

to the original capital outlay, and that addition must be excluded from the total expense for income tax purposes. Assuming for the sake of simplicity that motor prices have remained constant, the adjustment would work out thus:

In 1918 car "A" was purchased at second hand for	... £250
(Original price of car was £500.)	
In 1921 car "A" was sold for £150, and car "B" was bought for	... £500
Net cost of new car = £500 minus £150	... = £350
Amount of capital—that is, improvement—cost	£500
minus £250	... = £250
Allowance for income tax purposes	... £100

Unfortunately for the calculation, motor car prices have not remained constant. The fact that a car bought as a renewal cost more than the car displaced does not at all necessarily imply that it is in any way superior—it may, in fact, be the opposite—but the local inspector of taxes may ignore this special factor and propose to treat the increase in cost as representing further capital outlay. If that increase were likely to be permanent, there might be a good deal to be said for that argument; but, whatever the merits or demerits of the technical question may be, they are, fortunately, only of academic interest, as the matter has been the subject of an authoritative statement. When official evidence was being tendered to the Royal Commission on Income Tax on behalf of the Board of Inland Revenue on the subject of the allowances made for the replacement of machinery and plant—and it is on that footing that motor cars used for professional purposes are dealt with—it was explicitly stated that when replacement was effected by a similar machine at an increased cost the whole of that cost, less the amount received for the machine displaced, would be allowed; and, further, that where an improved machine was purchased the net cost would be allowed up to the amount of the expenditure that would have been incurred if a similar instead of a more expensive machine had been purchased. An example may make the point clearer:

In 1916 original car "C" bought for	... £300
(In 1921 a similar car would have cost £400.)	
In 1921 a superior car "D" was bought for	... £500
(The car "C" being sold for £150.)	
The net cost of purchase is £500 minus £150 =	... £350
The capital outlay is £500 minus £400	... £100
The net cost of "replacement" allowable is	... £250

It is on this kind of case that discussions most frequently arise, some inspectors being apparently inclined to treat the capital outlay as the increase in the amount paid for the car—that is, £500 minus £300 = £200; and there is the further practical difficulty that there is sometimes no car on the market similar to the old car, in which case the sum represented in the above example by the amount of £400 has to be estimated—a question that is a particularly open one when the car replaced had been purchased at second hand, so that its then condition is an important factor in the problem. If, however, the principle is accepted, the figures can usually be agreed with the inspector of taxes by correspondence or by word of mouth.

It may be advisable to add that in the future falling prices will reverse the facts in many cases, and that a practitioner cannot claim a greater deduction than the net cost of replacing a car, even though the price of the new car is less than the original outlay on the car which he is thereby replacing. For instance, supposing that in the second example given above car "C" is replaced by a similar car "E," costing £250, then the amount to be allowed is the actual out-of-pocket expenditure—namely, £250 minus £150 = £100.

### THE LONDON SCHOOL OF TROPICAL MEDICINE.

THE annual dinner of the London School of Tropical Medicine was held on November 1st, under the chairmanship of Dr. HUGH STANNUS, a former student. Many past and present students and members of the staff were present; among the guests were Sir William Leishman and Sir George Newman and Sir Arthur Robinson of the Ministry of Health.

The CHAIRMAN, in giving the toast of the School, said that this year they had to mourn the loss of the man who conceived the idea of a tropical school in London. The genius of Sir Patrick Manson had been recognized in every country, and the results of his work were reflected over a great area of the globe. Students who came under the spell of the man himself would remember him as the grand old man of tropical medicine, who was above all things himself a student, a seeker after truth, a keen investigator, a man of courage, imagination, and reasoning power. Manson created

in the School of Tropical Medicine a tradition which would be an inspiration to many generations. The number of students who had passed through the School had now reached a very large total. The School had established a stranglehold upon disease around the equatorial regions of the earth, and the noose was being drawn tighter every year. The life of the student was strenuous—at one moment invited to plan an incinerator, at another to demonstrate a splenectomy, now examining with the ophthalmoscope the window through which the soul of man looked out, and now with the sigmoidoscope investigating the depths of the internal economy. Into the vast area of tropical medicine specialization had already entered, with its advantages and disadvantages, but it seemed that the walls of division between tropical and general medicine were fast crumbling. The investigation of ordinary diseases among tropical populations would well repay research in the future. The biochemist, again, had hardly touched as yet the fringe of tropical pathology. The practitioner in the tropics must be something of an anthropologist and a psychologist as well, for the mental outlook, the religious belief, and the social custom had to be reckoned with in studying disease.

### *Proposed Incorporation with the New Institute of Hygiene.*

Sir ARTHUR CLARKE, in proposing the toast of the guests, alluded to the negotiations now proceeding whereby the School may become incorporated with the new School of Hygiene in London, founded with the assistance of the generous gift made by the Rockefeller Fund. This matter had given much anxiety to the Board of Governors of the Seamen's Hospital Society, which had seen the school grow up under its care, and had placed it in its present absolutely sound financial position, while its success in teaching and research had been assured by the genius of Sir Patrick Manson and the ability of the teaching staff. If any such change came about it must be because it was in the best interests of tropical medicine and research and of the School itself as the teaching centre.

Sir ARTHUR ROBINSON, Permanent Secretary of the Ministry of Health, said that the question of incorporation with the School of Hygiene was one to which he could not make any extended reference. The essence of the proposal was that there was room in London for a school of instruction and research in public health, interpreting that term in the widest possible sense, national, imperial, and international. That was the conception put to the Rockefeller Foundation, and to carry it out the Foundation had made its magnificent gift. To this the British Government had replied by undertaking to meet the expense of running the institution when established. Progress had been made to the extent that a site had already been secured. The new institution must in any event have a close relation with the London School of Tropical Medicine, and it should if possible, and if it was agreed on all sides, amalgamate with the School. Speaking quite broadly, he would say that any amalgamation must be such as to secure the continuance of the great work done by the Tropical School. That was the fundamental condition. The Ministry of Health had to consider the subject from that point of view, and it was from that point of view that the Ministry had made certain proposals to the Seamen's Hospital Society. The great work of the School, and the fact that it had traditions, formed and forming, must always be kept in mind, and if amalgamation came about everything must be done to preserve the traditions of the Tropical School and to carry on and expand its work as part of the great general work of public health. The proposal was still under consideration, and the Ministry of Health, the Rockefeller Foundation, and the University of London, with which the School of Tropical Medicine was associated, would welcome the amalgamation most heartily if such a solution were found possible. If the amalgamation came about it would be on fair terms, and such as to secure the continuance of the work and to uphold the traditions of the School.

Sir HAVELOCK CHARLES, Dean of the School, said that evidently there was a marriage in contemplation, the bride being the School, and it was only right and proper to consider the marriage settlements, for otherwise the bride did not know what might happen to her once the ceremony was over. The Tropical School was in a first-rate financial condition. All that it required to complete its equipment were laboratories for tropical hygiene. He thought he was expressing the desire of staff and students when he said that if the School was met fairly and well in its aspirations their loyal support of the new arrangement could be counted upon.