



Offspring Management AB is Europe's largest provider of breeding services for the Standardbred industry.

We're based near Malmo, Sweden and provide one central location for distribution of frozen semen across Europe. Among our portfolio of stallions that we handle are *Angus Hall, Broadway Hall, Duke Of York, Kadabra, Muscles Yankee* and *Revenue S*. If you want to tap into the lucrative European market talk to us.

Anders Lindfors

YOUR EUROPEAN CONNECTION

Tel: 011 46 402 989 10 | Fax: 011 46 401 824 55 | Email: info@offspringab.com | www.offspringab.com

THE EUROPEAN VIEW ~ By Klaus Koch

The Shocking Decline Of German Harness Racing



Photo by Monica Thors

Klaus Koch

In the second half of the 19th century harness racing started to shape up in Europe, and the dominating nation was soon to be Germany. In the middle of the following century the country was still, in spite of two world wars, one of the leaders, but by the end of 1990s an incredible decline developed.

European harness racing actually grew from six different markets which eventually merged together. Those six locations were Russia, Italy, France, Holland, Germany/Austria/Hungary and Scandinavia. Three of the locations, Russia (the Orloff trotter), France (the Anglo Norman trotter) and Holland (Haarddraver), had their own breed of Warmblood horses and the northern Scandinavian countries had their Coldbloods.

In addition to that, local breeds were mixed in to produce trotters. An example is the Danish farming horse Frederiksborg, which added some strength to the horses.

The first organized round track races in Germany were held in Berlin in 1870.

Four years later the track in Straubing in Bavaria was founded and that track is still in action and the oldest in Europe.

It was the possibility to add American Standardbred blood to the European horses (except for the Frenchmen, who kept their stud books closed), which made the development of European racing increase rapidly, and the German-Austrian-Hungarian Empire was leading that development, which spread to Denmark and Holland before the turn of the century.

Many professional trainers and drivers with career plans moved to Germany, amongst them the big Mills family, which originated from Ireland. Antonie Mills and his six sons were all harness racing drivers and trainers, and one of the sons, Charlie, became the dominating European trainer for many decades until age caught up with him at the end of the 1960s.

For many years he had his bases in Berlin and/or Hamburg and he had a vast impact on the development of German harness racing before moving to Paris

during World War II.

The German empire generated a lot of other top trainers. One of them was Otto Dieffenbacher, who at the age of 86 still was the champion trainer/driver in Vienna! This was at the end of the 1950s. Many talented German horsemen went north to Denmark, where they had a great impact of Scandinavian harness racing. Those were men like Griess, Groch, Rabenhorst and Sommerfeld.

German harness racing lost a lot of horses in World War I. The trotters were used in the battlefields and never returned. In spite of that, the German trotters had regained their position by the mid-20s. World War II had almost the same impact on the horse population although motor vehicles had taken over most of the jobs, and German harness racing never regained its dominant position. The competition had become tougher.

France had opened up a bit, the Italians invested large sums of money in



“I have seen big punters sitting in the restaurant of the racetrack in Munich, ten feet from the teller, calling their bookmaker on the cell phone in order to place bets!”

the best American breeding stock, and Sweden, thanks to their neutral standpoint during the second war, had the possibility to develop their industry almost undisturbed.

Although Germany never regained their former position on the track, harness racing was more popular than ever, and in the 60s, 70s and 80s the tracks were packed with fans almost every race day. But things went wrong.

This is the story: Germany has no traditional bookmaking as we know it from the British Commonwealth countries, however some private bookmaking offices had been established off-track which for decades had been providing bets on soccer and Thoroughbred races from other countries. At the end of the 1960s representatives from harness racing signed a deal with the bookmakers' organization in order to have the bookmakers organize off-track-betting into the on-track tote. There was nothing wrong with that.

The idea was to boost the pools, and this succeeded for a while at least. People kept visiting the 12 tracks in Western Germany (after the wall fell in 1989 a 13th track, Karlshorst in eastern Berlin, was added).

Unfortunately, the tracks were split

up in four sections: One (later two) in Berlin, three (later two after Farmsen closed in 1976) in Hamburg, four in the Ruhr district (west) and four (later five after Pfaffenhofen was added in 1978) in Bavaria. In each section there are between 10 and 75 miles between the tracks. Between the two tracks in Berlin and the two major tracks in the west there are only 10 miles, but in important cities like Frankfurt (the financial centre of Germany), Stuttgart, Hannover, Bremen, Dresden and Leipzig there are no tracks closer than 150 miles.

THE WORLD'S LOWEST TAXES

In the 80s the business was still running well although punters began becoming aware of the bookmaking offices who increased their services. In 1993 the turnover peaked with 214 million Euro, however the bookmakers' share of it increased from year to year and a big problem concerning the bookmakers appeared.

When the industry representatives signed the deal with the bookmakers at the end of the 60s, they offered the bookmakers a very attractive share of the turnover, nine per cent, which is a much higher commission than in any other country in the world. But the

turnover was low, the bookmakers provided "new" money, so initially the impact was positive.

As the bookmakers took more and more of the tracks' turnover, the impact became negative. Germany has the lowest tax on betting in the world. The tax is 16.6 per cent, but the government has always offered a rebate of 16 per cent, so the actual tax is only 0.6 per cent.

80 PER CENT DECREASE

In 1993 the industry made its most disastrous decision. They offered the bookmakers live pictures from the races for nothing, which immediately started the free fall of turnovers. From 214 million in 1993 to 169 million in 1998 to 102 million in 2003 and to an incredible 34 million in 2008.

You might ask, why it has gone so fast? In most of the world we have faced a loss of attendance and a decrease in on-track handle, but the off-track and simulcast activities have mostly compensated for that. But it is different in Germany. The bookmakers started to offer fixed-odds betting on win and place, where the turnover went past the tote, meaning that the racing industry did not receive one single dime.

The low odds on win and place had

caused the possibility for fixed-odds betting, and now the turnovers on these two betting forms declined rapidly. Trifecta betting accounted for 70 per cent of the total turnover, and the bookmakers started to offer bonuses on winning tickets meaning that the punter would get 15 per cent extra on his winning amount if he placed his bet with the bookmaker and not on the track.

I have seen big punters sitting in the restaurant of the racetrack in Munich, ten feet from the teller, calling their bookmaker on the cell phone in order to place bets!

A NEW DAWN COMING

The steep fall of the turnovers has of course not developed without the attention of the industry leaders. But there were no ideas about how to stop it. There is no doubt that the danger was discovered much too late.

Tracks and organizations kept on having too many expenses, too many salaries to pay, too large purses in the races. The death of German harness rac-

ing has been predicted many times over the last ten to 15 years, but it wasn't before the big owner and breeder Günter Herz from Hamburg and his son Christian took the initiative and founded the company which is today known as Winrace.

This company has taken the initiative to reorganize the management of the industry, to upgrade a lot of the technical devices on the tracks, to boost purses in important races and most of all to change the contract with the bookmakers. The latter was a tough battle which had to go through court, but last summer Winrace prevailed, and a new contract with the bookmakers (or the 80 per cent of them who respected the indictment) was immediately effective. As of November 1, 2008 the bookmakers do not offer fixed odds anymore and all handle goes directly into the tote.

The impact was incredible. A turnover increase of between 30 and 80 per cent per meeting compared to the same days in the previous year was the

result, and it still lies within that frame three months later.

Okay, 50 per cent of almost nothing is not much either, but the trend is important and it gives hope to all people connected to the industry. The German harness racing industry still has a long way back, but the encouragement should help them on their way.

This is all this time. Please do not hesitate to comment my articles. My e-mail address is ontrack@telia.com and as usual I would be more than happy to get reactions from the North American harness racing fans. 📧

Till next time,
Klaus Koch

Klaus Koch is one of Scandinavia's leading racing administrators and is perhaps best known for his former role as director of racing at Solvalla Racetrack. His duties included orchestrating the Elitlopp, one of the world's most prestigious races, and attracting North American and Australasian horses to compete in the event.

Standardbred TRACK CONDITIONER



VISIT OUR WEB SITE
www.larcom-mitchell.com

CALL TOLL-FREE
1-888-689-8411



Tungsten Carbide tipped teeth last years, but are easy to replace and adjust.



8-inch hardened steel teeth are backed by an 4-inch welded steel gusset which supports the tooth for added stability.



Easy set depth control adjusts quickly, then resets instantly to the exact preset depth to suit your specific conditions.



Optional Level Bar works material back up the track, smooths and finishes for a safe, good looking surface.

LARCOM & MITCHELL

SERVING THE RACING INDUSTRY SINCE 1952

3238 N. Section Line Road, Building 2, Space B
Radnor, Ohio 43066
(740) 595-3750 • (888) 689-8411 • (740) 595-3752 (fax)
www.larcom-mitchell.com