower for the two following years, for one meeting in 1917 they totalled \$51,829.50, or a grand total of gate receipts for the entire period of \$557,495.60.

The system of betting was bookmaking from 1910 to 1915 inclusive; in 1916 and 1917 the Pari-Mutuel machines were used. During the period when bookmaking was in vogue the receipts from this source ranged, as will be seen from the statement, from \$62,950 in 1910 for fourteen days racing, to \$71,400 in 1914, declining in 1915 to \$67,200 while with the Pari-Mutuel system, on the two 7-day meetings of 1916, the sum accruing to the Club was \$182,825.50, and the one meeting of 1917, the sum of \$173,429.05; a total betting revenue for the period of \$757,754.55.

It will be noted that Mr. Kerr stated in the course of his cross examination by Mr. Raney that the percentage taken by the Club from the Pari-Mutuel in 1916 was 7 or 8 per cent. This information is not embodied in the statement of betting revenue furnished by the Secretary of the Club, for either 1916 or 1917. A reference to the Government Auditor's report on this track for 1917 (see page No. 23, Exhibit No. 17-A appended to Volume No 2) will show that in the one meeting of that year the Hamilton Jockey Club calculated its betting revenue from the Pari-Mutuel machines as follows:—

Gross collections through Pari-Mutuels, \$1,694,199.	
Total amount paid over to betters, \$1,514,816.60.	
10 per cent on 40 races, \$1,116,012. . . . .	\$141,601 20
8 per cent on 5 races, \$159,167. . . . .	12,733 36
7 per cent on 3 races, \$101,142. . . . .	7,079 94
5 per cent on 1 race, \$17,878. . . . .	893 90
	<hr/>
Total deductions. . . . .	\$162,308 40
Breakages on 49 races . . . . .	17,074 00
	<hr/>
Total revenue . . . . .	\$179,382 40

or on an average for each of the 49 races of \$3,660.86.

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It will be noted also that there is a difference of \$6,000 between the figures shown by the Auditors and those sworn by the Secretary, as being the net revenue from the Pari-Mutuel machines for the 1917 meeting. In this connection the statements appended to the Auditor's figures, as to the manner in which these amounts were secured are interesting. See page No. 23 and No. 49 of Exhibit No. 17-A, to Volume No. 2, Record of Proceedings.

The amount paid out in purses amounted in 1910 to \$60,795 and rose to \$66,000 in 1914. In 1915 the sum of \$66,000 was also paid in this way, and for 1916 the purses amounted to \$70,000, while for the one meeting of 1917, the purses amounted to \$40,900. The total amount paid in purses for the period was \$498,100 of which \$53,900 was paid to Canadian bred and owned horses.

The gate and betting revenue, as compared with the purses paid, may be summarized as follows:

Gate Receipts, total for meetings, 1910 to 1917 inclusive..\$	557,495 60
Betting Revenue for meetings, 1910 to 1917 inclusive....	757,754 55
	<hr/>
Total.. . . . .	\$1,315,250 15
Purses paid, 1910 to 1917, inclusive.....	498,100 00
	<hr/>
Difference.. . . . .	\$ 817,150 15
	<hr/>

The capital investment in land and buildings was according to the statement at October 31, 1917, \$606,045.14, while the figures, as prepared for the Commissioner of Taxation, show the total assets to be \$688,229.92.

Revenue from other sources, added to the Gate Receipts and Betting Revenue brought the total revenue of the Club, in 1910, to \$137,112.15, and these total receipts rose from year to year, until in 1914, they reached \$170,743, and while declining slightly in 1915, again rose in 1916, the first year of the Pari-Mutuel betting, to \$275,624.56, and in the year 1917 with one seven day meeting they totalled \$235,135.57, or a grand total of all receipts for the years 1910 to 1917 inclusive, of \$1,440,366.33.

The statement also shows the amount expended in operation and maintenance during the years in question, the highest expenditure in this connection being in 1916, when doubtless the installation of the Pari-Mutuel machines was instrumental in raising this expenditure to \$72,166.55, the total amount expended in this way for the period being \$270,108.

The profits each year, as shown by the statements, beginning with \$43,257.59 in 1910, ran to \$68,296.93 in 1914 and in 1916, the first year of Pari-Mutuel betting, to \$71,809.66, while for the year 1917 in which only one meeting was held the profits aggregated \$70,649.24, a total of profits for the period 1910 to 1917 inclusive, of \$453,130.44.

For sworn statements see Exhibit No. 18 to Volume No. 2 of the Record of Proceedings.

Copies of the various Letters Patent granted to this Club, and a copy of a pamphlet, being an extract from its Bylaws and Rules as adopted in January, 1912, are also appended to Volume No. 2 as Exhibit No. 18-A.

In the course of the hearing at Toronto, Colonel William Hendrie refused to answer certain questions asked by Mr. Raney relative to the shares in the Hamilton Jockey Club held by him and his brother, Sir John Hendrie, in 1910, the amount of dividends which they received therefrom, and the price at which these shares were later sold. He could not remember the date on which they were disposed of.

Shortly after the hearing, Colonel Hendrie supplied the Commissioner with full and detailed information on all the points raised by Mr. Raney, not only so far as his

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personal holdings were concerned, but also covering the shares formerly held by his brother, Sir John Hendrie, and the other members of his family.

The information supplied by him is to the following effect:

In 1906 Colonel Hendrie was President of the Hamilton Jockey Club, Sir John Hendrie being at that time on the Board of Directors. Certain influences were at work to secure secretly, the control of the Club, this being eventually accomplished. These controlling interests desired that Colonel Hendrie should retain the Presidency of the Club and that Sir John Hendrie should remain on the Directorate, but both refused, and in the same year (1906) both severed their connection with the Club, the influences then dominating the Board not being, Colonel Hendrie states, to his liking at least.

In 1910, while still retaining his five shares in the Hamilton Jockey Club, he received a dividend of \$200 per share, and in October of the same year received a further dividend of \$700 a share, these being the only dividends received by him from the inception of the Club.

In July, 1911, he was approached by certain persons with a view to the purchase of his five shares, and on an agreement with the Board of Directors that the minority shareholders, who, with him, were opposed to the then control, should be protected, he agreed to sell his stock. After considerable negotiation he sold to J. L. Counsell, for parties then connected with the Hamilton Jockey Club, his own five shares, as also eleven others belonging to minority shareholders, these including several members of his own family. These shares alike brought \$2,484.40 each. He was offered a larger amount per share for his own stock, but refused to consider the proposition unless all the other sellers were treated in the same way.

Sir John S. Hendrie, in a communication addressed to the Commissioner corroborates the statements made his brother Colonel William Hendrie as to his own connection with the Hamilton Jockey Club, and gives additional information in this respect, as follows:

In 1902, he became connected with the Hamilton Jockey Club, which at that time held a lease of the Hamilton Fair Grounds, who were the owners, the Jockey Club being the operating body. He had originally an interest of three shares, of which he sold two, retaining one. Until 1910 he received no dividends, and in 1911 he sold his one share and has since had nothing to do with the Hamilton Jockey Club, either directly or indirectly, or financially.

He adds the following information with regard to his connection with the Ontario Jockey Club:

"My connection with the Ontario Jockey Club was only as a shareholder, having one share, and for many years I have received no dividend from same. In 1906, I having severed my connection with the Hamilton Jockey Club, I became a Director of the Ontario Jockey Club, replacing my father the late William Hendrie. I have not increased my holding of one share in any way except by the action of the Club in increasing the value of the shares and also the number so as to be in some way in keeping with our assessment. Mr. D. L. McCarthy, K.C., has been furnished with returns showing everything I have drawn as a shareholder in the Ontario Jockey Club from the day I received my share."

"Many statements have been made that I had certain connections with other Clubs. I have no interest in any Jockey Club in Canada or the United States with the exception of the Ontario Jockey Club of which I hold one share. I never had, directly or indirectly, the slightest financial or other interest in the Fort Erie Jockey Club. I never had, directly or indirectly, any financial interest in the Windsor Jockey Club, or any Jockey Club in the vicinity of Windsor. I severed my connection with the only other Jockey Club in which I was interested, the Hamilton, thirteen years ago."

He further states:—

“As the chief objection seems to be the amount of money made by some of the tracks, throughout the province of Ontario, a remedy can easily be found for this. Allow all race tracks duly incorporated to pay a reasonable percentage to their shareholders on their actual investment in racing properties, not on capital. After all expenses in connection with the race meetings has been taken care of, maintenance and property, purses, and fairly reasonable salaries for the management of the Club, the remaining money should go to the Government to do with it as they see fit. In this way, tracks that are established for the sole purpose of making money as a business venture, would not be encouraged as the small return of 7 per cent to 10 per cent would hardly look attractive to investors of this nature.”

NIAGARA RACING ASSOCIATION.

Mr. John Madigan, owner of the Fort Erie Track of the Niagara Racing Association, did not appear in 1910 before the Parliamentary Committee, on Bill No. 6, Relating to Race Track Gambling, but some particulars were given before that Committee with regard to the earlier history of this Track by Mr. William German, M.P., which will be found on page 461 and the following pages of Exhibit No. 3 to Volume No. 1, of the Record of Proceedings.

At the hearing in this Inquiry, held at Toronto, on October 2, 1919, Mr. Joseph E. Martin of St. Louis, Missouri, Secretary-Treasurer of the Association, appeared on its behalf, but did not produce any of its books or financial records.

On being examined by Mr. McCarthy, he stated, in evidence, as follows: The mile track owned by this Association is situated at Fort Erie, Ontario, with a grandstand thereon, capable of seating 4,000 people and stable accommodation for 500 horses. The capitalization is \$100,000. This Association, from 1910 to 1917, held two seven day meetings each year, spring and autumn, on dates arranged by the Canadian Racing Association. The system of betting used was bookmaking up to 1915, when the Pari-Mutuel machines were installed. Mr. John Madigan is President, Mr. Joseph E. Martin, Racing Secretary, Mr. Louis A. Cella and Mr. John Condon, previously on the Directorate, are both dead; Mr. Cella's shares have passed into the possession of the Southern Real Estate and Financial Corporation, operating under the laws of the State of Missouri; Mr. Condon's shares are held by his estate. Samuel W. Adler, of New York, has ten shares, while Mr. Martin himself has one qualifying share, this being really one of the shares belonging to the Southern Real Estate and Financial Company.

To the best of Mr. Martin's knowledge, Mr. Madigan and his associates purchased this track in 1908, it being at that time in the hands of what was known as the Fort Erie Jockey Club, and it has been operated under the name of the Niagara Racing Association ever since, no persons being financially interested in it but those already named by Mr. Martin.

Under cross examination by Mr. Raney, Mr. Martin stated, in evidence, that the enterprise was at the time it was taken over by the Niagara Racing Association, composed of four men, John H. Madigan, Louis A. Cella, John Condon, and Samuel W. Adler, these men buying the track sometime prior to the Legislation of 1910.

He did not know that these men were all in the race track business in the United States at that time, and did not know anything of the business in which Mr. Madigan was engaged prior to the time he became associated with him about seven years ago. He stated that Mr. Madigan was a resident of Canada when he bought the track, and that he was born in that country. He did not remember where he met Mr. Madigan first, but that he (Mr. Martin) had never engaged in any business in Canada before entering into the engagement with Mr. Madigan in connection with this track.



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Mr. Cella, had lived at St. Louis, prior to his death; Mr. Condon at Chicago, and Mr. Sam W. Alder was a resident of New York. He admitted, on examination, that these men had operated race tracks at St. Louis, Chicago, and New Orleans, but stated that they had other business; Mr. Cella, in particular, having been interested in theatres and hotels.

It was brought out in Mr. Raney's cross examination of this witness, that Mr. John Madigan, the President of the Niagara Racing Association, was in Toronto at the time of this hearing, but although he had been duly notified he did not appear before the Commissioner.

Mr. Martin further stated that he could not state definitely what dividends had been paid, that the financial and other records of this Club were, he thought, at Fort Erie, where the Head Office was situated, although they also had an office in Buffalo. He could give no definite information as to the figures furnished to the Government Auditors after the meeting in 1917, nor did he know what percentage the Club deducted from the Pari-Mutuel machines. He thought that these percentages had varied, being higher in at least one year than the others.

He refused to tell Mr. Raney what salary, if any, was paid the President and Secretary, or to make any statements as to the dividend of \$100,000, said to have been paid in 1917. He, however, offered to produce the books of the Club for the inspection of the Commissioner, but at this hearing was unable to produce any papers whatever, his principals having him very short notice to appear.

The information given by this witness was, in the opinion of the Commissioner, quite insufficient for the purposes of the inquiry, and at his request, the Auditor of the Niagara Racing Association, Mr. B. G. Lowe, of Hamilton, Ontario, has, since the Toronto hearing, supplied sworn statements as to its financial and other affairs.

A copy of the Charter has also been secured from the Provincial Registrar for Ontario, and with the statements furnished by the Auditor is appended as Exhibit No. 21 to Volume No. 2, of the Record of Proceedings.

Following is a history of this Association and its affairs as compiled from the sworn statements submitted by the Auditor and from information supplied by its solicitors, Messrs Malone, Malone, and Long, Toronto,—

The Niagara Racing Association, Limited, was incorporated by Ontario Letters Patent, on May 11th, 1906, (not 1908 as stated by Mr. Martin the present Secretary), the original applicants being—

Robert Armstrong, Capitalist; Albert Mearns, Barrister-at-Law; Frederick Lawson Whatley, Accountant; Anthony L'Estrange Malone, and Elias Talbot Malone, Gentlemen; all of the City of Toronto. The capitalization was \$100,000, divided into one thousand shares of \$100 each. The Letters Patent provided that the Incorporators should acquire and take over the property known as the Fort Erie Race Track, and all chattels and personal property connected therewith, and then owned by Dan A. Stuart and John H. Madigan, as Trustees, and formerly owned by the Fort Erie Jockey Club, Limited, and should pay for said property real and personal, in shares of "the capital stock of the Company, fully paid up and non-assessable".

The Head Office of the Association was at Bridgeburg, Ontario, and the provisional directors were the men named as applicants for incorporation.

The Solicitor states that the Fort Erie Track was at first owned and operated by an organization known as the Fort Erie Jockey Club, of which Mr. William German, M.P. for Welland, was at one time President. The Fort Erie Jockey Club went into liquidation about 1906, the property was offered for sale by the liquidator, and Mr. John Madigan was a bidder.

Prior to liquidation proceedings the Fort Erie Jockey Club had rented the track to Messrs Hendrie and Parmer, who carried on operations under the lease for two or three years after the incorporation of the Niagara Racing Association. The Mr. Hendrie referred to is Mr. George N. Hendrie, who with his partner Mr. Parmer, after-

wards owned the Windsor Jockey Club. It is said that Mr. Hendrie was also a bidder; in any event he obtained an interim injunction to prevent the liquidator from concluding a sale with Mr. Madigan instead of with him. The injunction was dissolved which left the liquidator free to deal with Mr. Madigan.

Meanwhile the Niagara Racing Association had been incorporated and Mr. Madigan although he had been the successful bidder on the Fort Erie Track, was, unable to obtain possession of the property for some two years, owing to the non-expiry of the "Hendrie-Parmer" lease.

A license for the sale of liquor attached to this property and passed to Mr. Madigan with the track; and this license remained in force until at least 1915.

At the time of the sale of the track to Mr. Madigan, it is stated that he attempted to interest several wealthy Canadians in the enterprise, with the view of having them join with him in the purchase, but in this he failed. There seems to be an impression that the failure was due to the publicity given to the injunction proceedings instituted by Mr. Hendrie and his group. Failing Canadian capital, Mr. Madigan finally associated with himself in the project Mr. D. S. Stewart, of New York, Louis A. Cella of St. Louis, John Condon of Chicago, and Samuel W. Adler of New York, and aside from the five original incorporators, who each held one share of what was apparently qualifying stock, the remaining stock issue of 995 shares was divided as follows:

Daniel S. Stewart . . . . .	199 shares.
John H. Madigan . . . . .	199 "
John Condon . . . . .	199 "
Louis A. Cella . . . . .	299 "
S. W. Adler . . . . .	99 "

Mr. Stewart died some years ago and Mr. Madigan is said to have been the purchaser from his estate of the shares in the Niagara Racing Association.

Mr. John Condon is also dead, his shares still belong to his estate, which is handled by a Trust Company in Chicago; Mr. Cella died about a year ago, his shares being now in the hands of the Southern Real Estate and Financial Company, with which Mr. Joseph Martin the present Secretary of the Niagara Racing Association is also apparently connected. Mr. Samuel W. Adler is said to be a Broker in New York. The one share held by Mr. Martin, and stated by him, in evidence, at Toronto to belong to the Southern Real Estate and Financial Company, is said by the Solicitors to have been absolutely given to him by Mr. Cella prior to the latter's death.

Mr. Madigan is said to have come originally from Simcoe, in the County of Norfolk, Ontario, and to be a property owner and taxpayer in the Township of Bertie, County of Welland, in the neighbourhood of the Fort Erie Track, where he conducts a farm and has a residence several months in each year. He also is a property owner at Houston, Texas, where he lives when not in Canada.

Mr. Madigan and his associates took over the property at the expiry of the "Hendrie-Parmer" leasehold, and, the track being in a very poor and run down condition, are said to have expended large sums in building it anew and erecting grandstands and stables. No details are available as to the amounts expended in this way, the books of the Association containing, according to the sworn statement of the Auditor, no particulars respecting capital investments for the years prior to 1914.

The Commissioner is informed that the Niagara Racing Association was still further delayed from using the track after the expiry of the Hendrie-Parmer lease, in or about 1908, because of the necessity of undertaking the repairs and additions referred to above.

After the amendment to the Criminal Code, in 1910, this Association held seven day meetings Spring and Fall, during the years 1910 to 1916 inclusive, and one seven day meeting in July, 1917. These meetings were held on the dates arranged by the

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Canadian Racing Association, of which the Niagara Racing Association had become a member. At the meetings up to, and including 1914, bookmaking was the system of betting used, while in the following year Pari-Mutuel machines were installed, according to the sworn statements.

According to the statements of the Auditor of the Club, which are covered by affidavit as to correctness, the betting revenue in 1910, under bookmaking, totalled \$39,673.45, while in 1914, the last year of bookmaking it has risen to \$64,344. In 1915, the first year under the Pari-Mutuel system, the income from betting was \$131,988.55, in 1916 it totalled \$192,424.90, and for the one meeting in 1917 alone, the Pari-Mutuel receipts totalled \$162,947.20, or a total for the years 1910 to 1917, inclusive (without 1913 which is omitted) of \$716,144.60.

The auditors appointed by the Ontario Government, reporting on the 1917 meeting on this Track, state that 10 per cent and breakages were taken by the Club as commission from the Pari-Mutuel machines. According to their figures \$1,491,879 passed through the machines in the course of 49 races. Of this the Club's 10 per cent commission and breakages, amounted to \$162,947.20, the statement furnished by the Auditor of the Association for the 1917 meeting agreeing, in every respect, with the report of Messrs Clarkson, Gordon and Dilworth.

The gate receipts rose from \$48,078.12 in 1910, to \$70,915.83 in 1914, and, while for 1915 these receipts amounted to only \$56,412, they rose in 1916 to \$74,895.50, and for the one meeting in 1917 amounted to \$50,360, with a total for the period 1910 to 1917 (with 1913 omitted) of \$429,462.45.

Sundry receipts over and above gate and betting, brought the total revenue for 1910 to \$103,807.42; for 1914 it amounted to \$150,804.53; in 1915 to \$198,208.98; in 1916 to \$279,084.25; and for the year 1917, with one meeting there was a total revenue from gate, betting, and sundry other receipts of \$218,730.60. The total revenue from all sources for the years 1910 to 1917 (with 1913 omitted), was \$1,242,997.86.

The purses ranged from \$54,440 in 1910, to \$59,480 in 1914; \$66,162 in 1915; \$69,360 in 1916, and for one meeting in 1917 the purses paid amounted to \$41,667.50, a total for thirteen meetings (1910 to 1917, with 1913 omitted), of \$405,390.50. Of this amount the Auditor states that the value of the purses paid each year to Canadian bred horses averaged \$8,000.

A reference to the statements will show that the expenditure in maintenance and operation with the purses, brought the total expenditure, in 1910, to \$84,162.52; in 1914 this amounted to \$100,819.75; in 1915 to \$145,798.98; in 1916 to \$227,766.71; and, for the one meeting of 1917, the total expenditure in purses and operation account amounted to \$174,852.54. The total expenditure for the last two years, included, however, \$50,000 in 1916 and \$60,000 in 1917 charged to depreciation.

It will be noted from the statements of the Auditor, that the net profits rose from \$19,644.90 in 1910 to \$74,403.93 in 1912, while on the two meetings of 1916 the profit was \$51,317.54; on the one meeting of 1917 it reached \$43,878.06.

Dividends were declared in each year, 1910 to 1917, (exclusive of 1913, concerning which year the Commissioner has no information) these dividends being as follows:—

1910, dividend of 15 per cent . . . . .	\$ 15,000 00
1911, dividend of 40 per cent . . . . .	40,000 00
1912, dividend of 70 per cent . . . . .	70,000 00
1913, (not known).	
1914, dividend of 20 per cent . . . . .	20,000 00
1915, dividend of 40 per cent . . . . .	40,000 00
1916, dividend of 135 per cent . . . . .	135,000 00
1917, dividend of 100 per cent . . . . .	100,000 00

Total dividends declared in years 1910 to 1917 (exclusive of 1913) . . . . . \$420,000 00

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A copy of the charter, and of the sworn statements and affidavit of the auditor, will be found appended to Volume No. 2 of the Record of Proceedings as Exhibit No. 19.

The affidavit of Mr. Lowe should be noted as explaining the absence of financial statements for the year 1913, as also record of capital investments for the years 1910 to 1913, inclusive.

It will be noted also that he states in this affidavit that the dividends for 1916 and 1917 were made up by the amounts carried in reserve to meet depreciation having been added to the net profits.

Exhibit No. 19 above referred to, includes a list of shareholders, directors and officials.

The Commissioner is in receipt of a memorial signed by a number of residents of the district, these being members of the Bertie Agricultural Society, which sets forth that the property of the Niagara Racing Association has been placed at the disposal of this organization, for a number of years past, free of charge for the holding of its annual Agricultural Exhibition. The memorial expresses the warm appreciation of the Society for this concession.

#### THORNCLIFFE PARK RACING AND BREEDING ASSOCIATION.

At the hearing, at Toronto, on October 1st, 1919, the Thorncliffe Park Racing and Breeding Association was not represented. Its solicitor, Mr. A. H. Beaton, was present earlier in the hearing, but was obliged to leave the court before its affairs were reached.

Mr. Wilfred Davies, son of the late Robert Davies of Thorncliffe Farm, called earlier in the hearing by Mr. McCarthy, as a witness on behalf of the breeding of Thoroughbreds, was cross-examined by Mr. Raney as to his connection with the Thorncliffe Racing Association. He stated, in evidence, that the Robert Davies Estate owned the ground on which the mile track, known as the Thorncliffe Race Track was situated, and that the latter was held under lease, by certain Americans named Bryan and O'Hara, at an annual rental of \$10,000. He believed that the Mr. Bryan referred to was G. A. D. Bryan, or "Gad" Bryan of Baltimore, but he had not been a party to the negotiations with Bryan and O'Hara, regarding the acquisition of the track, his brother George, the executors, and the solicitor for the estate, Mr. Ballantyne, having made these arrangements. He knew that Gad Bryan was interested in at least one race track in the United States, that at Baltimore, Maryland, but was not well acquainted with this man or his affairs. None of the Davies family were members of the Thorncliffe Racing Association, and he had attended one meeting on the track, which was only a short distance from his home.

Information since secured by the Commissioner, from the Solicitor of the Association, Mr. Beaton, and from other sources regarding this Club, is as follows:

The Thorncliffe Park Racing and Breeding Association was incorporated by Letters Patent, granted by the Secretary of State, on March 18th, 1912, the original applicants for incorporation being Robert Davies, William Burgess, James Jenkins, George Taylor Davies and Robert William Davies. Robert W. Davies was the provisional President, and William Burgess, Provisional Secretary.

At a meeting of the Association, held in October, 1912, Robert W. Davies was elected President, George T. Davies, Vice-President, and Harry S. Jarvis, Secretary.

The capitalization was \$100,000 divided into one thousand shares of \$100 each.

In 1915 the sum of \$15,647.54 is said to have been spent by the Association in laying out and preparing the track, and a trotting meeting was held in October of that year.

Shortly before the coming into effect of the Order in Council of 1917, prohibiting betting, an arrangement was made by the Directors with one J. S. Berger, of Chicago (who, in December, 1916, had agreed to sell stock for the purpose of securing funds for building and equipment), to take over the management of the track, and this man

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managed a seven day running race meeting, under the Charter of the Thorncliffe Park Racing and Breeding Association, in July of that year, at which the Pari-Mutuel system of betting was used. The only financial records available with regard to this meeting are those embodied in the returns made to the Provincial Treasurer's Department in a report prepared by Messrs. Clarkson, Gordon and Dilworth, on the operation of race tracks in Ontario, in 1917. From this return, which appears as pages 31 to 35 inclusive of Exhibit No. 17A to Volume No. 2, of the Record of Proceedings, it will be noted that the gate receipts at this meeting were \$15,948.00, the betting revenue \$69,164.20, these with smaller amounts from refreshment and programme privileges bringing the total receipts to \$91,464.31.

The sum of \$630,398 passed through the Pari-Mutuel machines at this meeting, the Club deducting 10% commission \$63,039.80, and breakages \$6,124.40, making the total betting revenue, as stated above, \$69,164.20.

The purses paid amounted to only \$31,700.00, while wages and salaries, operation and maintenance, and small incidental expenditure, such as printing, advertising, and War Tax, made a total detailed expenditure of \$94,544.72. A further item appears in the account of "Expenditures other than the foregoing, no particulars furnished,—\$15,000; and an additional item, "Expenditures on construction account, not included in the above,—\$140,000." So far as appearances go, therefore, it would seem that no profit accrued from this meeting.

As explanatory of the item in expenditure "Rental \$10,000", it is said by Mr. Beaton that the Davies Estate leased the land to the Association for ten years renewal at \$10,000 per year, from January 1, 1917.

The Commissioner is informed, but has been unable to verify the statement, that the lease provides that, the rental of \$10,000 per annum is not payable in any year in which racing in Canada with betting is prohibited.

At a meeting of the Association, held on July 16th, 1917, just prior to the race meeting of that year, Mr. Burgess resigned as a Director and was succeeded by a Mr. J. C. Holtby; Mr. George T. Davies was replaced by Mr. Burgess as Vice-President, and Mr. Robert W. Davies, who resigned, was succeeded on the Directorate by Mr. Fred Wright of Baltimore. At this meeting Mr. Berger, of Chicago, became President, and Mr. H. P. Conkling replaced Mr. Jarvis as Secretary-Treasurer.

Mr. Beaton states that—"A meeting was held, in January, 1916, at which an agreement was authorized between the Association and G. A. D. Bryan, and James F. O'Hara of Baltimore, for the sale of the Company for \$64,000." At a meeting in June, 1918, Mr. Holtby was replaced as a Director by Mr. O'Hara and Mr. Berger, the President was replaced by Mr. G. A. D. Bryan. This change, which it will be seen was subsequent to the sale, resulted in Mr. Bryan becoming President, Mr. O'Hara Vice-President, and Mr. Fred Wright, Secretary. Later Mr. R. J. Mackenzie became interested in the project, and the Commissioner is now informed by Mr. Beaton, the Solicitor for the Association, that Mr. Mackenzie has secured all but a few of the shares held by Bryan and O'Hara. Mr. Beaton further states that it is the intention to immediately reorganize the Association, with all Canadian stockholders and directors.

The Charter of the Thorncliffe Park Racing and Breeding Association is appended to Volume No. 2 of the Record of Proceedings as Exhibit No. 22, while the financial statement for 1917 appears as stated above on pages 31 to 35, of Exhibit No. 17A appended to Volume No. 2.

## LONDON JOCKEY CLUB.

This Club was incorporated on the 18th March, 1912, under Dominion Letters Patent, the applicants being R. R. Bruce, J. L. Counsell, William J. Southam, Horace W. Wilcox, and St. Clair Balfour, all of the City of Hamilton.

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The capitalization was two hundred and fifty thousand dollars, divided into twenty-five hundred shares of \$100 each.

The Club was not represented at any of the hearings in this Inquiry, but the information furnished by Mr. J. L. Counsell, Barrister, of Hamilton, Ontario, one of the original applicants for incorporation, is as follows:

The Club has secured one hundred and twenty-five acres of land on Dundas Street, just east of the City of London, Ontario, where it was preparing to build when the war broke out.

Mr. Counsell stated that "Messrs Madigan and Larkin" were co-owners with him of this property until the Spring of 1919, when he bought out their interest. The Mr. Madigan named is probably Mr. John Madigan who is the President of the Niagara Racing Association, referred to elsewhere in this report.

He states that the Club held one meeting, at London, some years ago, but the Commissioner has been unable to secure from him any details, financial or otherwise, as to this meeting.

A copy of the Charter is appended to Volume No. 2, of the Record of Proceedings, as Exhibit No. 23.

From a reference to the report on the Back River Jockey Club, of Montreal, it will be noted that this is said to be the Charter secured from Mr. Counsell by the Club in question for the purpose of holding a third meeting, with betting, in Montreal, before the coming into effect of the Order in Council. The Commissioner has not been able to ascertain the amount of the consideration, involved in this transaction.

#### WINDSOR JOCKEY CLUB.

At the hearing, held at Windsor, Ontario, on October 4th, 1919, Mr. George M. Hendrie, President of the Windsor Jockey Club, appeared on its behalf, and upon examination by Mr. D. L. McCarthy, K.C., testified to the following effect:

He was President of the Windsor Jockey Club, incorporated in 1912, the track being situated at the head of Ouelette Avenue, outside the City of Windsor. The property consisted of between 95 and 100 acres, with a Club House, Grandstands capable of seating about 7,600 people, and stables to accommodate 680 horses.

The original capitalization was \$200,000 which has been increased to \$500,000.

During the years 1912 to 1916 inclusive, the Club held two seven day meetings each year (in July and August) and in 1917 one seven day meeting was held, in 1912, 1913, and 1914, book-making was the system of betting used, while in 1915 the Pari-Mutuel machines were installed and used thereafter, until the last meeting in 1917.

Mr. McCarthy put in evidence a list of Directors of the Windsor Jockey Club (Exhibit No. 2); a list of shareholders showing the amount of stock held by each, (Exhibit No. 3); a list of members (Exhibit No. 4); and a statement showing the operations of the Club, beginning with the year 1913, (Exhibit No. 5).

Mr. Hendrie further testified that the Club was a partnership up to the end of the year 1912 when it became a Company, that being the reason for showing its operations only from the year mentioned.

He confirmed the statements submitted with regard to purses paid, and the doubling of these to Canadian bred horses in the last three years of operation.

He certified also to the correctness of the statements covering the pay-rolls, maintenance and up-keep, and general expenses, and stated that these figures did not include any amounts for depreciation.

He stated that the receipts and the character of the racing at the Windsor Jockey Club Track had greatly improved since the Club began its operations, and that he attributed this improvement to the fact that in 1911 and 1912 the tracks were not open in New York State, and all the large owners sent their stables to Canada, which gave better races, much better horses and better racing, the tracks made more money

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because more people came to see them. He believed that the United States were now reaping the benefit of the cessation of racing in Canada, such men as Mr. J. K. L. Ross, and Mr. Seagram having gone over there.

At Windsor they were largely dependent for their crowds on the city of Detroit.

Mr. McCarthy also filed, as Exhibit No. 6, a copy of the General Bylaws of the Windsor Jockey Club, which appear on page 616 to 620, of the Record of Proceedings, Volume No. 3.

The statements already referred to as filed on account of the Windsor Jockey Club, also appear in the Record of Proceedings, Volume No. 3, pages 606 to 613, inclusive.

Continuing his testimony, Mr. Hendrie stated that, they owned the land occupied by the track, the value of this property at the present time as a real estate proposition would be well over \$750,000, he having refused that amount for it a short time before. If racing continued they would not be willing to accept that amount for the property. The Club assets as fixed by the Government for taxation purposes was \$554,000, the proportion of this chargeable against the land being \$500,000.

Mr. McCarthy, before closing his examination of Mr. Hendrie, stated that, the Club's records were open to the Commissioner.

On cross-examination by Mr. Raney, the witness testified as follows:

He had been connected with horse racing, in Windsor, from the time they gave their first little running meeting there in 1894. He had been deriving a revenue from horse racing in Windsor since possibly 1906, this being from a track operated on the site of the present Windsor Jockey Club track. This revenue was derived chiefly from the gate receipts and betting privileges, combined with the programme and some smaller things. He was at this time associated with Mr. Parmer of Tennessee and the witness and Mr. Parmer had continued to run the track in partnership down to 1912 when the present Jockey Club was formed.

In the course of Mr. Hendrie's evidence it was brought out that up to the time racing was discontinued on the Windsor Jockey Club track in 1917, the charter originally issued to the Windsor Fair Grounds and Driving Park Association, as amended by Supplementary Letters Patent in 1912, was used by this Club. He was unable to produce the original Charter, but was prepared to send it to the Commissioner, to whom he was also willing to produce the Supplementary Letters Patent.

He stated that if the returns made in 1911 to the Provincial Secretary showed a paid up capital of \$29,500, that was correct; that Walter O. Parmer was his partner for a number of years, and had been his partner in this race course since 1906. He had been associated with Mr. Parmer in a track at Highland Park, in the State of Michigan, and upon their lease expiring there, they moved to Windsor. He was not connected with, nor a shareholder in, any other race tracks either in the United States or Canada, except the Ontario Jockey Club. In the case of the last mentioned, he was a shareholder only; he had been a shareholder in the Hamilton Jockey Club to the extent of one share some years ago when it started; and thought he had sold it before 1910. He was either unable, or unwilling, to state what this share had cost him, what dividends he had received on it, and the price at which he had sold it.

He gave information as to the several shareholders in the Windsor Jockey Club as shown by the statement submitted, and stated that these gentlemen purchased their stock from the Club; he was unwilling to state the amount they had paid for it. The present capitalization of the Club is \$500,000. Upon further cross-examination as to the date of the increase in capitalization from \$200,000 to \$500,000, the witness stated his inability without memoranda to explain the confusion of dates, which seemed to have arisen in regard to this matter.

It may be here noted that, the Commissioner was later able to secure full information as to this charter, from the Office of the Provincial Secretary, and it is referred to later in this report.

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Witness stated further that, while previous to 1912, he and Mr. Parmer operated the track under the charter of the Windsor Fair Grounds and Driving Park Association, it was a partnership only between himself and Mr. Parmer; they owned all the stock, and the other persons connected with it held qualifying stock only. He and Mr. Parmer treated it as a partnership, and he did not think that any others received any share of the profits. He could not tell how much he and Mr. Parmer put into the project in the beginning—they did not bother much with books, having the property between themselves at the time. He and Mr. Parmer put fresh money into it after 1911, but he refused to state how much. The property being worth it they increased their capital stock by Supplementary Letters Patent, in 1912, to \$200,000, and admitted that in that year they divided the \$200,000 worth of new stock, above the amount that had been previously paid up, \$29,500, among the existing shareholders, there being value for the stock in the property; that in 1916 they asked for a further increase in the capital stock to \$500,000, and that this additional stock was distributed before the charter was really amended.

He reiterated his statement that the track property was worth at least \$750,000 as a real estate proposition, and stated that besides the track they had \$15,000 worth of Victory Bonds and a small cash surplus in the Bank. He confirmed the correctness of the list of shareholders already submitted, and stated that the shares shown on this list, as held by him in trust, were owned by the estate of his late uncle, George Hendrie; he was never in partnership in race tracks with his brother, Sir John Hendrie, but had, at one time, been in partnership with him in a racing stable.

The Club had adopted the Pari-Mutuel system of betting in 1915, having before that time used the book-making system. They had found the Pari-Mutuel a great success financially. This club had never taken more than 7 per cent from the machines.

He was paid a salary as President of the Club, but refused to tell the amount; his Club received a rebate of a portion of the Government license fee on account of purses paid to Canadian-bred horses. This Club had not done anything directly, except through increased purses, to assist in the horse-breeding industry. He was interested in racing, not especially because of the money to be made, though he, of course, wished to secure a return on his investment. He confirmed the list of dividends paid, as shown by the statement.

In 1915 the Club had installed 32 Pari-Mutuel machines; this number having been since increased to 35. In 1916 the Club took 5% from the machines, which was apparently increased to 7% for the one meeting of 1917.

His own residence was in the City of Hamilton and he had no residence in Detroit, though he had at one time a home at Sandwich, Ontario. His Club had raised no objection to the coming in of the Kenilworth Track but did object to the granting of a third license to the Devonshire Track. He thought the people of Windsor were well satisfied with two tracks. Without the people who attend the races from Detroit, any Clubs at Windsor could have only small meets, not on the present scale.

He had not opposed the coming in of the Devonshire Track on account of its officers, but because he thought it would hurt racing in Windsor.

He knew, as a matter of common knowledge, that Grant Hug Brown was connected with the Devonshire Track.

He confirmed the betting revenue of the Club as taken from the statement submitted.

Questioned by the Commissioner as to his views in the matter of surplus revenue from the various tracks being devoted to public purposes, witness stated,—

Yes, I think a certain amount should go to the Thoroughbred horse; a certain amount to the Agricultural Societies, the balance to good roads or some other purpose. I should say that the Thoroughbred horse should not be overlooked.



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On further cross-examination by Mr. Raney, witness stated that the present shareholders all paid for their stock in the Windsor Jockey Club, but as he held this to be a personal transaction, he refused to tell the amounts paid by each.

He agreed to produce all books and records to the Commissioner, but would not agree that the cross-examining counsel should have access to them.

This completed Mr. Hendrie's evidence.

In subsequent correspondence with the Commissioner, Mr. Hendrie has repeated the statement that no books or financial records existed up to the end of 1912, during which time the business was conducted as a partnership between himself and Mr. Walter O. Parmer, this having been, apparently, an arrangement of the same nature as that represented by Mr. Abram Orpen, of Toronto, as existing between him and Mr. Thomas Hare, with regard to the Metropolitan Racing Association and the Hillcrest Track.

The statements submitted, in evidence, by Mr. Hendrie, provide the following facts regarding the Windsor Jockey Club, for the period 1913 to 1917, inclusive.

Two seven day meetings were held in 1913-1914-1915, and 1916, while in 1917 only one meeting was held, previous to the coming into force of the Order in Council prohibiting betting.

Pari-Mutuel machines were installed in the Spring of 1915, book-making having been used prior to that time.

The betting revenue amounted in 1913, (with book-making) to \$77,073, rising in 1914, the last year of book-making, to \$81,150. In 1915, the first year of the Pari-Mutuels the betting revenue increased to \$196,650, and in 1916 with two meetings it reached \$308,332.25, and for one meeting in 1917 amounted to \$181,435.85, a total betting revenue for the period, with nine meetings, of \$844,643.

The gate receipts ranged from \$85,902.75 in 1913 to \$137,494.75 in 1916, while for the one meeting of 1917 the gate receipts were \$59,031.50, a total revenue from this source, for nine meetings, of \$465,764.50.

The purses paid in 1913 were \$63,010, this steadily increasing until in 1916 the very considerable amount of \$85,800 was paid in this way, and for the one meeting of 1917, the sum of \$53,500 was paid, a total for the period of \$341,080.

It will be noted from the foregoing that the Club received, in betting revenue, during the period (1913 to 1917 inclusive) the sum of \$844,643, and in gate receipts the sum of \$463,764.50, a grand total of receipts from these two sources, of \$1,310,407.50. The Commissioner has not been able to secure a statement of the incidental receipts accruing to the Club during the period, from programme, refreshment and other privileges.

Out of this total amount, the Club paid in purses during the period, the sum of \$341,080.

The Maintenance and Payroll accounts which, in 1913, amounted to \$51,761.50, rose in 1916, with two seven day meetings, to \$172,849.36, a portion of this increase being, doubtless, due to the installation of the Pari-Mutuel machines, the expenditure on these two accounts totalling for the five years the sum of \$459,971.80.

A 20 per cent dividend on the total stock was paid in each year from 1915 to 1917, both inclusive, this having been paid according to Mr. Hendrie's evidence on the capitalization of \$200,000 during the years 1913 and 1914, while in the years 1915, 1916 and 1917, the 20 per cent dividend was declared on the capitalization of \$500,000.

The statements submitted in evidence by Mr. Hendrie are appended to Volume No. 3 of the Record of Proceedings, as Exhibits Nos. 2, 3, 4, 5 and 6, while the list of horses imported by him is also appended to Volume No. 3, as Exhibit No. 1.

The charter under which this Club operated up to 1917 was first secured in the form of Letters Patent from the Ontario Government in 1884, being known as the Windsor Fair Ground and Driving Park Association, with a capitalization of \$6,000, divided into sixty shares of \$100 each.

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On June 9, 1893, Supplementary Letters Patent were granted, increasing the capitalization to \$50,000, and on December 18, 1912, an order was issued changing the corporate name to the Windsor Jockey Club, Limited.

Again, on January 10, 1913, Supplementaary Letters Patent were granted, increasing the capitalization to \$500,000.

In explanation of the misunderstanding which appeared to exist at the Windsor hearing as to the actual date of the last authorized increase in capitalization, the Commissioner has since received information from the office of the Provincial Secretary for Ontario, to the effect that although the Supplementary Letters Patent to increase this capitalization were applied for in 1915, they were not granted until 1918.

The application was held in abeyance for a considerable time, pending the consideration of the departmental policy to be adopted with respect to the issuance of Letters Patent and Supplementary Letters Patent to Jockey Clubs and Racing Associations generally.

Certified copies of the several Letters Patent issued in this case are appended as Exhibit No. 7 to Volume No. 3 of the Record of Proceedings.

At the Windsor hearing, evidence was given as to the general effects of racing on that community by Colonel E. S. Wigle, Mr. A. F. Healy, and Chief Elias Wills, of the Windsor Police Force. (See pages 648 to 660, Volume No. 3, Record of Proceedings).

#### KENILWORTH JOCKEY CLUB.

At the hearing at Windsor on October 4, 1919, Mr. Charles Millar, a director of this Club, appeared in its behalf, with Mr. A. R. Bartlett as counsel.

On being examined by Mr. Bartlett, the witness stated that he was a director and a shareholder in the Kenilworth Jockey Club, which was capitalized at \$200,000. He holds 400 shares, there being only five shareholders altogether, all residents of Toronto; there is about \$225,000 capital investment in the property known as the Kenilworth Track, and there is about \$30,000 still unpaid.

The Club commenced to operate this track, which is about three miles from Windsor at the Junction of the Electric Line and the Michigan Central Railway, in the township of Sandwich West, in the year 1916. The property consists of over 140 acres, of which about 70 acres are used for the track, stands, lawns, stables, etc. The largest steel grandstand in Canada (450 feet long and 95 feet wide) has been built on this property, seating 10,000 people. The Pari-Mutuel system of betting is used, a Mr. Elrod, who is also engaged by the Clubs belonging to the Canadian Racing Association, handling the machines.

The Club, though not a member of the Canadian Racing Association, operates under its rules, has its dates fixed and is supplied with officials, stewards, etc., by that body.

Mr. Millar states that they had accommodation for about 600 horses. Three meetings were held on this track, two in 1916 and one in 1917.

Some evidence was given by this witness as to the character of the crowd coming from Detroit to attend these races and the absence of disorder at the race track.

Mr. D. L. McCarthy, K.C., also questioned the witness as to his breeding and racing operations and the cessation of these. The evidence given by Mr. Millar on these points will be found on pages 664 and 665 of Volume No. 3 of the Record.

Under cross-examination by Mr. Raney, K.C., Mr. Millar stated that the present Kenilworth Jockey Club was originally, and before he had anything to do with it, the Northern Riding and Driving Association, the charter having been brought down by the late Mr. Gamey, of Manitoulin Island. He did not know of it under the name

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of the Gore Bay Riding and Driving Park Association, but Mr. A. Orpen, of Toronto, Mr. Millar and other directors had arranged for another change of name to the "Kenilworth Jockey Club."

Further cross-examination of the witness, by Mr. Raney, elicited the following facts, regarding this Club,—Supplementary Letters Patent were issued in 1915, changing the name of the Association to the Northern Riding and Driving Club, and increasing its capitalization from \$1,500 to \$25,000; in February, 1916, Supplementary Letters Patent were granted increasing the capital stock from \$25,000 to \$200,000, and later in 1918, the corporate name was changed to the Kenilworth Jockey Club, Limited, and the capital stock re-divided into 2,000 shares of \$100 each.

The present directors are Charles Millar, Abram Orpen, Thomas Hare, John Hare and Samuel McBride, all of Toronto; Mr. Millar has 400 shares, Samuel McBride has 150 shares, Thomas Hare has 375 shares, John Hare has 375 shares, and Abram Orpen 700 shares, thus making up the total issue, all stock being fully paid up. The plant has been paid for largely out of the profits, about \$180,000 having been paid out in this way, and the witness stated that against his \$40,000 paid-up stock, the Club still owed him \$6,000 or \$8,000.

Of the three meetings held by this Club, the first brought a profit of about \$35,000, the second about the same and the third about \$110,000.

The witness produced the Kenilworth Jockey Club Charter, but had never seen any of those previously issued. The Club has no auditor and keeps no minute books, or books of account, so far as the witness knew. The monies received all went into the concern, after the expenses of the meeting was paid.

The witness was "in the game" for the amusement, the contests and the prizes, and incidentally for the dividends. He was a shareholder in the Ontario Jockey Club, and the Connaught Park Jockey Club. The Kenilworth Jockey Club had made no contributions to the breeding industry.

He had been personally opposed to the coming of the Devonshire Track at Windsor because it hurt racing, but had never lodged a protest.

Mr. Orpen at the Toronto hearing, on October 2, 1919, stated that he held a 40 per cent interest in this track and it is apparently conducted by the directors named, Messrs. Orpen, Millar, Hare and McBride, along the same lines as are Mr. Orpen's other tracks in Toronto, except for the fact that on this track the Pari-Mutuel machines were used instead of book-making.

No books are kept, and there being no shareholders other than those named, the diversion of the monies received would seem to be a matter of private agreement among them. Mr. Millar stated in evidence, that all money left after the expenses were paid went into the buildings and equipment.

The only figures available with regard to this track are those furnished by the Government return made by Messrs. Clarkson, Gordon and Dilworth, on Ontario Race Tracks in 1917.

This statement, which will be found at pages 37, 38, 39 and 40 of Exhibit No. 17-A, to Volume No. 2 of the Record, covers, of course, only the meeting of July 17; it shows the gate receipts to have been \$34,287.05, while the net receipts from the Pari-Mutuel machines were \$173,422.40. Those two amounts with the incidental receipts from programme, refreshment, and other privileges, made a total revenue of \$214,008.98.

Mr. Millar stated in the course of his cross-examination by Mr. Raney, that he did not know the actual percentage deducted from the machines, but did know that it varied from five to seven per cent. As against this statement, the Government Auditors show a deduction by the Club of 10 per cent on a gross of \$810,780 (21 races) and a deduction of 8 per cent on a gross of \$991,159 (28 races) together with surpluses, or breakages, amounting to \$13,051.68, totalling, as above stated, in percentages from the machines, \$173,422.40, or an average revenue for each of the forty-nine races of \$3,539.23.

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In this connection the statement of the Auditors as to the method of securing the information with regard to the receipts from this track, as appearing on pages 37 and 38 of Exhibit No. 17-A, is especially interesting.

With regard to the operation of the Pari-Mutuel machines at this track, the Auditor says:—

“As in the case of the race meetings on the other mile tracks, we procured from this Association at the close of every race, duplicate copies of the calculators' sheets which showed the required details as to the gross calculations, winnings payable over commissions and surpluses. From these we compiled a statement for each day's racing and a summary for the whole meet. We were not, however, able to check and test the figures at the close of each race, as thoroughly as we had done at the other mile tracks. The Pari-Mutuel staff were either not competent to handle the system properly, or else they did not consider it necessary to get the returns from each race cleared up properly. For instance, the readings by the calculators of the ticket boxes in the hands of the sellers were not always made before the finish of each race, and tickets were frequently left in the hands of the sellers until after the results of the race were made known.

At the other tracks we frequently compared the figures on the calculators' sheets with the figures on the cash cards, after the latter had been checked in the money room with the actual cash brought in by the sellers at the commencement of each race. At the Kenilworth Track, however, the cards were frequently found to be altered by amounts being added. The staff in the money room was not properly organized and the work of counting the money was so congested that a thorough inspection of this department was impossible.”

It is scarcely necessary to point out the extremely serious nature of the above statement, especially when read, as it undoubtedly should be, between the lines.

With regard to the expenditures made by the Kenilworth Jockey Club in purses, salaries, maintenance, or otherwise, the auditors state that, “This information applied for but was not obtained.”

It may be here noted that the same attitude was assumed towards the Government Auditors by the Toronto Driving Club of Hillcrest Track and the Metropolitan Racing Association of the Dufferin Park Track in Toronto, which are under practically the same control, at both of which, however, in addition to refusing information as to disbursements, all particulars as to the amount of money bet, or the revenue to the club from the betting privileges was also denied.

The attitude of the Kenilworth Jockey Club in connection with this 1917 audit is set forth in Mr. Millar's evidence, under cross-examination by Mr. Raney, on page 670, of the Record (Volume No. 3) as follows:—

MR. RANEY: Did you know that the Government had auditors on your track in 1917, to get a report on your track in 1917?

MR. MILLAR: I heard it.

MR. RANEY: Did you understand that that report was to be confidential?

MR. MILLAR: Somebody told me it was. If we had not thought so I think we would have resisted.

MR. RANEY: You would have resisted the Government?

MR. MILLAR: What do we care for the Government? We would not have given it up. Some of the tracks did not.

The Auditor's statement referred to appears on pages 37, 38, 39 and 40 of Exhibit No. 17-A, to Volume No. 2, and the Charter and Supplementary Letters Patent are appended as Exhibit No. 8 to Volume No. 3, of the Record of Proceedings.

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## WESTERN RACING ASSOCIATION.

The Western Racing Association which, in 1916 and 1917, operated the one mile Devonshire Track, at Windsor, Ontario, was, during the period of the inquiry and apparently still is, in process of transfer. The Commissioner did not, therefore, find it possible to secure very extensive or definite information as to the details of its operations.

Mr. Bradley Wilson, who appears to be acting on behalf of certain interest in the United States, has, according to his own statements, completed negotiations for the transfer, to these interests, of a majority of the stock of this Association. He appeared before the Commissioner, at the Windsor hearing, on October 4, 1919, but his evidence was necessarily limited to his very recent connection with the organization, it had but little value for the purposes of the inquiry.

The facts regarding this Racing Association, as secured by the Commissioner, since the Windsor hearing, are as follows:—

A charter, in the form of Dominion Letters Patent, originally issued under the Companies' Act of 1902, to the Ottawa Racing Association, Limited, was purchased by Mr. W. B. Hepburn, M.P., from the Connaught Park Jockey Club into whose hands it had come with the other assets of the original association. This charter, which at first provided for, a capitalization of \$100,000, was amended by Supplementary Letters Patent, on December 19, 1914, the corporate name being changed to the "Western Racing Association, Limited." Additional Supplementary Letters Patent were granted, on September 22, 1916, increasing the capital stock to \$200,000, and on January 25, 1917, this capitalization was again increased to \$350,000. After the last increase, the capital stock apparently consisted of 3,500 shares of \$100 each.

The group forming the Western Racing Association, Limited, are said to have acquired, early in 1916, a lease of the 123 acres of land at Windsor, now known as the Devonshire Track, the rental being \$3,720 per year, with an option to purchase, within 20 years, at \$600 per acre, and under the charter referred to above, this association held two seven-day meetings in 1916, and two seven-day meetings in 1917, on this track.

The Secretary of the Association was Thomas J. Duggan, who was also in charge of the affairs of the Back River Jockey Club in Montreal, previously referred to in this Report.

In the operations on the Devonshire Track, Thomas J. Duggan was, as in Montreal, associated with Grant Hugh Brown of New York, and these two men, shown on the statements are President and Secretary respectively, are said to have managed the meetings in 1916 and 1917. The Pari-Mutuel system of betting was used in both years.

Since that time legal proceedings have been instituted against T. J. Duggan by the minority shareholders of the Association, presumably for the recovery of certain of the proceeds of the meeting in question.

Early in the summer of 1919, Mr. Bradley Wilson, previously referred to, took up with Grant Hugh Brown, in New York, the question of the possible purchase of the Devonshire Track, and was referred to T. J. Duggan of Montreal, with whom he states he has since entered into an agreement for the purchase of 1,126 shares of the stock of the Western Racing Association. This number constitutes a controlling interest, only 2,000 shares having been issued and paid up.

In the evidence at Windsor, Mr. Bradley Wilson represented himself to be General Sales Manager for the Yale Piston Ring Company of New York, a concern which he had organized.

He stated that he had assisted, very materially, in the organization of the Thoroughbred Horse Association in the United States, in 1916 and 1917, the headquarters of this body being at Lexington, Kentucky; that it was composed of breeders

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and lovers of the Thoroughbred throughout the United States and Canada. Further details regarding this organization, as given by Mr. Wilson, will be found at page 691 of the Record of Proceedings, Volume No. 3.

Mr. Wilson's explanations as to his connection with the association, and the work which he has been doing in its behalf, were exceedingly vague, and left much to the imagination.

He stated that he had, from time to time, made trips on behalf of this Association, but that he had received no salary or remuneration, other than his expenses.

He had succeeded in effecting an organization of owners, trainers, and others interested in racing at the Havre de Grace Track in Maryland, which resulted in the purchase of the said track and its equipment, and he claimed that racing conditions there had been materially improved as a result of this transaction.

While at Havre de Grace, he heard of the Devonshire Track being on the market, and in May of 1919 he got in touch with Grant Hugh Brown, in New York, and was recommended by Brown to come to Montreal to see T. J. Duggan. He had not known Grant Hugh Brown before that time, but since, lots of people had warned him against him.

We had made an arrangement with T. J. Duggan to secure a controlling interest in the Devonshire Track for his clients in the United States and he had also been able to persuade some of the original stockholders to remain in the organization.

According to Mr. Wilson's statements, the interests he represents propose, if racing is resumed, to open and operate the Devonshire Track on improved lines.

A copy of the Agreement entered into, between T. J. Duggan and Bradley Wilson is appended as Exhibit No. 9-A to Volume No. 3 of the Record of Proceedings.

A typewritten stock subscription list, submitted to the Commissioner by Mr. Bradley Wilson, since the Windsor hearing, is also appended to Volume No. 5, as Exhibit No. 9-B. This is said by Mr. Wilson, to be a list of persons who have promised to become shareholders in the Western Racing Association.

Mr. Bradley Wilson's statements that he had never seen this track, that he was not a horse-man, or a racing man, as also with regard to his previous visits to Canadian tracks, given under cross examination, by Mr. McCarthy, at the Windsor hearing, will be found in his evidence appearing on pages 674 and 683, and pages 690 to 724, Volume No. 3, of the Record of Proceedings.

Statements of the operations of the Western Racing Association, in 1916 and 1917, have been secured from Mr. Duggan, through the solicitor for the Association at Montreal, these having been verified as correct copies as taken from the records now in the possession of the latter.

These statements are as follows:

- Balance sheet, as at December 31, 1916.
- Profit and Loss Account, for period ending Dec. 31, 1916.
- Balance sheet as at December 31, 1917.
- Profit and Loss statement as at December 31, 1917.
- Balance Sheet as at December 31, 1918.

From the Balance Sheet as at December 31, 1918, it will be noted that the assets are given as \$228,819.28, with issued capital stock of \$200,000, of an authorized capitalization of \$350,000.

The Profit and Loss Account for 1916 (14 days racing) shows a revenue from gate receipts of \$38,726, betting revenue \$60,000 while the programme, restaurant and other incidental receipts, brought the total revenue, for the year, to \$103,743.97.

As against this in 1916, is shown an expenditure in purses of \$61,300, which added to the salaries and operation, shows a total expenditure of \$148,802.58, with a resulting apparent loss, for the period, of \$45,058.61.

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The statement for 1917 (14 days racing) shows a revenue from the betting system of \$268,674.12, gate receipts amounting to \$52,102.40, and incidental receipts which bring the total revenue for the period up to \$326,940.40.

The expenditure in purses at the two meetings of 1917 totalled \$70,700; the salaries for this period amounted to \$21,520, of which amount T. J. Duggan is shown as receiving \$3,000, Grant Hugh Brown \$3,000, and P. G. Demetre (salary 2 years) \$5,000, the balance being made up of smaller amounts.

The Operation account for 1917 amounts to \$207,527.33, which, added to salaries account, makes a total expenditure of \$229,047.33, leaving an apparent profit balance from the two meetings of only \$97,893.07.

These statements indicate a net profit on the two years' operation of only \$52,834.46. In this connection the details of expenditure in both years, as set forth on pages 2 and 5 of the statement (See Exhibit No. 9, Volume No. 3), are worthy of note.

Attention is also directed to the statement of the Government Auditors on this Track for 1917, which appears on pages 47 to 54 inclusive of Exhibit No. 17-A, to Volume No. 2.

From this it will be noted that the figures as taken at the track by these auditors, do not agree, in all cases, with the books of the Western Racing Association. The gate receipts for the two meetings of 1917 are shown by the Auditors as \$52,417.40; the Club shows these as \$52,102.40.

In the case of the gate receipts, the auditors say that the amount as shown in their statement was subject to some small increases or decreases, because of overages or shortages made by the sellers, there being no turnstiles on the gates.

The Auditors show the betting revenue from the two meetings in 1917, as \$268,276.15, while the Club's records show this betting revenue as \$268,674.12.

The Auditors show the total revenue from the two meetings, from all sources, as \$328,344.18, while the Club's records show a total revenue of only \$326,940.40.

On the other hand, the Auditors' records show a total expenditure for the two meetings of \$222,126.77, while the Club's records show an expenditure of \$229,047.33.

In the case of the Pari-Mutuel betting revenue, the Auditors state that this Club, at the first meeting in 1917, took a commission of 8 per cent from the machines on 21 races, and 10 per cent on 28 races, these two, with breakages, making a total of \$125,433.15 in betting revenue from this meeting; at the second meeting a commission of 10 per cent was taken on the whole 49 races, which with the breakages amounted to \$142,843 for the meeting; this betting revenue may be summarized for the two meetings as follows:

First Meeting, 49 races, revenue. . . . .	\$125,433.15
Second Meeting, 49 races, revenue. . . . .	142,843.00
	\$268,276.15
An average per race in betting revenue. . . . .	\$2,737.51

The Statements of this Club's operations, pages 1 to 6 inclusive, will be found appended as Exhibit No. 9, to Volume No. 3, while the copies of the various Supplementary Letters Patent, issued in the case of the Western Racing Association will also be found appended as Exhibit No. 10 to Volume No. 3, of the Record of Proceedings.

The portion of the Government Auditors' statement, referring to the Western Racing Association, will be found at pages 47 to 54 inclusive of Exhibit No. 17-A, appended to Volume No. 2, of the Record of Proceedings.

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THE GENERAL EFFECTS OF SUCH RACE MEETS, AND BETTING, UPON THE COMMUNITY, OR ANY PARTICULAR CLASS OR CLASSES OF THE COMMUNITY.

(Reference No. 4).

The evidence secured by the Commissioner upon this reference, at the various hearings held in the course of the Inquiry, and from other sources, would appear to indicate—

(1) That long continued race meetings, with public betting as an adjunct, are likely, in the communities in which they are held, to exert a bad influence on young and unexperienced men, and others lacking in self control and moral stamina.

This tendency is especially evident in those cases in which the length of the meeting is excessively out of proportion to the size of the community, in point of population.

The management of such meetings would, other things being equal, have a very important bearing upon that phase of the question.

It is, however, noteworthy, that any protracted race meetings which have taken place in Canada, have been conducted under most unfavourable conditions in this respect.

In considering the present situation, the existing multiplicity of race tracks in Montreal, Toronto, and Windsor, involving as it does, a practically continuous racing season of extended duration in each of these communities, should not be lost sight of.

(2) That bad effects, fairly attributable to racing, as carried on locally, are seldom, and then only in slight degree, observable from meetings of reasonable length, especially when these are conducted under the auspices and direct control of reputable and responsible citizens, not actuated by mercenary motives, but genuinely interested in racing as an enjoyable and manly form of outdoor sport, or in the maintenance of the Thoroughbred horse as an important factor from a national and patriotic point of view.

(3) The methods by which betting is carried on also merit consideration in this connection. Much evidence will be found in the Record of Proceedings to the effect that the Pari-Mutuel system is, for various reasons, greatly less likely to prove harmful than the older custom of bookmaking, which it has now almost entirely superseded throughout the racing world, except in the United Kingdom where the latter is still the recognized form of laying wagers on turf events.

It will be seen from the evidence of many witnesses that the substitution of the Pari-Mutuel machine for the book-maker had practically eliminated from the modern well-conducted race course and its environment, the undesirable and unsavoury satellites of the betting-ring. These touts, jail-birds, tipsters, and other unprincipled purveyors of supposedly secret or stolen information, are but rarely in evidence where, through the use of the machines, the element of personal profit to the professional layer-of-odds no longer exists.

Persons of this class were not only in themselves, and in many different ways, a menace to decent society on and off the race course, but were often instrumental in inducing young or un-sophisticated individuals to make bets, when, if left to themselves, they would never have thought of doing so.

Their disappearance from the scene, with the consequent freedom from their offensive importunities, has not only brought about a marked improvement in the whole tone and atmosphere of racing, and especially of the race course itself, but has at the same time, added largely to the safety, as well as to the comfort and enjoyment of spectators, particularly those not interested in betting.

In this connection it is worthy of note that, as will be seen from the evidence, the Pari-Mutuel system of betting had, previous to 1917, been generally adopted on Canadian race courses, the only exceptions being in the case of tracks controlled and operated by professional book-makers.



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As may be deduced from the evidence and the financial statements submitted, this change is at least partially attributable to the fact that the revenues derived by the various racing associations from the new system are much larger than those from book-making. On the other hand, it is indicated that the betting public also benefit, at least collectively, as the machines are run on business principles, the percentage charged being known in advance, while under the old system there was no way of ascertaining what proportion of the money bet remained in the hands of the book-maker.

Witnesses who, at the various hearings, gave evidence relative to the "General effects of race meets and betting upon the community, or any particular class, or classes of the community" were as follows:—

EFFECTS OF RACE MEETING ON COMMUNITY.

	Vol. No.	Page.
Crown Attorney J. A. Ritchie . . . . .	1	39 to 41
Hon. Judge J. M. McDougall . . . . .	1	46 to 48
Sheriff Chas. E. Wright . . . . .	1	48 to 50
Detective A. A. McDonald . . . . .	1	50 to 53
Mr. James Pearson . . . . .	2	255 to 258
Mr. Francis Nelson . . . . .	2	340 to 343
Mr. W. P. Fraser . . . . .	2	362 to 364
Col. E. H. Wigle . . . . .	3	646 to 649 and 653
Mr. W. F. Healey . . . . .	3	653 to 657
Chief Elias Wills . . . . .	3	657 to 660
Mr. W. I. Smale . . . . .	4	751
Mrs. R. F. McWilliams . . . . .	4	752 to 753
Mr. Chas. G. Stewart . . . . .	4	754 to 755
Rev. Mr. Reekie . . . . .	4	769 to 770
Rev. Mr. Davidson . . . . .	4	770
Rev. Dr. McKinnon . . . . .	4	770 to 771
Mr. E. L. Richardson . . . . .	4	775
Mr. A. D. Mahaffy . . . . .	4	781
Rev. Canon James . . . . .	4	781
Mr. F. A. Johnston . . . . .	4	785 to 786
Mr. A. E. Cross . . . . .	4	800 to 801
Mr. W. J. Stark . . . . .	4	820 to 821
Mr. Jas. A. Fullerton . . . . .	4	865 to 866
Rev. A. E. Roberts . . . . .	4	879 to 881
Chief Wm. McCrae . . . . .	4	881 to 887
Rev. Dr. W. L. Clay . . . . .	4	903 to 906
Mr. Clarence Harris . . . . .	4	906 to 907
Inspector D. McKinney . . . . .	5	975 to 990

PARI-MUTUEL BETTING, EVIDENCE FOR AND AGAINST.

	Vol. No.	Page.
Hon. N. A. Belcourt . . . . .	1	32
Commander J. K. L. Ross . . . . .	1	116 to 117
Mr. J. F. Ryan . . . . .	1	153 and 991-997
Mr. S. McBride . . . . .	2	203
Colonel Wm. Hendrie . . . . .	2	319
Mr. Francis Nelson . . . . .	2	341-342-355
Mr. W. P. Fraser . . . . .	2	399
Mr. A. Orpen . . . . .	2	456-457
Mr. E. J. Rochon . . . . .	4	740
Mr. W. I. Smale . . . . .	4	748 to 751
Mr. D. T. Elderkin . . . . .	4	757 to 761
Mr. E. L. Richardson . . . . .	4	775 to 777
Mr. F. A. Johnston . . . . .	4	785 to 787
Mr. W. McKillop . . . . .	4	789 to 791
Mr. A. E. Cross . . . . .	4	800
Mr. Osborne Brown . . . . .	4	807-808
Mr. H. B. Alexander . . . . .	4	812
Mr. W. J. Stark . . . . .	4	817-818
Mr. James A. Fullerton . . . . .	4	865-866
Mr. W. J. Taylor, K.C. . . . .	4	907-913
Mr. W. H. Cochrane . . . . .	4	916

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THE METHODS, DEVICES AND OPERATIONS IN CONNECTION WITH BETTING AT THE RACE TRACKS AND AT OTHER PLACES; AND THE EXTENT TO WHICH AND THE METHODS BY WHICH BETTING IS CARRIED ON, LEGALLY AND ILLEGALLY, IN EACH LOCALITY.

(Reference No. 5.)

Full and detailed information relative to the methods, devices, and operations used in connection with betting at the race meetings, of the various Clubs and Associations, as also the extent to which and the methods by which such betting is carried on, legally, in each locality, has already been given in dealing with each individual organization.

Evidence in regard to betting at places other than race meetings, and betting illegally carried on in each locality, which are both included in this Reference was, needless to say, very difficult to secure.

It was, of course, out of the question to obtain information from any of the actual participants in this breach of the Criminal Code, as by coming forward, they would have rendered themselves liable to prosecution.

On the other hand, it was equally difficult to secure from officers of the law, evidence as to the actual present existence of the practice, as this would imply inefficiency in the performance of duty.

The Commissioner has, nevertheless, been made aware, through information received from other sources, that, especially in the larger centres of population, surreptitious betting by means of hand books, prevails in Canada to a considerable extent. This practice is, undoubtedly, largely attributable to the ease with which information as to betting odds and the racing form of horses is obtainable.

A reference to the evidence of the following witnesses will indicate the nature and extent of the information secured at the hearings:

	Vol. No.	Page.
Mr. E. L. Richardson . . . . .	4	776
Mr. A. D. Mahaffy . . . . .	4	781
Mr. B. S. Michell . . . . .	4	815
Mr. W. J. Stark . . . . .	4	820-821
Mr. T. J. Wellman . . . . .	4	856-857
Chief McCrae . . . . .	4	884-886
Mr. A. M. Johnson, K.C., Deputy Attorney General, B.C.	4	900-901
Inspector D. McKinney . . . . .	5	975 to 990

ILLEGAL BETTING IN THE UNITED STATES.

The matter of race course betting as carried on in the United States where this practice is contrary to law, was referred to by several witnesses in the course of the inquiry. At the final hearing in Ottawa on January 30, 1920, the Commissioner purposely elaborated this point, as in the event of race course betting being prohibited in Canada, the authorities here would, doubtless, be confronted with a similar situation. The witnesses who referred to this question are as follows, special attention being directed to the evidence of Mr. Ryan, Mr. Lumsden, and Inspector McKinney, in Volume No. 5.

	Vol. No.	Page.
Mr. Francis Nelson . . . . .	2	355-6
Mr. B. S. Michell . . . . .	4	815
Mr. John F. Ryan . . . . .	5	1003-1006
Mr. John Lumsden . . . . .	5	1006-1013
Inspector D. McKinney . . . . .	5	1013-1015

RELATION BETWEEN BETTING AND RACING.

During the course of the inquiry a number of witnesses expressed the opinion that some provision for public betting at race meetings was essential to the maintenance of racing.

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The names of the persons holding this, or the opposite view, are given below:

	Vol. No.	Page.
Crown Attorney J. A. Ritchie . . . . .	1	45-46
Mr. S. McBride . . . . .	2	202
Mr. Francie Nelson . . . . .	2	340 on
Mr. W. P. Fraser . . . . .	2	399 and 412
Mr. Bradley Wilson . . . . .	3	719
Mr. W. I. Smale . . . . .	4	748-751
Mr. D. T. Elderkin . . . . .	4	757-761
Mr. E. L. Richardson . . . . .	4	777 to 780
Mr. F. A. Johnston . . . . .	4	787-788
Mr. H. D. Adams . . . . .	4	797
Mr. A. E. Cross . . . . .	4	800 to 802
Mr. Osborne Brown . . . . .	4	806
Mr. H. B. Alexander . . . . .	4	812
Mr. B. S. Michell . . . . .	4	814-816
Mr. W. J. Stark . . . . .	4	819-620
Mr. William C. Brown . . . . .	4	859 to 862
Mr. James A. Fullerton . . . . .	4	866 to 870
Mr. W. H. Cochrane . . . . .	4	915 to 919
Mr. James Brandon . . . . .	5	961 to 969
Mr. R. E. Gunn . . . . .	5	928 to 946
Mr. J. F. Staples . . . . .	5	969

PROFIT SHARING BY GOVERNMENT.

At the hearing, which took place in Montreal on September 25, 1919, Commander J. K. L. Ross expressed the opinion that the race tracks should not be allowed to have more than a certain percentage from the Pari-Mutuel machines; that the owners of such tracks as were permitted to operate, should be allowed a fair profit on the money invested, also such amount as might be necessary to cover depreciations and upkeep of track and plant; that all money in excess of that required for these purposes should go back to the benefit of the public in certain specified forms, such as good roads, breeding and helping in the improvement of the horse, that being what racing was for.

The suggestion as to the inauguration in Canada of this policy, first developed, as far as the commissioner is aware, in France, and subsequently was adopted in many other countries, was not entirely new, although Commander Ross was the first witness to refer to it during this inquiry.

In an amplified form, it had been laid before the Government in two communications, namely, one from the Canadian Thoroughbred Horse Association, addressed to the Honourable the Minister of Agriculture, on February 22, 1918; and one from the Canadian Racing Association addressed to Sir Thomas White, Acting Prime Minister, on November 25, 1918.

The matter was brought up for discussion at a number of subsequent hearings and expressions of opinion were obtained from the following witnesses.

	Vol. No.	Page.
Commander J. K. L. Ross . . . . .	1	119 to 122
Mr. J. T. R. Laurendeau . . . . .	1	133
Mr. J. F. Ryan . . . . .	1	157 to 159
Mr. S. McBride . . . . .	2	203
Lt.-Col. H. R. Marshall . . . . .	2	242 to 245
Mr. James Pearson . . . . .	2	256 to 264
Colonel Wm. Hendrie . . . . .	2	320-321
Canadian Racing Association . . . . .	2	388-389
Canadian Thoroughbred Association . . . . .	2	390-392
Mr. George M. Hendrie . . . . .	3	643-644
Mr. F. A. Johnston . . . . .	4	788
Mr. A. H. Cross . . . . .	4	803
Mr. Osborne Brown . . . . .	4	806
Mr. Robert Leighton . . . . .	4	852-853
Mr. William C. Brown . . . . .	4	862
Mr. W. J. Taylor, K.C. . . . .	4	909 to 911
Sir John Hendrie. (See note at end of Windsor Jockey Club, elsewhere in this report.)		

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## TRAFFIC IN CHARTERS.

It will be evident from this report, from the evidence at the various hearings, and from the Charters submitted in the form of Exhibits, that the control exercised by the various Federal and Provincial Governments over instruments of this nature, is altogether inadequate.

There are, needless to say, a number of Jockey Clubs and Racing Associations to which this criticism does not, in any sense, apply.

On the other hand, it is plainly evident that in not a few cases, there has been deliberate trafficking in Charters, that this is still being practised, and that unless effective preventive measures are taken, it may continue indefinitely.

There are now in existence, a very large number of Charters under which racing and betting may be carried on, which have, from time to time, been issued by the Federal or Provincial authorities. Some of these are in the form of special Acts, but the great majority have been issued as "Letters Patent," under the provisions of the Companies' Acts. An uncertain number are, at present inoperative, having been struck off for failure to make the returns required by law, but where no time limitation exists, these are, in most cases, eligible for reinstatement on taking the required legal action.

The evidence, as submitted, indicates that since the Criminal Code was amended, in 1910, many new Charters have been granted, a larger number than apparently inoperative, have received Supplementary Letters Patent, and that there has been unrestricted trading in these instruments, a number of them having been adapted to cover undertakings very widely different from those on account of which they were first obtained.

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THE EFFECTS OF RACING UPON THE PRODUCTION OF IMPROVED BREEDS OF HORSES AND THOROUGHBRED STOCK.

(Reference No. 6.)

At a number of the hearings, evidence bearing upon this phase of the Inquiry, (Clause No. 6, Order in Council), was given by gentlemen interested in the production of thoroughbred and half-bred horses.

The majority of these witnesses were either men who, as breeders or owners of race horses, were concerned mainly with the sporting aspects of racing, or men actually engaged in the breeding of half-bred horses, or otherwise interested in horses of that class, as saddle horses, hunters, or re-mounts, for army use.

The evidence of these witnesses is, therefore, worthy of the most careful and serious consideration, affording as it does, an opportunity, never before presented in Canada, to acquire what is practically a first hand acquaintance with a phase of the live stock industry which, although holding an important place in most other civilized countries, has not, hitherto, received from either the Governments, or the people of Canada, as a whole, the attention which it deserves and which, if properly encouraged and safe-guarded, it would very soon amply repay.

At the hearing in Montréal, on September 25th, 1919, Commander J. K. L. Ross told of his having become interested in racing shortly before the war, his subsequent absence from Canada, until 1916, and the more extensive stable which he then acquired with the intention of continuing to race his horses in Canada.

In 1916, he bought a tract of land at Verchères, near Montreal, on which he gradually built up an establishment for the breeding of horses to race in Canada, as well as farm and carriage horses. At first he had only a small number, but has now forty-seven mares. When racing stopped in Canada, he had, unwillingly, to send

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his racing stable to the United States as he could neither race, nor sell horses in Canada. That involved his getting better horses able to compete with those racing there. He stated, also, that, being a Canadian, he did not want Canada to have a bad name due to an inferior racing stable.

If racing is not to be resumed in Canada, it will mean his taking the mares to Maryland and disposing of the breeding establishment at a loss. He is not in horse breeding for gain, but likes horses and racing, and is interested in the improvement of the horse.

Mr. D. RAYMOND stated, in evidence, that he had a farm at Dorval, near Montreal, on which he bred Thoroughbred horses. In selecting breeding stock, he tried to get those that had been successful race horses. He obtained a son of "Flying Fox," a horse which after his racing career was over, was sold in England for \$187,500.

His Thoroughbred mares were also selected for their speed, stamina, and endurance. He began breeding in 1911, with three or four mares and continued until in 1916 he had twelve.

After the passage of the Order in Council, in 1917, he began to dispose of them and had at the date of the hearing, only six young horses left. He also bred a number of half-bred horses and considered that the use of a Thoroughbred stallion with cold blooded mares greatly improved the stock.

In trying lately to buy a colt from one of his horses, Belgian, he found none for sale under \$400, and \$800 was asked for some of his colts. He stated that with ordinary horses selling for from \$150 to \$200, horses from a thoroughbred sire will bring from \$400 to \$500, or more. Mr. Raymond stated that the test of the Thoroughbred can only be made on the race course.

## CANADIAN NATIONAL BUREAU OF BREEDING:

Mr. John F. Ryan, Manager of the Canadian National Bureau of Breeding, stated that the Bureau which is a Company, chartered by the Dominion Government in 1909, was formed for the purpose of improving the breeding of horses in Canada, by means of Thoroughbreds, with the particular object of producing a type suitable for army purposes.

Stallions were secured, most of them by donations from racing men and large breeders, and these were placed under certain rules, all over Canada.

The headquarters of the Bureau are in Montreal, and there are secretaries in each of the provinces. Many applications are received, only some of which it has been possible to fill. The horses were placed with the best men, with instructions that they were to be available for service at a fee not to exceed \$10.00. Under the rules of the Bureau, part of the fee was to be returned to it to help in the upkeep of the work, but the rule was not enforced, the keepers of the horses except in a very few instances, having retained the fees on account of the stabling and attention given the horses.

Full information relative to the plan and the workings of the Bureau having been given by Mr. Ryan at the Inquiry in 1910, he was asked to carry on the story from that time.

He stated that the size of the Bureau had doubled between 1910 and 1913. For two years the Bureau received a government grant of \$250 per horse for horses mated with a certain number of mares, and fulfilling other conditions. This assistance enabled the Bureau to go ahead faster than before. It doubled the size of the Bureau as a going concern all over the country; they got more horses and changed horses which had been too long in one place, and put the Bureau on a fairly good basis with about sixty horses out.

In this connection, Mr. Ryan has since submitted to the Commissioner a list of certain Thoroughbred stallions owned by the Bureau in 1914, showing from whom

these were received, with their appraised value as of that date. This list appears as Exhibit No. 2, to Volume No. 5, of the Record of Proceedings.

The Government grant was stopped about a year before the war.

The horses were distributed from Prince Edward Island to British Columbia. They were Thoroughbred race horses, mostly obtained from breeders and owners as being too old to race, broken down, accidentally blemished, or otherwise injured for racing purposes. Others were young horses uninjured, given specially to help the breeding industry, but these were not culls. The Bureau undertook the expense of sending them out to the applicants.

His Majesty the King had sent out two horses to help the Bureau, which he knew was helping the breeding of remounts. These horses were "Amner" which he sent shortly before the war and "Spey Pearl" early in 1917; the latter was a very valuable horse by "Persimmon" and bred by the King. He had been insured for \$40,000. Those horses had been placed at service in Canada.

In 1913 Mr. Ryan went to England, France and Switzerland, to watch the military manoeuvres. At that time the British Government was discussing the taking from Canada every year of fifteen hundred officers' chargers, the only animals recognized for this purpose being those by thoroughbred sires.

At the time of Mr. Ryan's visit to Europe, in 1915, there seemed to be an idea that a war was possible, and consequently, on his return, in November, of that year, the Bureau took a horse census of Canada. In this way they ascertained that there were about forty-five thousand horses in Canada available for cavalry, field artillery, and field transport purposes. He could not say what proportion of the number were suitable for cavalry purposes, more or less as a result of the thoroughbred cross.

There were not more than fifteen hundred or two thousand Bureau colts of sufficient age to be of service when the war came on. It would have been possible to sell two hundred thousand cavalry horses had they been available.

Prices paid for horses of all classes at various stages of the war, ranged from \$150 to \$225. For officers' charges, the French Government paid \$400, or about twice as much as was paid for the others.

About one million five hundred and fifty thousand (1,550,000) horses were taken from America (United States and Canada) for war purposes. The Canadian Army had 73,291 horses of which some were purchased by the British Remount Commission, for the Canadian Government.

France took 668,000 horses from America including Canada. The French, although anxious to do so, especially before the United States entered the war, were not allowed to buy horses in Canada for the first year and a half, because the Canadian horse supply was being held as a reserve. Mr. Ryan had always understood that this was under orders from Lord Kitchener.

The supply of horses in America was fairly well maintained, but the quality greatly deteriorated as the buying went on. As an instance, after the first 6,000 cavalry horses left Kentucky, instead of getting 500 horses in a week, Mr. Ryan could not get 25.

Four hundred million dollars was spent in the United States and Canada for horses during the war. Mr. Ryan could not state what proportion of this was spent in Canada.

In his opinion, the Bureau, instead of 50 or 60 sires, should have had 3,000 or 4,000 in a country the size of Canada. The Bureau, although a small affair, with but little capital, had been able to help Britain, France, Belgium, and Italy, and early in the war, Russia. This was because they had studied the horse situation, had data from all over America, and had a system for procuring the horses; everything in fact, except the actual horses.

Mr. Ryan stated that a large number of the stallions donated to the Bureau in the past had come from American breeders and racing men, but that, now, the United

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States Government had realized the situation, and an Association was being formed in that country on lines almost identical with those of the Canadian National Bureau. This Association is a combination of the big racing associations and the Department of War, at Washington. The chairman, Colonel John S. Fair, was the Chief Remount Officer during the war. They have got together. The Government is going to give a grant. The directors will help, and naturally the American stallions will go to the American Bureau.

This being so, Mr. Ryan does not see how the Canadian Bureau can continue without racing, because racing produces the thoroughbred. If there is no racing in Canada, they might get an odd thoroughbred from England, or from Australia, one or two in a year. These, would however, get old, take sick, or die, or they might meet with accidents and the stock would have to be replenished. The continuity of the supply of stallions depends upon the continuance of racing.

Assuming this continuance, Mr. Ryan stated, that owing to the wastage of horses in all the European armies, there was likely to be a keen demand for high class horses to re-horse these armies on a peace basis.

At the outbreak of war, the British, French, and other European armies, were well horsed, with exceptionally good horses. About 95 per cent of these horses had been killed and their places filled by emergency horses from North and South America.

These regiments will have to be re-horsed, and they will want as many half, or three-quarter bred horses as they can get. Canada is not in a position to supply the demand, and this can only be remedied by putting out more sires, which is impossible in the present condition of racing. The French Army is greatly in need of horses, nearly all their good war horses having been killed.

Mr. Ryan thinks the French system of breeding army horses was the best in the world. For cavalry and officers' charges they used thoroughbred sires, for field artillery the thoroughbred, or half-bred out of a farm mare, and for heavy artillery, the Percheron.

The German cavalry was almost as good as the French; they also had thoroughbred sires. There is still, even in time of peace, a big market. Canada should be easily able to sell 1,500 a year to Britain, and an equal number to France. If, of the best type, the price would be not less, than \$400.

Mr. Ryan, who is not a racing man, and never has engaged in racing, says that it is necessary to maintain racing if the breeding of cavalry and light artillery horses is to be maintained in this country.

Cross examined, by Mr. Raney, Mr. Ryan gave information as to some of the sources from which the Bureau had obtained stallions. The Bureau had about sixty horses when the grant stopped in 1913, and has now about forty-four. Asked by Mr. Raney, as to whether he would approve of the suggestion that the surplus profits of jockey clubs, above a moderate reward to these jockey clubs, should go to the Bureau, he expressed the opinion, that part of the proceeds should go toward the breeding industry but would include the breeders of heavy horses.

He gave considerable information as to the methods followed in France, Germany and other European countries, in regard to the taking of percentages from the Pari-Mutuel machines by the various governments, and the purposes to which the money so taken was applied.

In reply to the Commissioner, he stated that he had been interested in finding out how the French got their breeding industry to such a high standard that they had half a million good horses at the time the war began. The system is carefully thought out, very elaborate and far reaching. A national institution in the truest sense.

The betting is done on the Pari-Mutuel system, which has been adopted nearly all over Europe, in Spain, Italy, Austria-Hungary, and Germany.

In France, out of the monies bet by the public, 10 per cent is taken, of which 2 per cent is applied by the Government towards the maintenance of hospitals. Another portion is applied to the carrying on of the Paris Waterworks, which reduces the taxation of the people of Paris; that being the centre of racing activity. Two per cent goes to the breeding industry; the clubs get 6 per cent, out of which they pay their purses. As the season advances, the purses increase in size; starting with 10,000 francs, they run up to 200,000 francs for the Grand Prix. The balance of the 6 per cent, which does not go into the purses, together with gate receipts, goes to pay the upkeep of the track and the dividends to the shareholders. They spend a great deal of money on the tracks, which are the beauty spots of Paris.

The German system is somewhat similar. The Germans have had a breeding bureau for the last forty years.

In reply to Mr. McCarthy, as to how many people had applied to the Bureau for stallions, Mr. Ryan stated, that they had received over 3,400 applications, that in the Province of Quebec alone, there had been between 600 and 700 applications, which, of course, they had been unable to supply.

At the request of the Commissioner, Mr. Ryan undertook to furnish full information as to the conduct of racing in the various countries of the world; the methods of betting, and the attitude of the respective Governments in connection therewith. This statement was read by Mr. Ryan at the final hearing in Ottawa on January 30, 1920, and will be found at page 991 and following pages of Volume No. 5 of the Record of Proceedings.

At this final Ottawa hearing, Mr. Ryan, cross-examined by Mr. Godfrey, said that it was necessary that the thoroughbred should be preserved in order to obtain horses for Army use, as also half-bred horses for other purposes. It was largely a matter for the Government, and was handled by Government in other countries. He thought it should be handled by the Government here in order to get the best results; it was Government work. Asked if he would favour a direct subsidy, he said he did not think it made much difference how the subsidy came.

The Government in this country had never done very much for the thoroughbred. It should either put up a straight subsidy, or arrange so that a portion of the profits would go to that branch of the breeding industry. It was the duty of the Government to see that the thoroughbred was preserved.

It being suggested by Mr. Godfrey that this might be done by bringing in valuable sires as had been done in South America and other countries, Mr. Ryan said he did not think this Government could compete with these other Governments; they had too much money. In the United States, the Government is taking the matter up in conjunction with the Jockey Club of New York and the Department of Agriculture.

Mr. Ryan also submitted a statement from the directors of the Canadian National Bureau of Breeding, giving a full history of that organization from its inception up to the present time. This statement furnishes information as to its objects, methods and finances, as also suggestions as to the possible future of the work, which, unless immediate further support is forthcoming, will have to be discontinued. This statement will be found appended as Exhibit No. 3 to Volume No. 5 of the Record of Proceedings.

Mr. Ryan has, since the last hearing, supplied the Commission with more recent data received by him from France with regard to the Government's system of regulating the allotment of the profits from the Pari-Mutuel system. This is also appended as Exhibit No. 4 to Volume No. 5 of the Record of Proceedings.

The following letter, received by the Commissioner, from Brigadier General Hervey, is being embodied in this report, as having a direct bearing on the work of the Canadian National Bureau of Breeding.



SESSIONAL PAPER No. 67

MONTREAL, November 30, 1919.

Dr. J. G. RUTHERFORD, C.M.G.,  
 Racing Commissioner,  
 Ottawa, Canada.

DEAR SIR,—I intended to testify before you when the Commission was in Montreal, but unfortunately was out of town on business and did not get back in time. If you hold another session here, I would like to testify, and in case I do not get an opportunity, I am writing you.

I have been interested in the Canadian National Bureau of Breeding almost since it was organized. I have kept Bureau sires at my farm in Glengary County, and have raised colts by them, and knew how the work has progressed. I have no hesitation in saying that the work is, and always has been one worthy of encouragement. These horses have been sent all over Canada and distributed free of charge with all freight and expenses prepaid by the Bureau.

No financial aid has ever been received from the Racing Associations, and very little from the Government.

As a shareholder in the Bureau, I know that the work will have to cease, unless something is done at once to divert part of the great profits made by the Racing Associations to the breeding industry as represented by the Bureau, which is the only organization making use of thoroughbred sires. Canada is the only country in which the proceeds of racing, gate receipts, betting, and other privileges, go into the pockets of a few individuals, many of whom are not even citizens of Canada and none of whom do anything for the farmer and the small breeder. It is the half-bred industry that needs and deserves assistance. The thoroughbred can earn his own way.

There is not a racing association in Canada that has not continually shouted about improving the breed of horses, but they have done nothing and have never paid a dollar of the Bureau expense. They will never do anything unless the Government intervenes.

Since it started, the Bureau has been practically doing Government work. If a farmer in the West writes to the Department of Agriculture for a thoroughbred stallion, he is referred to the Bureau, and we are supposed to secure the stallion and pay all expenses for transportation to the farmer who may, perhaps, live in British Columbia. For two or three years we received some Government aid, but there has been no grant since 1912 or 1913. This is the time when the Bureau work should spread out, and it will require a lot of money to do this work properly. I do not see why racing should not be made to support the work the same as in all other countries. When the racing interests get into trouble they are not backward in calling on the Bureau for protection. This was so, at the time of the Miller Bill in 1910, and the same condition exists now.

Yours faithfully,

C. L. B. HERVEY,  
*Brigadier-General.*

At the hearing held in Toronto on October 1, 1919.

Major-General LESSARD, formerly Inspector General of the Canadian Forces, prior to that, for many years, commanding officer of the Royal Canadian Dragoons, and now farming in the vicinity of Toronto, gave the following evidence:—

(Examined by Mr. McCarthy.) During the last twenty years he has had much experience in judging at horse shows, at the Olympia, in England, the National Horse Show, New York, and at nearly all the leading Canadian shows from coast to coast.

To his mind, saddle horses and hunters, especially in Ontario, have improved greatly in recent years, and he attributes this improvement to the thoroughbred,

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which gives them stamina, courage, and endurance. The only way to select the best thoroughbred stallion is by racing.

Colts from thoroughbred sires bring better prices; among the horses purchased by him for army use those with thoroughbred blood had more endurance. This was his own experience in the South African War, and the same was true in the recent war. Half-bred horses with sufficient weight are the best light artillery and transport horses; they also stand farm work better than others. The supply for army use was not nearly equal to the demand. He instanced colts from the King's horse "Amner" and from "Wiley Buckles."

In answer to Mr. Raney, General Lessard stated that he had no connection with racing.

Mr. JOSEPH KILGOUR (*examined by Mr. McCarthy*) stated that he had been interested in saddle horses and hunters all his life. He had, at present, including colts, about 25 or 30 of the hunter class. He does some breeding, using thoroughbred sires only, usually a horse that has been tested in racing, this being the only way to test a horse.

He has bought a great many hunters and tries to get as near to the thoroughbred as possible, buying half, three-quarters, or seven-eighths horses, the nearer he gets up, the better horse he has. He will not buy as a hunter any horse not sired by a thoroughbred. The horses from such sires are the most valuable in point of price, and at all the shows, which he has attended in Canada and the United States, horses of this type win the prizes.

For the thoroughbred "Cannie Jean," he has been offered and declined \$5,500. Mr. Kilgour submitted photographs of some of his hunters, one being a thoroughbred, and the others half-bred. (See Exhibits to Volume No. 2).

He has great difficulty in securing half-bred colts, as they are in keen demand by American buyers. He buys them at two and three years to secure against their being taken out of the country. The demand is unlimited and the prices good. If the supply were adequate there would be a good revenue to the country.

He farms 700 acres and finds the half-bred horse more serviceable than any other in farm work. On heavier clay land a heavier horse would be wanted, but he breeds them up to 1,400 pounds and they will plough 25 per cent more than any other horse. The only way to test a thoroughbred sire is on the race track.

Cross examined by Mr. Raney, Mr. Kilgour stated that he never raced a horse; was not even an amateur racer. He had never been a director of the Ontario Jockey Club, only since the war. He was, he thought, a holder of one share, which he had had for three or four years. He had received no dividends and was not looking for any profits. He sometimes goes to the Jockey Club in Toronto but does not attend race meetings elsewhere.

Mr. THOMAS ROULSTON (*examined by Mr. McCarthy*) stated that he had been buying half-bred and thoroughbred horses for about 25 years. He buys horses of the saddle and hunter types with as much thoroughbred blood as possible. He pays higher prices for these and there is a good demand from the Americans at enhanced values. The number of thoroughbred stallions has decreased of late, especially along the North Shore of Lake Erie; where, within his memory, there were a dozen stallions of this class, he does not think there are now five. He could not name, among the sires he had known, one that had not been raced. Asked as to stamina and endurance, Mr. Roulston said: "They have to have the thoroughbred to do the work."

Cross examined by Mr. Raney, the witness stated that he knew nothing whatever of race tracks. He knew there were four in Toronto, but had not been on them. While admitting that there were not so many thoroughbred stallions as formerly, he would not agree that they were going down hill. There was a lot of breeding going on and greater demand for them now. The most useful horse we have is the half-bred.

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Lieutenant-Colonel H. R. MARSHALL (*examined by Mr. McCarthy*) stated that he had been interested in breeding and racing for ten years. For the past five years, he had been overseas with the Canadian forces, having gone over as a private and finished up as Adjutant and Quarter-Master-General of the Division.

During the winter of 1916-17, which was very severe, with eight or nine inches of snow and the thermometer at zero Fahrenheit, for two or three weeks, hundreds of horses died of debilitation. Horses with thoroughbred blood stood the test better than cold blooded horses. During the last hundred days they got information that the German army would be, or was, to a large extent beaten, at the end of the war, for lack of horses. He said, "When we got to them, we found they had little Russian scrubs which could not drag their guns along. It was the thoroughbred strain which gave ours the mobility to go on right through the campaign."

The hunter type derived from the thoroughbred is the type for cavalry and light artillery purposes. His experience has led him to prefer as a sire a horse which has proven his endurance on the race course. As a sire of polo ponies, it has been proven in England that no horse other than the thoroughbred is worth considering. Mr. Whitney recently bought one of the English type for \$10,000. He himself had, when hurt, sold his four ponies; for the half-breds he got from \$200 to \$400, but for the one thoroughbred he got \$1,000. There is an excellent market for polo ponies today. He stated that as a result of his experience both at home and at war, he thought the type of horse for cavalry, hunting, and saddle purposes, was, undoubtedly the horse bred from a thoroughbred sire. Cross examined by Mr. Raney, Lt.-Colonel Marshall stated, that he had about 22 horses, thoroughbreds and half-breds, and that he bred for sale. He was not a racing man. He had to send a motor ambulance forty miles to Mr. Jarvis' place at Aurora, for a stallion, to which to breed his mares this year.

He thought that Mr. Ryan, Manager of the Canadian Breeding Bureau, was more or less correct when he stated that there ought to be distributed over Canada from 3,000 to 4,000 thoroughbred sires.

He was a member, but not a shareholder, of the Ontario Jockey Club, and got none of the profits. He was of opinion that racing should be under governmental control with Pari-Mutuel betting.

Asked if he would be in favour of the suggestion, that a percentage of the earnings of the Jockey Clubs, from the betting, should be taken by the government for public purposes, after allowing for a dividend of 6 per cent or 7 per cent to the shareholders, the witness stated, that he would leave the matter in the hands of the authorized Jockey Clubs giving a percentage to the Government. He thought the French system a good example.

He explained his statement that breeders were not getting encouragement by citing his own experience last season, as an illustration of the difficulties encountered by owners of mares in securing the services of thoroughbred stallions.

He did not think it possible to disconnect racing from some sort of betting, and there must be sufficient racing to give encouragement to breeders who are the backbone of the thing.

Not being a racing man, he declined to express an opinion, as to whether, under existing conditions, there was too many days racing in Toronto, but attributed the growing scarcity of Thoroughbred stallions since 1907 or 1908 to fear of interference from the up-lift people, who thought it was all down to money grubbing. He thought betting should be controlled as in France, did not approve of gambling, but did approve of the Pari-Mutuel system.

MR. JAMES MCFARLAND (*examined by Mr. McCarthy*), stated, that he had been interested in the horse industry for thirty years in the County of Middlesex and the surrounding counties. He had always been deeply interested in saddle horses and

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hunters; these horses were got by using Thoroughbred sires. They are to-day in great demand, in fact, the only light horse in demand to-day, the automobile having taken the place of the road horse. They are hard to find. The demand being greater than former, and the trade is harder to supply. The supply is not increasing; the country was pretty well bought out during the war, but there are some young ones coming on. Mr. McFarland named several Thoroughbred horses which had stood in his district, notably the horse "Halfling" owned by himself, and which had been imported by Mr. Seagram. He had got excellent stock. The Thoroughbred is of more commercial value than any other strain of light horse, and there should be more sires of that kind in the country. He believes horses should be tested by racing, before going to the stud:

Cross-examined by Mr. Raney: the witness stated that the demand for riding horses was not confined to wealthy men, although there are now a great many such men. The demand for this type of horse was not as great in 1910 as it is now. There was a great demand in 1914, just before the war, but the demand to-day is possibly greater. The supply in 1914 was about similar to that in 1910. The supply in 1919 was possibly equal to that in 1914. His idea, that the supply was less might be owing to the greater demand at present.

In reply to the Commissioner, Mr. McFarland said, that it took six years to produce a mature horse.

To Mr. Raney he said he was not a racehorse man, but thought that if they allowed Thoroughbreds to come in as race horses the supply would be kept up. He could not say definitely how the supply of Thoroughbred stallions in Middlesex compared with that of 20 years ago, but thought it was about the same.

Asked as to whether there had been any direct benefit to his county from horse racing, the witness stated, that there had been a very direct benefit from race horses. He had never followed the race horse business. He had never known of a Thoroughbred horse standing for service in his county which was not a race horse. He agreed with previous witnesses that his endurance and metal should be ascertained by racing.

Re-examined by Mr. McCarthy: witness stated, that, many farmers, especially with labour conditions as they have been for the last three or four years, do not like the trouble of keeping stallions. He keeps one, because he wants one in the county. The best classes of hunters are bought in the vicinity of London, Ontario, owing to the strain of breeding in the mares got by Thoroughbred stallions left there by the officers when the British troops were stationed there.

To Mr. Raney, he stated, that the good strain had been maintained by the sires standing there in the last twenty years: the introduction of cold-blooded horses would certainly spoil it. The strain is maintained by continuing the use of Thoroughbred sires, of which there should be two or three time but not ten times as many.

Mr. JAMES PEARSON (*examined by Mr. McCarthy*) stated that he had a large farm in the county of Peel. He had no interest whatever in any race track or racing organization. He thought that the necessity for the retention of the Thoroughbred as a breeding element was growing in importance. The Thoroughbred strain was, in his opinion, the most desirable for the breeding of light horses. The Thoroughbred can only be properly developed by racing and race tracks properly managed, regulated and governed, both as to number and operation, doing away with the bookmaker, would be the proper way to encourage the breeding of Thoroughbreds. Racing, properly conducted, recreative, there is no more beneficial amusement than a well-conducted race meeting. If a man takes an interest in the Thoroughbred there is no harm in his making a selection and investing a dollar or two in it, under the Pari-Mutuel system, not bookmaking. It might be used, by appropriating part of the funds for that purpose as an assistance to the income of the country. People will go to see sports; they will spend their money, and racing conducted in a clean way is a good sport. He did not believe in legislation to curtail personal liberty.

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Cross-examined by Mr. Raney; witness stated that his farm consisted of 700 acres; that he had been in the Thoroughbred line for about 10 years and had been working the farm for fifteen years. He had not gone extensively into Thoroughbred breeding because it is not an ordinary farmers occupation, and it is somewhat expensive. If he went into it, like Mr. Sagram or Mr. Davies, he would have to have a track on his premises.

The remainder of the evidence, given by Mr. Pearson had reference to the control of betting and the taking by the Government of a percentage of the earnings from the Pari-Mutuel machines.

MR. HARRY GIDDINGS (*examined by Mr. McCarthy*) stated that he farmed 295 acres near Oakville, and had bred a number of winning race horses. He gave details regarding many of these animals. Three colts from one mare "Lady Lightfoot" brought to this country, more or less directly as a result of racing, he sold for \$11,500. His evidence, in detail, regarding his horses, is interesting. Most of these animals, forming his foundation stock came to Canada as a result of racing and were picked up by him at sales. A list of his horses appears, as Exhibit No. 4, A., page 270½ (Volume 2).

During the last two years, there has not been much sale for Thoroughbreds. As a direct result of the stoppage of racing, he has reduced his establishment to four mares, as against ten which he previously had. He thinks the Thoroughbred the only horse for breeding purposes. He has to have the race track test; he must have conformation and staying qualities to win on the race track.

Cross-examined by Mr. Raney, witness stated that his was not one of the largest establishments in Ontario. Those of Mr. Seagram, Mr. Hendrie, Mr. Dymont, and Mr. Davies, were much larger. He admitted having been one of the largest winners on the Canadian turf in 1913 and 1914. He thought we were breeding better horses than 15 or 16 years ago; not so many stallions, but of a better quality. He bought all his sires himself; the horse "Bassitlaw" he bought in New York; this horse was imported from England, being from the Duke of Portland's stud. He had had the stables at Oakville since 1891.

MR. GEORGE BEARDMORE (*examined by Mr. McCarthy*) stated, that he had been Master of the Toronto Hunt for 24 years, and that during that period he had consistently ridden his own horses to hounds, year in and year out. He has had in his stables at different times from 25 to 30 horses, and uses as a riding horse a Thoroughbred, or a well bred horse. Well bred horses always command the highest prices here and in the States; they cost no more to feed and they are much more valuable, having the stamina and intelligence, and being useful as hunters, as saddle horses, and for farm work. He has bought all his horses, which are all by Thoroughbred sires, in and about the vicinity of Toronto. In the last few years, he has gone into racing just for the sport. He has bred a few, but not extensively. He has some Thoroughbred stock that was brought into this country for racing purposes, and would not otherwise have been here. He has some mares, but if racing does not go on, he will just keep a few hunters. He wants to help the horse industry of the country as a whole.

Cross-Examined by Mr. Raney; witness stated, that he was a shareholder and a director of the Ontario Jockey Club. He has one share for which he thought he paid \$1,500, when he became a director three or four years ago. He did not remember getting any dividends, but probably did if any were issued. He has been a member, but not a shareholder for many years. He did not think the best blood would come to Canada unless we had racing, and did not think racing could continue without the Pari-Mutuel. He would not approve of horse racing carried on for no other reason than to enrich the shareholders. He did not know anything about, nor had he taken any interest in other race tracks in Ontario, beyond the fact of their existence.

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The following letter addressed to the Commissioner by Mr. Beardmore on February 2, 1920, will be found to amplify and emphasize the views expressed in his evidence:—

TORONTO, February 2, 1920.

DEAR DR. RUTHERFORD,—It was my intention, as it was also that of my friends, Joseph Kilgour and H. C. Cox, to attend your final hearing and emphasize our views, if possible, to you, as the Commissioner appointed on this important Racing Inquiry, but a severe cold prevented my doing so. Major Kilgour left hurriedly for Florida, and Colonel Cox was called to England.

While it has been my good fortune to have won the "King's Plate," I do not pose as a racing man, though I have a number of thoroughbreds in training. I possess only one share of Ontario Jockey Club stock, but for twenty-five years have been master of the Toronto hounds, and can therefore speak with some authority regarding the horses which have come under my immediate observation both in and out of the hunting field. The horses which I have made a practice of purchasing, have been thoroughbred and three-quarter bred, all by thoroughbred sires—I wouldn't have any other. I have from time to time, put out a thoroughbred stallion in different parts of the country over which we hunt, for the benefit of the farmers, with the best results, following that plan from half-bred mares.

Colonel Cox, as Master of the "Ennisclaire" Hunt would have backed me up in this, as you know, his stable of hunters cannot be beaten, and includes many thoroughbred horses, the others being three-quarter bred.

Major Kilgour has had the same experience and is ever on the look-out for a thoroughbred up to weight. As you are aware, his stable of hunters has a continental reputation.

Now, we all realize that we are indebted to the race course, whether we want to admit it or not, for our horses—without racing hereabouts we positively would not have been able to get them, and I realize that with racing we must have betting, "for most men—till by losing rendered eager will back their own opinion by a wager."

Again, thoroughbred horses are owned in this country for the most part by men who are by no means well off, and couldn't afford to subscribe to stakes or purses to the large extent which is done by the wealthy patrons of the turf in Great Britain, consequently both stakes and purses must be found and made by the Jockey Clubs, who are compelled to look to the assistance derived from the Pari-Mutuel for that purpose.

Racing, when properly conducted is a splendid sport, and a great recreation, to a very large number of our people, and why should we not have the same privileges to enjoy it as all other British peoples!

At the same time I wish to make it clear to you that a race course existing as a commercial enterprise has not my sympathy.

If I could have been in Ottawa on Friday last I would have asked to be allowed to state just what I have now written you, in order that it might have been placed on the records.

With my kind regards,

Yours faithfully,

(Signed) GEORGE W. BEARDMORE.

MR. EDWARD B. CLANCY (*examined by Mr. McCarthy*) stated he had been an owner and breeder of thoroughbreds and half-breds; he had also judged at many shows. He lives at Guelph, Ontario, and has standing at his farms at present, two stallions "Spey Pearl," a horse given to Canada by King George, for the purpose of

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improving the breeding of horses, being one of these. He had been at Mr. Clancy's farm for over a year and had served quite a number of mares, both thoroughbred and half-bred. He has, also, an American bred horse "Charlie Gilbert." This horse was formerly owned by the estate of Mr. William Hendrie, of Hamilton, and was handed by the Bureau to the witness to stand in that country. Mr. Clancy stated that he considered the thoroughbred sire the most valuable thing we have in the way of a horse as he improves the breed in any class of horse. He had even traced it back to the grand dams of heavy horses, proving that they got their quality from the thoroughbred. He was getting more enquiries from the United States for hunters and saddle horses than he had ever heard of before, the attention of horsemen seeming to be concentrated on the saddle horse and the hunter. He thought that the more thoroughbred sires there were in the country the better.

When racing is on there is an opportunity to buy thoroughbreds cheaply. Farmers are not anxious to handle thoroughbred stallions, as until recently few farmers understood them, and the present high cost of labour and feed are drawbacks. The low price of service, as limited by the Bureau, is also a deterrent. He, himself, had cut down his thoroughbred mares from six and eight to two since racing stopped.

From his experience as judge at shows, he stated that a horse with a dash of thoroughbred blood wins in any class.

Cross-examined by Mr. Raney, witness stated, that he had bred horses to race and sell; he had raced on and off, at the Woodbine, at Fort Erie, Hamilton, and Windsor. He was not a shareholder in any of these clubs.

Mr. AEMILIUS JARVIS (*examined by Mr. McCarthy*) stated that he had been interested in horses and thoroughbreds since 1903, when he commenced to breed. He has a farm near Aurora, and has imported hunters; is a hunting man himself. In his opinion, the horse most suitable for hunting and saddle is the horse that has the most thoroughbred blood in him. He is also the best for the farm. Mr. Jarvis has two mares, one imported from the Hunters' Improvement Society of England, and another well-bred mare weighing upwards of 1,300 pounds. These two mares can do more ploughing and hard work than any other two horses he has, including two Clydesdales. They can go farther in a day, do it quicker, and stand up under the work better, or he can take them out and hunt them. One can be raced; one has been raced, but cannot now. Horses of this class are in keen demand. In 1914 he took five of his nine hunters to Maryland and sold them all within a week at from \$1,200 to \$1,800 apiece; they were nearly all Canadian horses, one only being imported. The thoroughbred stallion "Pan Longin," which he has had for five years, has been very successful. (Photographs are submitted, illustrating the type of horse under discussion).

Mr. Jarvis is not a racing man; is not connected with any racing associations, other than point to point, or amateur races. He believes that unless new blood is brought in deterioration will take place. Encouragement to bring in new blood is naturally the race course. He considers racing necessary as a test of stamina.

Cross-examined by Mr. Raney; witness stated, that he gives the service of his horse free to anybody who brings a proper mare. He has made tests of endurance and mettle in cross country races, chiefly in the Governor General's Cup Race at Ottawa, which was established by Lord Grey, and he won three times by Toronto horses. This was a point to point race, four miles, two furlongs across country, with thirty-two four foot jumps. It called for a horse with a great deal of stamina. He was breeding up for that now, and tests his horses on a mile course on his own farm just over the natural fields, a test good for that kind of racing, but not any good for flat racing. He has never entered any of his horses at the regular meetings. (10 photograph exhibits).

Mr. J. C. FLETCHER (*examined by Mr. McCarthy*) stated, that he had a farm near Toronto, where he kept the King's Horse "Amner" during the breeding season.

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Witness is breeding half-bred stock. Has done some racing in the Orient, in Japan, and Siberia, where he has seen marked improvement, from the use of thoroughbred blood on the native horses. In Japan and in Siberia, every effort is made to obtain thoroughbred horses for crossing purposes, and the result is a material improvement in type. He corroborated the evidence of Mr. Jarvis as to the value of thoroughbred blood in this country.

Mr. Thomas W. SEAGRAM (*examined by Mr. McCarthy*) stated, that he was a son of the late Joseph Seagram, for many years President of the Ontario Jockey Club. Mr. Seagram submitted lists, as complete as possible, from the records of his late father's racing and breeding establishment, and these lists have been embodied in the Record of Proceedings.

The witness stated that a great number of the stallions went out into the country, farmers having bought them for breeding purposes. A number are to-day in Waterloo, and adjoining counties. The number of horses sold at the Seagram annual sales during the last twenty years has varied from twelve to forty. There has been a large reduction in the breeding establishment since 1916, when the witness went overseas. On his return he found about thirty horses, as against an average of from eighty to ninety kept during the past ten years. If racing ceases, the horses will be sold immediately, as there will be no incentive to keep on breeding.

Mr. McCARTHY asked: "If racing ceases here, Mr. Seagram's breeding establishment, which has existed for more than twenty years,—"

WITNESS: "More than thirty years."

Mr. McCARTHY: "I am not underestimating, when I say, that during these thirty years, more than one thousand mares and stallions have been distributed throughout the country, and that this establishment will come to an end!"

WITNESS: "Without a doubt."

The witness had not, himself, been in this country for some years, and did not know anything about racing conditions. He was not in any way connected with the Canadian Jockey Clubs and was not interested in racing.

Mr. WILFRED DAVIES (*examined by Mr. McCarthy*) stated that he was a son of the late Robert Davies, who owned Thorncliffe Farm and who was a large importer and breeder of thoroughbred stock. He also raced all over this continent.

The witness submitted lists of the thoroughbreds foaled at Thorncliffe Farm, some ninety in number, of the horses imported from England and the United States for breeding and racing and of the stallions twenty-eight in number which had been sold from time to time. Many of the latter, as also of the mares sold, went to different parts of Canada. The lists above referred to have been embodied in the Record of Proceedings.

Witness stated that as against 125 head of thoroughbreds kept at Thorncliffe, seven or eight years ago, as a result of breeding and purchase, there are now only 25 head. The reason for the reduction is that if there is no racing there is no use keeping them. They have been gradually cutting them down, and will continue to do so. If racing disappears they will sell everything on the plant, including the training track and stables. The former investment, in imported horses was, according to the witness, away over \$100,000.

Witness is a shareholder in the Ontario Jockey Club, holding one share, transferred to him by his father. He considers the thoroughbred necessary in this country and believes the race course test the only one, as if a horse is a failure on the turf he will, for any purpose, be a failure in stamina, endurance and mettle.

Cross-examined by Mr. Raney, witness stated that he did not know the amount of stock in the Ontario Jockey Club, held by himself, his brothers and sisters, and his father's estate.



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They had raced to some extent since his father's death four years ago. His father bred chiefly for the sport of racing; in his time the horses had raced at Toronto, Hamilton, Fort Erie, Windsor, and Montreal; they only went to the States on two occasions. Six horses had been imported since his father's death.

COLONEL WILLIAM HENDRIE (*examined by Mr. McCarthy*) stated that he was a son of the late William Hendrie, for many years president of the Ontario Jockey Club. His father's breeding operations were carried on at The Valley Farm, near Hamilton, where he had bred thoroughbreds for from 25 to 30 years.

Colonel Hendrie could not furnish an estimate of the number of horses imported in that period, but there were a good many; his father went to Kentucky and bought from 10 to 15 yearlings every year. When the establishment was at full strength he had from 60 to 80 race horses, brood mares and colts, all thoroughbreds. Annual sales were held, and the stock was thus distributed through the country at good prices. Some went to the Northwest and British Columbia.

At Mr. William Hendrie's death the establishment was sold; the brood mares and colts were bought by Sir John and Mr. George Hendrie, brothers of the witness.

Cross-examined by Mr. Raney, witness stated that he had been personally associated with one racing club, the Ontario Jockey Club, in which he was a shareholder. He was a shareholder also in the Hamilton Jockey Club at the time of the Inquiry at Ottawa, in 1910, but afterwards sold his shares in that club to Mr. Counsell. He was never associated with the Fort Erie Club.

MR. EMERSON BARNES (*examined by Mr. McCarthy*) stated that he was a nephew of Mrs. Livingstone, and had been managing her farm at Cobourg for the past two years. This farm consisted of 135 acres, and was bought in 1907 for the purpose of raising thoroughbred horses for racing purposes in Canada only. Mrs. Livingstone had brought from the States between 20 and 30 brood mares and several stallions. The breeding establishment had been carried on from that time to the present, but of late years, owing to the lack of racing, had been reduced; there now being about 16 mares and 2 stallions.

Witness stated that Mrs. Livingstone had told him that if racing was not restored next spring she would ship her stock back to the United States. If racing is resumed she will bring up some of her mares from the States and make this a permanent racing stable.

MR. ALBERT E. DYMENT (*examined by Mr. McCarthy*) stated that he was a Director of the Ontario Jockey Club and interested in the Brookdale Stables with Mr. Simon Dymont. He had given his opinions and views as to the use of the thoroughbred in this country before the Special Committee of the House of Commons in 1910, and had no reason to change them since, except that they were strengthened. He and Mr. Simon Dymont had imported from England, during the last fifteen years, possibly 25 or 30, both stallions and brood mares, including such horses as "Red Fox," a son of the great "Flying Fox," also "Tippecanoe," said, by Colonel Bruce of the Stud Book, to be the finest bred horse ever brought to America. About the same number had been imported from the United States. They have sold horses, mostly by private sale, largely to farmers and people who did not intend to race them much. Their stallions have been at the service of farmers in Simcoe County; their breeding establishment has been somewhat reduced as a result of the cessation of racing, and it has not been increased, as it no doubt would have been, if racing had been continued and the owners were assured that they were going to be able to race. If racing is not continued the horses will be cleaned right out and sold and the establishment closed up.

The Messrs. Dymont gave the horse "Fort Hunter" to the National Breeding Bureau for their service.

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Cross examined by Mr. Raney; witness said, that he had been a Director of the Ontario Jockey Club for probably seven years, and a shareholder somewhat longer.

Mr. THOMAS A. CROW (*examined by Mr. McCarthy*) stated that he lived in Toronto and had been a horse fancier and dealer for from 25 to 30 years. He has dealt in light horses, saddle horses and hunters. As to the necessity of having thoroughbred stock in these animals to make them of any value, Mr. Crow said that it is pretty nearly impossible to do without it. It would be a calamity if he had to do without it in this Province. There is no question as to the desirability for breeding purposes of a horse that has been tried out. There is at present a good demand for light horses, but they are hard to find, as under present conditions, not so many are being bred as formerly. It is difficult to get farmers to take a stallion under present labour conditions. Mr. Crow has watched the different stallions in their locations throughout the Province and has been able to trace the influence of good horses on the stock. If racing is discontinued and the racing and breeding stables are given up, it will be harder to get some hunting or saddle horses.

Cross examined by Mr. Raney, witness stated, that during the war, prices for this class of horse have been a little low on account of so many men being away. There was a keen demand at high prices for real horses before the war. He thought that present prices for this class of horse were possibly better than in 1913 and 1914. He would not care to say that the prices offered in 1913 and 1914 were not good enough to induce farmers to breed that class of horse. He could not say as to whether the race tracks, of Ontario, down to August 1917, had done their full duty, as far as the number of race horses in Ontario was concerned. He did not think there was enough racing in 1917 to encourage the breeding of this class of horse. People would sooner breed from horses that had been tried out. Asked as to whether, in his view, there should, for the encouragement of breeding, be more racing in Ontario than there was in 1916 and 1917, witness said he did not think there would be any great harm from the race track in developing the horse and in the horse interests.

Mr. W. P. FRASER, Secretary, Canadian Racing Association: In the course of his examination by Mr. McCarthy (p. 365 Record of Proceedings), Mr. Fraser said in reply to a question, as to whether the number of breeders had increased through the country, that up to 1917, as the value of races for Canadian bred horses was increased the breeders began to see that there was money to be won. It is money that must be given to the breeders to encourage them; they will not breed unless they get it.

They cannot breed horses for sport, if there is no money held up as a reward for them. The numbers increased up to 1917. Proceeding, he said, that he thinks he receives almost daily calls or letters from breeders who are mystified as to what their actions will be in the future; they ask if he can give them any assurance. He knows that, in some cases, breeders have materially reduced their studs. He, himself, had four mares and now has but one. People cannot keep horses and breed horses at great expense unless there is some inducement. In his opinion, the breeding of thoroughbreds can only be encouraged by continual inducement in the way of offering big purses. There has been no definite assurance that racing would be continued. Men have said to him, "Yes, I would willingly buy a farm and get some mares, but we never know how long it is going to continue"; this was because they were subjected to the continual oppression of some people who were opposed to racing.

At the hearing held at Windsor, on October 4, 1919.

Mr. GEORGE M. HENERIE (*examined by Mr. McCarthy*) stated that he was both a breeder and a racer of thoroughbred horses. For some years he had been in partnership in a breeding establishment with his brother Sir John Hendrie, but for seven or eight years, he had operated alone. He has, also, been an importer of mares and stallions; his breeding establishment in Ontario is at the Valley Farm; he has very

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few now as since the cessation of racing he moved most of them to Kentucky. If racing is not continued here, he will have to carry on his breeding operations there and practically close his establishment in Canada. He submitted a list of mares and stallions which he had from time to time, imported from England and the United States. (This list is embodied in the Record at page 604).

Colonel E. S. WIGLE under cross-examination by Mr. Raney; stated, that he considered the conduct of betting in connection with horse racing highly essential to the breeding of horses, which is essential in any country. His experience in France has taught him a lot in that way. Of the cavalry horses in France, two-thirds were of thoroughbred blood. In his conversations with officers over there, they said thoroughbreds made the best cavalry horses and that they looked largely to the breeding of that kind of horse for cavalry purposes.

At the hearing held at Regina, Sask., on October 17, 1919:—

Colonel D. S. TAMBLYN, late Director of Veterinary Services, Canadian Section, G.H.Q., France, and Chief Inspector for Saskatchewan Health of Animals Branch, Dominion Department of Agriculture; (examined by the Commissioner) stated, that he had had a wide experience in the matter of remounts and the handling of military horses. He had served through the South African war and had also been through the great war from the beginning until very recently. In his official capacity he had every opportunity of judging as to the value and serviceability of the various types and kinds of horses used in army service. He considered that the heavy hunter, with a thoroughbred cross, was the most suitable horse for cavalry work of all kinds. Other classes of cavalry horses had generally gone down under the strain. A horse with a heavy infusion of thoroughbred blood, the heavier the better, is absolutely in point of endurance, courage and general suitability as a charger for officers or as a troop horse for men, more likely to stand up under the strain of active army service.

Such horses were not plentiful; early in the war they were more so, but as the war progressed there was certainly a great scarcity. During the early part of 1917, they withdrew a large number of officers' charges from the different infantry divisions and sent these horses to the cavalry.

For artillery purposes the witness would prefer a heavy bodied horse, more heavily boned than the hunter, but still he would maintain the blood cross. Even in the heavy field artillery and the heavier work of artillery transport the heavy horses fell to pieces while the lighter horse seemed to carry along and maintain flesh. On the supplies end of the work, the heavy horse did well as the horse was slow. Asked as to whether in the class of work where there is need for rapidity of motion, and at the same time, considerable weight to be moved, he would prefer a horse, say, of 1,400 pounds weight, with an infusion of thoroughbred blood, to a horse 150 pounds heavier, without it, he stated without hesitation that he would take the 1,400 pound horse with the thoroughbred blood. There were a few Canadian horses with the blood strain; the great majority of them came from England. The Canadian cavalry horse obtained here lacked the blood strain; the British he fancied, from what he had seen, had more than the French. The French horses seemed to be heavier bodied than the British, but still they maintained the blood strain and naturally the British and French horses are preferable from a cavalry standpoint, to the Canadian, under present conditions. The witness stated that there seemed to be a tremendous shortage of cavalry horses and there should be a great opportunity in this country to continue the breeding of these, provided the animals were properly selected. The demand, in England alone, and in Belgium and France, for both kinds of horses will be very great; the demand for saddle horses in civil life is very high; as high as 6,000 or 7,000 francs, can be obtained to-day for that class of horse, whereas, for the ordinary cayuse, or ordinary saddle horse, you could not get butcher's money, that is 400 francs.

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At the hearing held at Calgary, Alta., on October 20, 1919—

Mr. E. L. RICHARDSON, Manager of the Calgary Exhibition Association for the last eighteen years (examined by the Commissioner) stated, in the course of his evidence, when asked his views as to the value, or otherwise of racing in stimulating the production of horses—that the development of the thoroughbred in particular depended upon it, that if there was no racing for the development of the thoroughbred these horses would deteriorate; for that reason he believed it was a great benefit to have some inducement for this development.

Apart from the development of the thoroughbreds as a horse for racing purposes only, the witness stated that when the most experienced buyers are looking for remounts or for police horses, or good hunters or saddle horses the first essential is thoroughbred blood.

Mr. FRED. A. JOHNSTON, First Vice-President, Calgary Exhibition Association (*examined by the Commissioner*), stated, that to his mind, racing was a strong essential to the encouragement of breeding. Horses tested under actual racing conditions and proven, are much more popular as breeders. It is practically an undisputed fact that the progeny of horses that have raced are better racers themselves than those from undeveloped sires and dams. The race course is the actual test. Later in his evidence the witness said: "The thoroughbred blood when crossed with cold-blooded horses makes a better horse and gives longer life and better quality."

Mr. ARCHIBALD MCKILLOP, Director, Calgary Exhibition Association (*examined by the Commissioner*) stated, that he agreed absolutely with the evidence of Mr. Richardson and Mr. Johnston and had no opposite views to express.

Mr. ERNEST D. ADAMS (*examined by the Commissioner*) stated, that he was and had been for many years, an owner and breeder of thoroughbred horses. He had raced in a small way. He thought the thoroughbred the only kind to cross with the ordinary mares to get horses, satisfactory for remount purposes, for light and heavy artillery, mounted infantry, hunters, cow horses and general riding horses.

It was, in his opinion, absolutely necessary that thoroughbred horses should be raced. It is invariably the rule on the race track, or the steeplechase course that the best stays up; it is a matter of serviceability. Horses may be well bred, but they fall down and pass away; performers usually turn out to be producers. He would not want to use as a sire a thoroughbred stallion descended from several generations of thoroughbred horses that had not been raced, because such a horse would be lacking in courage, stamina, probably in endurance, but especially in courage, also in speed. Witness has resided in Alberta for 27 years; he considered it one of the best countries in the world for raising all kinds of horses. At the time of his arrival the conditions, as regarded the use of thoroughbred stallion and the breeding of half-bred horses were very good. There were, at that time, a good collection of thoroughbred stallions; they were also importing mares from Ireland, the Quorn Ranch, the Bar U, and other ranches had the best of light horses; as a result of the use of these thoroughbred stallions the class of half-bred horses raised at that time, and for a number of years thereafter, was good. Even later on, although heavier sires were used, the fact remained that the blood was still there.

At the time when these valuable thoroughbred stallions and mares were being imported, there was an understanding that the British Government had the intention of making this a market for the purchase of remount horses, gun horses and riding horses. As a matter of fact, there were during the periods between 1890 and 1900 and later, a very large number of excellent cavalry and artillery horses in the district. The British Government however, bought very few, and there was no outside market for these horses except the Police. The cessation of this line of breeding was due to the lack of co-operation between the British and Canadian Governments.

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There were now practically no horses of a good remount class available, due to the lack of market. The horses were not here as a result of lack of thoroughbred sires. The witness had been interested in the efforts made during the last five years, to secure cavalry horses in Alberta. The majority of the horses available he would not want to ride; he would rather walk. He attributed this to lack of sires; they had no shoulders, and a horse without a riding shoulder was no good. You could not get them without a thoroughbred stallion. He firmly believed that if a reasonable outlet had been provided for the half-bred horses produced in that country during the latter years of the nineteenth century this country would have been a useful and valuable breeding ground for the British Army, and they would have had horses second to none for army purposes. As matters now stood, it was practically impossible for even the Mounted Police to secure a sufficient number of typical remounts in that country. He instanced the case of a man who came to him shortly before, who wanted to get three half-bred horses, 15.3 hands high, and with lots of blood in them, but after hunting for two weeks could not find them.

Witness was a large user of horses; he was interested in the Pacific Cartage Company and also used horses in other lines of work, in cartage and farm operations. For light baggage work he found the half-bred horse much better than any other, because he would stand on his feet longer, stand hard work longer and had more courage.

Asked if he had an opportunity of buying two horses, both perfectly sound and right in every way, one a half-bred horse 1,400 pounds, the other a purely draught-bred horse of 1,500 pounds, and, weight being a consideration in the particular work to be done, would he have any choice between them, the witness stated that he would take the horse with the thoroughbred blood. Asked why, he said because he had the courage; he would kill the other one. He did not care what the heavy horse breeders would say; give him that half-bred horse, he would kill two of the others.

Mr. ALFRED E. CROSS (*examined by the Commissioner*) stated that he had resided in that district for about 36 years, and during the whole of that time had been interested in ranching and horse breeding. He agreed with the statements made by the preceding witnesses, Mr. Richardson, Mr. Johnston, Mr. McKillop, and Mr. Adams. He stated that he would like to add a little to what Mr. Adams had said about the horses that are in the country, and the horses that should be there, and the mistakes that have been made by not directing the minds of the people into producing the proper kind of horse. It was largely owing to ignorance and to lack of encouragement for the ordinary man to produce the best horse he could, that he has produced a lot of unsaleable rubbish and a lot of money has been lost. If they had the thoroughbred sire here continuously, they would have had a much better class of horse, a good saleable animal and there would be no need of people getting up an agitation that a lot of horses should be killed for dog meat or anything of that sort. They would have been able to sell these horses during the war and would have created a permanent market at good and profitable prices.

He stated that racing was the first incentive to produce the best class of horse. Good race meetings, properly conducted, show the power, endurance, and success of the horses, which will in turn, produce the proper offspring. Racing is the only proper test and the only proper way of educating the farmer or the public to produce the best kind of horse.

Mr. OSBORNE BROWN (*examined by the Commissioner*) stated that he had been a resident of that part of the country for nearly 35 years; during the whole of that period he had been interested financially and otherwise, in horses and horse breeding. He had personally taken a very keen interest in the thoroughbred horse and in his use as a sire on the ordinary mares of the country. He held the same opinions in regard to these

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matters as Mr. Adams and Mr. Cross. He would be inclined to speak even somewhat more strongly than either had done as to the importance of the thoroughbred sire in that country.

He was the representative in Alberta of the Canadian National Bureau of Breeding. There were several thoroughbred stallions in Alberta furnished and maintained by the bureau. He did not know the exact number of thoroughbred sires in the province, but said there certainly were not enough. He considered the thoroughbred sire indispensable; polo ponies were being bred in the vicinity of Calgary, but nothing like enough. He had sold four a few days previously to go to California, getting \$500 for one. They were all by a thoroughbred sire. Asked as to the comparative value of a polo pony by a thoroughbred horse and a polo pony of other breeding, other things being equal, he stated that one could hardly have a polo pony by any other sire; he would be useless; in value one would be worth (one might say) nothing; and the other, any reasonable price. Good polo ponies were very dear; he was told they brought as high as \$3,000 each in California. There was no better country in the world for breeding them than Alberta.

Mr. H. B. ALEXANDER (*examined by the Commissioner*) stated that he had been a resident of that part of the world since 1885; during the major portion of that time he had been engaged in ranching and horse breeding; he had imported "Silk Gown" one of the first thoroughbred horses taken into that country.

He agreed with the opinions expressed by Mr. Adams, Mr. Cross and Mr. Brown, and corroborated their statements as to there having been at one time a large number of good horses in the country due to the fact that thoroughbred sires were available, and, that the scarcity of horses of that class to-day was due to the lack of such sires.

Mr. Alexander had frequently been back to the Old Country and during the war had been on that side all the time. The British Government had encountered great difficulty in securing an adequate supply of horses and had commandeered everything in the shape of a horse that was suitable for the war. Witness had a good deal of knowledge as to the purchase by Continental powers of English thoroughbreds for use in the breeding of army horses. In Ireland especially, the chief purchasers had been foreigners, mostly Austrians and Germans. It had been said that all the good stock was going to Germany and Austria, and some wanted to prevent its going on. The thoroughbred was the stock the foreigners wanted; they would not touch anything else; they took over a great many thoroughbred stallions, and also tried to get all the thoroughbred mares they could. This exportation from Britain had been going on for a long time to France, Germany, Italy, and Russia; in fact all the European countries. Of the horses used in the war, those bred in Britain were of the best quality, but the number was limited. As the war progressed, the French Government offered at one time to take over all the culls that were left in Great Britain and Ireland; they offered to take them and pay the same price as the British Government was paying at the time. This showed that they regarded that class of horse as the best they could get.

The witness stated, as showing what they considered the importance of thoroughbred horses and racing in England, that, during the war when feed was very short, it was absolutely forbidden to use oats or grain of any kind for feeding horses which were not doing work considered absolutely necessary; the only exception made was in the case of thoroughbred mares and thoroughbred stock; these had a full ration of oats. That was done because it was considered impossible to keep up the breeding of thoroughbred stock otherwise. They really were obliged to give a smaller share to human beings in order that the thoroughbred horse should be fed. They considered it very important when they went to that length. It was thoroughly discussed at the time, and the Government came to the conclusion that racing was absolutely essential

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to breeding thoroughbred horses; that the breeding of these horses would go out of existence if racing was not carried on; owing to that they decided that they could not carry on the breeding without feeding them, and they accordingly allowed them to be fed.

Mr. B. S. MITCHELL (*examined by the Commissioner*), stated that he had resided in that country for twenty years, and that during that time he had been connected with ranching and horse breeding. He stated that he was in entire agreement with all that had been said by Mr. Adams, Mr. Cross, Mr. Brown, and Mr. Alexander.

At the hearing in Vancouver, on October 23, 1919, Mr. ROBERT LEIGHTON (*examined by the Commissioner*), stated that his experience in regard to thoroughbred horses had extended from 1872. He expressed the opinion that, apart from racing, the thoroughbred horse was indispensable in the breeding of general purpose light horses. He said: "You cannot do without it, and you cannot improve upon the thoroughbred. You must have the thoroughbred for the continuance of the breeds of horses of that kind. It is the thoroughbred blood that is the desirable qualification. That is recognized in every country of the world." He might say that this was without exception. Why would these foreign countries pay the enormous price they do for thoroughbreds if he was not the best; if that was not so, the high price would be commanded by some other animal.

In his opinion the inherent qualities which make the thoroughbred so valuable for breeding purposes are the transmission of his gameness, courage, endurance, and speed; his ability to stand fatigue under extraordinary circumstances, to go further with less food and water than any other horse, and to continue to struggle in the face of adversity. The possession of these qualities can only be determined in one way, and that is by the race course test. The race course determines which is the best horse. The horse which is the best at all distances, the half-mile, three-quarters, and so on, under varying track and weight conditions, would be the one everybody would wish to breed from in preference to any other horse.

He stated that while racing was in progress in British Columbia it led to a considerable influx of thoroughbreds, both stallions and mares, and also race horses; that since the cessation of racing all these horses seem to have disappeared. In 1915 there were no less than 13 good stallions standing for service in British Columbia; there were a great many people breeding. Since racing ceased the breeding industry has been absolutely "knocked on the head."

Mr. JAMES A. FULLERTON (*examined by the Commissioner*), asked if he agreed with the evidence of Mr. Leighton in regard to the value of the thoroughbred horse for breeding purposes, said: "I quite agree; I think to-day we have realized that the crossing of the thoroughbred stallion upon a good type of ordinary mare has produced good results. The cavalry that was over on the Continent proved that." He also agreed with Mr. Leighton that racing was necessary to develop the good qualities. He stated that he was in favour of long distance racing, except for the young horse, and the carrying of more weight than is usual to-day.

At the hearing at Victoria on October 25, 1919, Mr. W. J. TAYLOR, K.C. (*examined by the Commissioner*) said:—

Unless there is racing there will not be the breeding of thoroughbreds because it is the primary outlet for them. The over-plus that are not up to the mark as high class race horses find an outlet as ordinary saddle and driving horses, and for various other purposes, but, without racing, we would not have breeding at all. It is the result, the observed experience of nearly 20 years, that without the race course test a horse deteriorates. You may have an exhibition of certain types of horses; some people refer to these as "eye pleasers."

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Judges' views differ. The exterior appearance of the class of horse that appeals to them is by no means an indication of the interior quality of the horse. The race course test is the only test by which they have been able to arrive at the true merit. While we must admit there are sometimes, not very honestly conducted races, that most races are decided on their merits, and whatever the ultimate result may be, the best horses are selected for the purpose of these performances. The best wins and the best are selected for breeding, and unless that test is continued the horse will deteriorate. Personally, I have bred a good many horses here in British Columbia and have done a good bit of racing. I maintained a stud of about 30 mares and five or six sires. Most of mine went across to United States and were sold there. But there were always some found their way here and I suppose in the province to-day there are probably 20 of them. I allowed the Government at the outbreak of the war to take any of the horses that would suit their purpose and they came and took 20 head. I do not know what became of those. When I saw there was not going to be any racing I gave my stud away, as a matter of fact, rather than have them sold and ill-treated. I cleared out entirely.

Mr. W. H. COCHRANE (*examined by the Commissioner*) stated that he had been breeding thoroughbred horses in Western Canada for fifteen years, and had also had experience with them in the Old Country. He owned a number of thoroughbred horses including several stallions imported from the Old Country. He had considerable experience in breeding half-bred mares to thoroughbred horses and was of opinion that the thoroughbred was the only possible stallion for breeding saddle horses, cavalry remounts, and polo ponies. The horses to use are those that have proved themselves on the race track; they have shown evidence that they are likely to perpetuate their qualities of courage, stamina, speed and good appearance.

Mr. JAMES McCLEAVE (*examined by the Commissioner*) stated that he had had a riding school for twelve years. He said that he found great difficulty in getting horses up to the standard weight. The Government came to Victoria to buy horses during the war period, but there were not more than half a dozen up to the standard of what a military horse should be. They could not buy 9 or 10 horses; they got a few artillery horses. Since racing stopped it is impossible to buy a decent saddle horse; they have been going down ever since.

The Royal Northwest Mounted Police had asked him to locate a few horses; he had looked all over Vancouver island and could not get a horse that would carry a mounted policeman. He had bought many horses for the Government in the Old Country and if he received a commission to buy horses in British Columbia, or Alberta to-day, he would not know where to go to get a horse fit to carry an officer or a trooper. When he first came to Victoria there were some good horses.

He believed that the thoroughbred horse was absolutely the only proper sire to use for getting the army remount, the hunter, the saddle horse, or the polo pony. He has the fine qualities, the endurance, the whole substance, wrapped up in small proportions.

The British Government tried to get horses here but they could not. Decent horses could not be found in the country. He had shipped a few to Calgary to oblige the officers. There had been a "write-up" against the men for not buying Canadian horses; they did absolutely all they could but there was nothing to buy; the horses that the Northwest Mounted Police had been obliged to take were a disgrace to the country.

At the Ottawa hearing on January 30, 1920, Mr. ROBERT E. GUNN (*examined by Mr. Godfrey*) stated that he was a pork packer connected with Gunn's, Limited. He was a member of the Clydesdale Association; had had 12 years' experience in the



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breeding of horses at Beaverton, Ontario; had a farm there of 500 acres, and had bred Clydesdales chiefly and two or three light mares every year to get roadsters.

He had in 1910 written a letter to Mr. W. E. Raney, K.C., which was incorporated at page 436 of the Proceedings at the Parliamentary Inquiry. He thought the opinion expressed at that time had been borne out by the Government reports since that date. Racing in Ontario and Quebec had materially increased up to 1917, while the number of thoroughbred stallions in Ontario had decreased. These statements were fully elaborated, as may be seen from the Record of Proceedings. In this connection figures from the report for 1918 of the National Live Stock Records, and from the report of Stallion Enrolment in Ontario (as published in 1914) were freely quoted, comparisons being made with those relating to other breeds of horses, especially the Clydesdale (see pages 928 to 930, Record of Proceedings).

Mr. Gunn's evidence was directed towards showing that the thoroughbred horse was not popular among the farmers of Ontario, and was, as a consequence, decreasing in numbers owing to lack of patronage. A subsidy granted by the Ontario Government for thoroughbred stallions that covered 35 or more mares was in no case earned by these horses; he did not have the official figures on this point. Back in 1896 or 1897, his father had won prizes at the Toronto Horse Show with a mare sired by a thoroughbred and again about 1905 or 1906 in the Combination Class. There was no question that the thoroughbred was useful for the purpose of breeding hunters, combination horses, race horses and military remounts.

Stallions proved to be successful sires in the breeding of race horses were seldom discarded and sold in the open market. The value of a horse discarded and sold for breeding purposes, depended largely upon his conformation, size, and so on. If he was a big strong horse and had not been overdone, he would, for instance, in the fruit sections, where they use light horses be likely, if crossed with a light mare, to produce a good horse for the purposes he had mentioned. The cull stallion is, like the cull stallion of any other breed, a poor proposition.

In support of his statements, Mr. Gunn quoted from the report of the Special Investigation on Horse Breeding in Ontario, made in 1906, by Messrs. John Gardhouse and William Cain.

Mr. Gunn expressed the opinion that, assuming that the thoroughbred should be kept up to standard and that racing was necessary in order to do that, the Government should, as in the case of Dominion Shows, directly subsidize the race track meetings, give prizes to the best horses, and have the associations give prizes, too, added purses.

Cross-examined by Mr. McCarthy, Mr. Gunn said, that the letter of which he was the author and which appears at page 437 of the Report of the Special Committee on Bill No. 6 in 1910, was written in response to a letter from Mr. Raney asking him to state certain facts.

He was connected with Gunn's, Limited, and was not now himself engaged in breeding horses, although he and his brother were still in the game to a small extent. He had not had an opportunity of taking any interest in horse breeding at all since 1914.

He was not opposed to the thoroughbred as a sire; in some cases he was a splendid proposition. That applied to all breeds; when he was breeding Clydesdales he had just as bad luck with them as other people had with thoroughbred horses.

With Mr. McCarthy still cross-examining, Mr. Gunn gave further detailed evidence relative to the number of thoroughbred stallions standing for service in Ontario between 1906 and 1919, and the conditions affecting their official enumeration. (See pages 934 to 940 Record of Proceedings.)

Resuming (at page 941), Mr. Gunn stated that racing was absolutely necessary to the Thoroughbred horse breeding industry. The test of a sire for stamina.

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soundness, and so on, was on the race track. He gave it as his opinion that racing could be carried on without betting by having the Dominion and Provincial Governments and the Jockey Clubs supply sufficient purses. In elaborating this idea, he said he would first go to the Dominion Government, which had set aside money for other live stock classes. Asked by Mr. McCarthy if he would go to Mr. Rowell, as President of the Privy Council, and ask him for a grant from the Dominion Government for Connaught Park, witness said: "No, I would buttonhole Mr. Meighen or Mr. Guthrie."

He would ask for a grant to be distributed over all the various race tracks in Canada, from the Atlantic to the Pacific. Asked as to what fund he would suggest, he said he would eliminate those tracks found by the Commission not to be run on the level. The Government would be approached for money to augment the purses which would be given by the Jockey Clubs. These would get the money from the same sources as others get it, from their entrance fees, their entrance money. He had no idea of the upkeep of a race course; but knew that it cost a lot of money; he thought that in the case of the Ontario Jockey Club the amount from admission fee should pay the upkeep. They would naturally have to get the purses from the Government, if the admission fees were not sufficient to maintain the upkeep of the club and pay these. He had known Governments to change; if his theory were carried out the meetings would depend entirely upon the whim of the Government as to what they would do from year to year.

The remainder of Mr. Gunn's evidence, which dealt at some length, with the conditions affecting the use of Thoroughbred stallions by Ontario horse breeders, is well worthy of perusal. It extends from page 945 to 950 of the Record of Proceedings.

Commissioner PERRY, Officer Commanding the Royal North West Mounted Police since 1900 (*examined by Mr. McCarthy*) stated that he had been connected with the Royal North West Mounted Police for thirty-seven years. The number of horses required to mount the Force at the present time was 1,840. Asked as to what type of horse he sought as the best for use by the police, witness said, it was the type of horse described by Colonel Rayenhill, in the extract which Mr. McCarthy had read. This absolutely agreed with his ideas, after many years of experience. The extract referred to was from a report made by Colonel Ravenhill, who acting on behalf of the British War Office, made an extended tour of Canada in 1886, with a view to ascertaining the possibility of securing a permanent supply of re-mounts from this country. It is here reproduced:—

"What the army requires, what the public needs and what every man uses who can afford it, whether for hunting or driving, is a large supply of the upstanding, three parts bred, general purpose horse, of good substance and color, between 15.2 and 16 hands high, such as use to be bred in numbers by our fathers for general work in the stage coaches all over England, and which the railways have caused to disappear. Such a horse can only be produced by the continuous and more general use of Thoroughbred sires all over the country, and we must do something to place these within reach of farmers in breeding districts at as low a fee as can possibly be arranged for."

Further extracts from the same report as quoted by Mr. McCarthy in the course of his closing argument will be found on pages 1065 and 1066 of the Record of Proceedings.

Asked if there were any difficulties in getting horses to-day, Commissioner Perry stated that during the last year they wished to buy 1,000 horses, but, after scouring Western Canada, from Winnipeg to the Pacific Coast, they only collected about 500; possibly ten per cent of these were of the type they wanted.

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While unable to speak with absolute definiteness, witness knew the number of Thoroughbred sires in Western Canada had decreased in late years. There was not, outside of the Police, very much of a market in the West for that type of horse. He had been acquainted with many of the army purchasers of horses for England, and they were looking for the type described by Colonel Ravenhill. The Police wished to buy horses in Eastern Canada and he had been making many inquiries; his advices were to the effect that they probably could not be secured of the type they wanted to buy.

Mr. McCARTHY: "That is the type Colonel Ravenhill described."

WITNESS: "If we want a Mounted Corps, we must have them."

The Thoroughbred horse undoubtedly stood hardship in the West; he had the temperament and the endurance which enabled him to do so; he stands up better in any climate.

(Cross-examined by Mr. Godfrey) Commissioner Perry admitted that there was always a scarcity of horses after a war; there was not a great scarcity after the South African War because the demand was not so great. Speaking of Western conditions, he would say "No," because at that time there were very many more ranches in Western Canada and these were breeding horses; there were large herds after the South African War, unbroken, running on the prairie.

He thought the demand of the Force for re-mounts would be fairly steady. He had frequently taken up with the Government the matter of sending in good Thoroughbred stallions and had made recommendations.

He favoured the use of the Thoroughbred stallion. He was speaking now strictly of the horse they required. Asked if he believed that the Government should introduce those horses directly into the breeding industry in the West, he declined to make a pronouncement upon a policy so definite as that. Whatever system was used to increase the number of stallions, either in Eastern or Western Canada, would be satisfactory to him. He did not care how it was brought about.

Mr. JAMES BRANDON (*examined by Mr. Godfrey*) stated, that he lived at Forest, Ontario, and was a farmer and horse-man, having been in the horse breeding business for 12 or 13 years; had been brought up at it pretty well. He had at present 13 stallions. He went, in largely for Clydesdales, sometimes, Standard-breds. He considered the Thoroughbred a good sire of light horses, of road horses, saddle horses, and horses for Army purposes. He understood it gave them stamina that no other light horse has, in breeding on a cold blooded mare. Thoroughbred stallions entered very little into the horse breeding industry in his part of the country; they were starved out; there had been several of late years in that district, but they got none, of very little business. Very few farmers would breed their mares with the idea of getting race horses.

(*Cross-examined by Mr. McCarthy*) witness said, he was, possibly speaking very largely for his own County; he did not know anything about the outside. He had 13 stallions to-day, 9 of them being enrolled. He was a member of the Clydesdale Association and so registered his stallions at half price. Asked if with that number of stallions, he was but naturally boosting the Clyde, he stated, that he endeavoured to do so. His horses travelled covering pretty much the whole county of Lambton. The men who travelled the horses were in duty bound to boost the Clyde; with 9 enrolled stallions, 13 altogether, he naturally would not advise the farmer to breed to any other class of stallion. Asked, if as a successful Clyde man, he had not practically driven the Thoroughbred stallion out of the County, witness said that there did not seem to be business for them anyway. They did the best they could with their Clydesdale horses.

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Witness had advised them to breed to Thoroughbreds when they had the right type of mare. He realized the importance of the Thoroughbred in the matter of stamina for the hunter and saddle horse. There was a fair market for the saddle horse and for a good hunter.

Asked as to why he attended this hearing, witness said he was told to come; he was not there to run down the Thoroughbred in any shape or form. He agreed that there was nothing that could beat the Thoroughbred for cavalry, artillery, saddle, and carriage horses. He knew that the prices in New York to-day, or even in Toronto, for that type of horse were high, admitting that a really good one might bring \$1,000 or \$1,500. He had attended the races at Forest, but had never made a bet. He had never attended the races at the Woodbine, at Hamilton, Fort Erie, or Windsor. He agreed that the only way of testing the Thoroughbred was on the Race Course. He thought that racing was necessary and the purses had to be augmented, it should be helped by the Government in some way.

MR. JOHN LUMSDEN (*examined by Mr. McCarthy*) stated, that he had been interested in horses and horse breeding for several years; he had a breeding establishment in Jersey and the foundation of one here; there was not much doing in it now. His intention had been to breed here, and he established a farm near Ottawa four years ago; he had one previous to that but moved to Ottawa in 1916, the year before racing ceased; he had intended to breed horses but did not do so as they stopped racing, and there was no use breeding them if they did not race; on his farm in Jersey he breeds Thoroughbreds only. Asked if there was any market for the Thoroughbred outside the Race Course, he presumed there might be for hunters and saddle horses to a limited extent. Speaking of the use of the Thoroughbred sire for breeding, not only Thoroughbreds, but half breeds, witness said, that his work horses in Jersey were a cross from Thoroughbred horses and Clydesdale mares. He found that for farming purposes they worked admirably, having more stamina, more life, and being more easily handled than anything else they ever had there. In reply to the Commissioner, Mr. Lumsden said, he had had a great deal of experience in handling work horses all his life.

To Mr. McCarthy he stated, that the man from whom he bought the farm in Jersey, had started that line of breeding and he kept it on; he had had 15 years experience in using the Clydesdale without this cross. The cross had worked out admirably on his farm; he used them for ordinary farm work.

A gentleman having a place close to his in Jersey, bred for nothing but cross country hunters, using a Thoroughbred horse with cold blooded mares; his prices ranged from \$500 up. He, himself, was offered \$15,000 for one he had last fall.

Witness stated that there was no way of testing a Thoroughbred sire other than by racing.

(*Cross-examined by Mr. Godfrey*) witness stated, that he had in his racing stable from 15 to 17 horses and about 60 at his farm.

(*Re-examined by Mr. McCarthy*) he said, that if there was racing in Canada he would breed here, but, that without racing there would be no object in doing so.

MR. T. C. BATE (*examined by Mr. McCarthy*) stated, that he was interested in horse breeding. He had a farm up the Gatineau, 60 or 70 miles from Ottawa, at which he had carried on an extensive breeding establishment for some years. He used a Thoroughbred sire, crossing him with all kinds of mares, with good results. His Thoroughbred sire was "Gold Note," a horse that had been successful as a race horse on the Canadian circuit. He was bred in the United States, being by "Goldfinch," by "Ormonde," and was brought to Canada by the racing men.

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Asked by the Commissioner if he knew anything about "Ormonde" Mr. Bate said, he knew he was the greatest Thoroughbred that ever raced in England.

To Mr. McCarthy, witness stated, that "Ormonde" was sold to go to South America, his price being \$150,000, afterwards sold to a man named McDonagh in the United States. Mr. Bate stated that he had bred "Gold Note" to mares of almost any type; he had half-breds from cold blooded mares, three years old, weighing 1,250 pounds. His neighbour had a horse from a half-bred mare two years old weighing 1,200 pounds. Witness thought that one could raise any horse one wants, up to 1,400 or 1,500 pounds, from a Thoroughbred stallion, if one picked the right kind of mare.

His horse had been very successful in getting stock for general purposes, and in the show ring, for a military horse, a cavalry horse, saddle horse, or hunter; he had got all these results.

Mr. Bate considered that at present with the tractor and the automobile, the Thoroughbred stallion is the most valuable animal for the farmer to breed to, because there is a great demand for cavalry remounts and saddle horses; there was no trouble in selling them; it was well worth while breeding that type of horse.

Asked as to the necessity of racing as a test of the Thoroughbred horse, witness said that he would prefer a horse to prove what he was. He was not a racing man.

(*Cross-examined by Mr. Godfrey*) Mr. Bate said, that he would go on breeding if racing stopped, as long as he could get a good Thoroughbred stallion, but thought he would not be so liable to get him.

Mr. J. F. STAPLES (*examined by Mr. Godfrey*) stated, that he lived in the county of Durham, and was engaged in farming; he was interested in horse breeding, generally raising from three to five colts a year, principally Clydes, some Hackneys. He thought he had a knowledge of the general horse breeding industry, so far as it related to the community.

Asked, as to the importance of the Thoroughbred, in so far as the general farming community was served, Mr. Staples said that he was practically of no use in his district, and from any knowledge he had of where he had been patronized, which was very limited, he did not see any good results, nothing profitable, that is, from the standpoint of the peoples sales.

"A Government Horse" (presumably a Bureau stallion) had been stationed six or seven miles from his home, for three, four, or five years, but he did no business. He had seen some of the progeny, but they were not as suitable for the market in that locality as a heavier horse. The Clyde was a more marketable horse in that district.

*Cross-examined by Mr. McCarthy*, Mr. Staples acknowledged that he was probably the biggest Clydesdale owner in Durham. He was not a very big one; there were not very many large breeders in that county; very few having more than one or two horses. There were only four standard-breds enrolled in Durham in 1919, and there were no thoroughbreds. He did not think that a Clyde was the only horse, but that he was the best for farming purposes. There had been no thoroughbred horse in the county for the past four or five years.

Personally he had not very much use for the thoroughbred horse as, from his knowledge, he was not a marketable horse in that locality. He had had very little experience with the thoroughbred horse.

The horse referred to previously as a "Government Horse" was named "Stringency." He stood in Victoria county about six miles from where Mr. Staples then lived. He was a good individual, with a good constitution and looked like a good horse. Mr. Staples saw some of his stock after they were broken in and he did not consider that they were going to make their owners any money. Asked as to what type they were, Mr. Staples said they were just about what they would call a mongrel in that part of the country. He had never made a study of the progeny of this horse;

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asked if he had seen Mr. Cox's, Mr. Kilgour's or Mrs. Livingstone's horses, Mr. Staples said that he thought he had seen their horses jumping at Cobourg four years ago; that type of horse was not useful in his business.

On Mr. McCarthy suggesting that he was a Clyde man, Mr. Staples said, he was not a thoroughbred man.

He did not go to the races and was not in a position to express an opinion as to racing, or the necessity of racing as far as the thoroughbred was concerned. He did not agree that a horse to be bred, should be tested first in some shape or form, stating that they did not test other breeds of horses. He acknowledged that, when testing for breeding, the governing features were constitution and conformation. Asked as to how he tested the constitution he said "By the appearance of the horse," and later, added, "soundness." He did not profess to know anything about racing, or its value from the standpoint of the thoroughbred.

#### DIRECT AID BY RACING ASSOCIATIONS AND JOCKEY CLUBS TO THE HORSE BREEDING INDUSTRY.

While, as shown elsewhere in this report, certain Racing Associations have been reasonably generous in the giving of special purses for Canadian-bred horses at the regular race meetings, others have not distinguished themselves in that respect.

It is, however, apparent that, notwithstanding the large profits which have accrued, there has been but little inclination on the part of any of them, to offer direct financial assistance to the horse breeding industry.

This does not apply to conditions in the three Prairie Provinces where all the profits derived from racing form part of the general revenue of the Exhibition Association, under whose auspices the meeting is held.

So far as Eastern Canada is concerned, the only information secured on this subject is contained in the somewhat vague and inconclusive evidence offered by Mr. W. P. Fraser at the Toronto and Ottawa hearings, and by Mr. George M. Hendrie at the hearing at Windsor. Their statements will be found at pages 414 and 415 of Volume No. 2, pages 638 and 639 of Volume No. 3, and pages 1017 and 1018 of Volume No. 5 of the Record of Proceedings.

All of which is respectfully submitted.

J. G. RUTHERFORD.

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