Persons from the United States, while they will find the rates practically the same in Canada, will notice, among other differences in the law, that Canada does **not** tax as income the profit made by selling a capital asset at more than its cost, unless such sale forms part of their chief business.

### *DEPRECIATION.*

The Finance Minister has to judge what is "reasonable" depreciation. In practice, he allows a yearly depreciation of 2% on stone or concrete buildings, 2½% on brick and 5% on wood buildings; from 5% to 10% on machinery; and 10% on office furniture and fixtures.

Depreciation is allowed on an automobile in proportion to its use in the **owner's business.**

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### *FARM INCOME AND EXPENDITURE.*

A Farmer or Rancher has to supply, on a special form, a large number of details.

He has to include among other items of gross revenue the value of his products consumed on the farm itself, and of products bartered as well as sold.

He may deduct, among other items of expenditure:—

1. Wages and board of hired help employed in preparing land for crops; in cultivating, harvesting and marketing same; and in caring for livestock.

2. Cost of seed, feed, and fertilizers.

3. Cost of small implements and sundry materials such as pitch forks, spades, binder twine, etc.

4. Cost of repairs to machinery, fences and buildings other than his dwelling.

5. Interest on mortgage or unpaid purchase price of farm, of livestock, and of equipment.

6. Depreciation: 5% on fences and wooden buildings other than farmer's own dwelling; 10% on machinery and work horses.