176. An analogy can be found in the power which it was found necessary to take in 1944 enabling the president to deregister any horse if he has reasonable cause to believe that such horse belongs, in whole or in part, to a person not permitted to go upon a racecourse, or otherwise ineligible to race. A right of audience, but not of appeal, is given in such a case.

177. In concluding this phase of our report it is but fair to say that no evidence was given as to betting with bookmakers by those interested in trotting. Having regard to the meagre limits allowed by bookmakers on trotting events, there is not much inducement to any one to bet with bookmakers on this form of sport. Nor did the trotting authorities at any stage or in any relation give any evidence of complacency. Their attitude throughout was quite to the contrary.

SECTION 3.—STABILIZATION OF STAKES

178. We think that conditions have arisen which make it desirable that provision should be made for the stabilization of stakes. Under the rules of racing it is prescribed that no totalizator club shall give a less sum in stakes in any year than a sum equal to 90 per cent. of the average yearly net amount derived by such club from the use of the totalizator during the immediately preceding three years. An analogous but somewhat different rule applies to trotting clubs. Having regard to the highly inflated totalizator returns which have been obtained over several years past and continue except in rare instances to be obtained, this obligatory minimum of distribution in stakes has resulted in the stakes of almost every meeting being greatly in excess, and in some cases very greatly in excess, of what has for long been regarded as reasonable. From this condition several undesirable consequences follow.

179. In the first place it may well happen that when totalizator receipts fall, and particularly if they fall considerably, stakes will be stringently reduced. This will not only have the effect of causing considerable financial loss to owners who have paid excessive prices for horses—many of them may even be tempted by high stakes to acquire more horses than they would be normally justified in owning, which would again accentuate their losses—but it will also materially affect the income of persons such as trainers and jockeys who are normally constrained to look to their success in races for a substantial part of their income. It is customary for trainers to contract with owners for a reward (apart from fixed weekly payments which do little more than cover the expenses of feeding and training) based on a percentage of