

the five years 1925-26 to 1929-30 inclusive. We calculate the aggregate amount so allowed to be £228. He should therefore claim as an expense of the year 1929 the amount of the obsolescence allowance—that is, £235-£35=£200, and for the year 1930-31 depreciation at 20 per cent. on £235—that is, £47.

"C. D. S." bought a car in 1925 for £250. Last October he sold it for £10 and bought a second-hand car for £70. What can he claim?

* * Only the actual out-of-pocket expense of replacing the car—namely, £70-£10=£60. The difference between that amount and the £250 original outlay represents the gradual loss of capital sunk in the original car. As we have often pointed out, the only safe course is to claim the "depreciation" allowance as soon as possible—that is, as soon as any year occurs in computing the profits of which the expense of renewal of a car has not arisen and been claimed as such.

Residence Abroad.

"MEMBER" left England on July 6th, 1928, relinquishing his house in September, 1928, and since then has been continually travelling abroad. During the past four months he has been in the Irish Free State, where he hopes to settle permanently. He has a considerable holding in British companies and, of course, pays income tax by deduction from the dividends. Has he any claim for 1929-30 on the ground of foreign residence?

* * If, when he left England—or, at least, as from September, 1928—he definitely intended to sever his residential connexion with this country, we are of opinion on the above facts that he could claim to be regarded as a foreign resident for 1929-30. But it is not clear that this would assist him. Foreign residents—whether British subjects or not—are liable to income tax in respect of income derived from this country. Unless, therefore, "Member" is being regarded by the authorities as liable in respect of earnings during his absence from the United Kingdom, or is in receipt of interest on holdings in 5 per cent. War Loan—with regard to which foreign residents have special relief from British income tax—we see no advantage accruing from his claim to non-residence in the United Kingdom during 1929-30. For 1930-31 the position is different, as he will presumably be held liable to Free State tax, and will need to make a claim to secure relief from double taxation on the same income.

Motor Car Renewals.

"C." explains that in dealing with the liability of the firm of which he is a member the individual partners have in the past claimed and have been allowed the cost of replacing their cars as professional expenses. "C." would like to claim depreciation so far as his car is concerned, but his partners are claiming renewal expenditure this year.

* * It is a settled principle that renewal expenditure and depreciation cannot be allowed for the same year. A partnership is assessable as a single entity for income tax purposes, and, in our opinion, "C." cannot claim depreciation for a year in which the firm's assessment has been reduced by the allowance of renewal expenditure for any of his partners.

Cash Receipts Basis.

"S. C." explains that his firm is assessed on the "cash basis." One partner is retiring, his share being purchased by the remaining partners. Will the cash which reaches the retiring partner after he has ceased to practise, as his share of practice debts, be assessable for income tax?

* * Undoubtedly not so far as the retiring partner is concerned; his professional income has ceased, and with it his liability to assessment for any period after retirement. Neither will those receipts be assessable on the firm if they discard the cash basis in favour of value of bookings for the period after the change. But if the remaining partners desire to adhere to the cash basis they must bring into the account the whole of the cash receipts, whether paid over to the retired partner or not; the retained cash receipts by themselves do not reflect the full gross earning capacity of the practice.

Depreciation on Electrical Equipment.

"G. E." explains that the local inspector of taxes has offered him a rate of $7\frac{1}{2}$ per cent. only on the written-down value for x-ray and other electrical appliances. This is inadequate, and in effect will postpone the real relief until obsolescence allowance can be claimed when the machines are replaced. They are now about five years old. Cannot he claim to have the allowance on the original cost instead of the written-down value?

* * No; the value as written down by the appropriate rate to the commencement of the financial year for which the allowance is claimed is the basis which has judicial support. "G. E.'s" only prospect of further present relief is to induce the inspector to allow depreciation at a higher rate than $7\frac{1}{2}$ per cent.; at 10 per cent. it would take so long to reduce the value of the equipment to a break-up value that that rate would seem to be at least low enough for the safety of the Revenue.

Cost of Professional Accommodation.

"J. C." states that the inspector of taxes agrees to allow him to deduct as a professional expense one-half of the cost of the combined residence and surgery, etc. He asks as to the inclusion of certain specified items of expense.

* * "Estimated rental value" of the premises: this amount is the figure on which income tax is payable under Schedule A, and will be shown on the collector's demand note or receipt. "Landlord's tax": this is not deductible. "Rates and water rate": yes, according to the total amount payable for the year for which the professional receipts are calculated. "Estimated average repairs": the correct amount to deduct is the whole of the expenditure on those portions of the premises which are used professionally; if that cannot be ascertained, take half the total repairs. In either case the amount is that expended for the year in question, not an average figure.

LETTERS, NOTES, ETC.

CHANGES AND CHANCES.

FLEET SURGEON W. E. HOME, R.N.(ret.), writes: Your mention of the death of Fleet Surgeon W. Redmond (at Vancouver, at the age of 90) recalls to me three of his experiences. The first illustrates the changes of fortune. Sixty years ago he served in a sailing brig, under a lieutenant who used to complain to Redmond that he must soon retire, as there was no chance of promotion in the navy. Luckily he delayed a little; the tide turned, and he finished up, thirty years later, an Admiral, with a G.C.B. and G.C.M.G. and a Colonial Governorship to his credit. Redmond himself on retirement practised in Eastern Canada, but as he had once to drive ten miles to a labour case, and on the way got off the road into a snowdrift (from which his horse and trap were only rescued by driving in a herd of cattle to make a path out), spent a night from home, and only got 5 dollars, he thought the rewards too meagre, and went west—in fact, on the first transcontinental train into Vancouver of the Canadian Pacific Railway. He once drove into a village where a quack was cracking up Indian root pills, or something unofficial. "Ah!" said the quack to the people, "I see over there a man of education. Sir" (addressing Redmond), "is not this true: *Populus vult decipi*?" And Redmond said, "It is true." "And, Sir, is this not also true: *Decipiatur*?" "Yes, that is true, too," said Redmond. "Now," said the quack, "you see this man of education agrees with me. Can you do better than take my advice?" In British Columbia, when I knew him, he lived in a shack near the naval hospital at Esquimalt, spent the summers in shooting and fishing and the winters in the south. He had much charm of manner and was always a welcome visitor to the hospitals near which he rested, whether in California or British Columbia, so his experience became wide and his advice was much valued.

SWELLING OF FEET AND ANKLES WITHOUT ALBUMINURIA OR GROSS ORGANIC DISEASE.

"M.D., C.M." writes: In view of the article on this subject by Dr. Osman in the *Journal* of April 26th (p. 780) and of Dr. Royds Jones's letter on May 17th (p. 928), I think my experience while on a voyage from Liverpool to Valparaiso in November and December, 1919, may be of general interest. After a few days at sea I noticed considerable swelling of my feet and legs up to the knees, with pitting on pressure; this alarmed me considerably, but on examining my urine I found no albumin present, and I was otherwise in the best of health. On looking about for a cause it occurred to me that the daily morning hot brine bath might be giving rise to the condition. At first I used to take these baths fairly hot, and since one is allowed very little fresh water to sponge down with afterwards, I did not bother about this. However, on noting the swelling I was then more careful not to take the sea baths too hot, and to sponge myself all over with fresh water afterwards; the swelling did not recur, although I continued the salt sea baths for the whole of the voyage, and also on the return voyage from Buenos Aires to Southampton in the following March. I was then 48 years old, and now, eleven years afterwards, I am in good health and have no signs of albuminuria. It is a well-known clinical fact that a salt-free diet helps in dropsy, even in cases of Bright's disease. Many of the public have great faith in the efficacy of hot salt baths for the feet and legs in all sorts of affections, such as sore feet and rheumatism. Further investigation into the habits of people who suffer from this kind of oedema is indicated, whether they indulge in salt freely with their food, and whether they are given to bathing their limbs with hot sea-water.

VACANCIES.

NOTIFICATIONS of offices vacant in universities, medical colleges, and of vacant resident and other appointments at hospitals, will be found at pages 44, 45, 46, 47, 48, 49, 52, 53, and 54 of our advertisement columns, and advertisements as to partnerships, assistantships, and locumtenencies at pages 50 and 51.

A short summary of vacant posts notified in the advertisement column appears in the *Supplement* at page 235.