

respect as other sporting bodies ; and, secondly, that the moneys which they are required to disburse in taxation disable them from providing not only for the further public amenities which they recognize should be provided by them, but even for adequate maintenance. They contend that their circumstances satisfy the terms of section 78 of the Land and Income Tax Act, 1923, as amended by section 4 of the Land and Income Tax Amendment Act, 1933, just as completely as do the circumstances of any other sporting body. In particular, they contend that the sport of racing and trotting is conducted for the recreation or entertainment of the general public, and that no part of the income derived from their activities is used or available to be used for the private pecuniary profit of any person whomsoever. In this relation they rely upon the fact that no property rights accrue to members of racing or trotting clubs by reason of their membership owing to the provisions of section 6 of the Gaming Amendment Act, 1924, which expressly denies to any member of any racing club, trotting club, or hunt club any personal pecuniary interest in his character as member in the property of the club, and requires that on the dissolution of any such club all assets remaining after all legal claims on the club have been satisfied shall be disposed of for public charitable purposes.

225. Whilst it is true that money and gain are inextricably woven into the operations and activities of racing clubs to an extent that does not even remotely pertain in respect of any other form of sport ; and whilst, too, most other forms of sport have a particular appeal in that they are concerned with the building of character and the physical welfare of youths and adolescents and persons in a stage of early maturity, yet it is difficult to distinguish in principle, for present purposes, between them and racing and trotting clubs. If there is any distinction, and we think this is the true line of demarcation, it is that racing and trotting clubs are in a position, by virtue of the intimate part which money plays in their activities, to make profits more readily and on a higher scale than sporting bodies of any other type. It is conceivable, granted a sufficient period of prosperity, that certain clubs might well become possessed of excessive and unnecessary wealth ; for, apart from the provision of stakes at a reasonable standard, the provision of adequate amenities for the public and maintenance charges of every kind, there is no very heavy demand upon the income of any club. Apart from the provision of amenities and the cost of course improvements, the income of almost every club has in the past been sufficient for its purposes, despite the imposition of taxation.

226. A careful study of the balance-sheets of most of the racing clubs discloses that the outstanding need with all of them is the necessity to provide amenities for the public in the shape of grandstands, adequate