wages (up to a maximum of $150 a year) to cover expenses of earning his income. No receipts or details of actual expenditures are necessary to claim this deduction. Expenses of meals and lodging while away from home are deductible by employees who have to travel as they perform their work, such as employees who work on trains or who drive trucks. Where a mother has her children cared for in order that she may work, she may deduct this expense subject to certain limitations. A father may deduct child-care expenses where he is the only parent of the family or where the mother is incapable of caring for the children. Expenses of moving to a new work-location are deductible from income earned in the new location. These moving expenses may be deducted by salary- or wage-earners, self-employed persons and, in some instances, by students at post-secondary educational institutions. Students attending universities, colleges, high schools or certain other certified educational institutions in Canada may deduct their tuition fees if they exceed $25 a year. Students in full-time attendance at universities outside Canada are also allowed to deduct their tuition fees.

An individual who is carrying on a business may deduct his business expenses in computing his income. These include wages, rents, depreciation (called capital-cost allowance), municipal taxes, interest on borrowed money, reserves for doubtful debts, contributions to pension plans or profit-sharing plans for his employees, and bad debts.

All individuals now have to bring half their capital gains into income. They may deduct half their capital losses against these gains. In the event that half an individual's losses exceeds the amount included in income in respect of capital gains, $1,000 of these losses may be deducted from other income. Losses not deducted in the year incurred may be carried back one year or forward to future years to be deducted. Capital gains or losses are those realized on the disposition of property. Other gains or losses such as from a lottery or gambling are not included. The sale of personal property at a price not exceeding $1,000, and the sale of a taxpayer's home, do not create a capital gain or loss. A sale or disposition of property is deemed to have taken place when the taxpayer dies or makes a gift of property unless the property is left or given to his spouse. The amount of a capital gain or loss on disposition of property is determined by reference to its adjusted cost-base. Capital gains on property owned at the beginning of the system are computed by reference to the higher of cost or valuation-day value and capital losses by reference to the lower of cost or valuation-day value. When property is acquired after valuation day, actual cost plus or minus adjustments after that date will give the adjusted cost-base. Valuation day for purposes of shares which are publicly traded on Canadian stock-exchanges was December 22, 1971, and the valuation day for all other property, such as bonds, rental property, cottages or shares in a private company, was December 31, 1971. Special rules apply for individuals who become, or who cease to be, residents of Canada. Gains arising out of the conduct of a business continue to be fully taxable.

Having computed his income, the individual then calculates his taxable income by deducting certain exemptions and deductions. These are:

For single status	$1,500
For married status	$2,850