

1929-30-31.

**THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.**

**VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.**

No. 166.

THURSDAY, 2ND JULY, 1931.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable Norman J. O. Makin) took the Chair, and offered Prayers.
2. LEAVE OF ABSENCE TO MEMBER (MR. WARD).—Mr. Beasley moved, by leave, That leave of absence for one month be given to the honorable Member for East Sydney (Mr. Ward), on the ground of ill-health.
Question—put and passed.
3. PAPERS.—The following Papers were presented, pursuant to Statute—
Transport Workers Act—Regulations Amended—Statutory Rules 1931, Nos. 53, 58, 64, 72, 73, 76, 77.
4. CORRECTION OF ERROR IN DIVISION LIST.—Mr. Speaker informed the House that in the Division taken yesterday in connexion with the closure motion on the second reading of the Commonwealth Debt Conversion Bill, the Tellers inadvertently made an error. The name of Mr. Price should have been included in the List of those Members who voted with the Noes. The error had been rectified in the official records.
5. SUPPLY ["GRIEVANCE DAY"].—Pursuant to the provisions of Standing Order No. 241, the Order of the Day having been read for going into the Committee of Supply—
Question proposed—That Mr. Speaker do now leave the Chair.
Debate ensued.
Mr. Scullin (Prime Minister) moved, That the debate be now adjourned.
Question—put.
The House divided (The Speaker, Mr. Makin, in the Chair)—

Ayes, 53.

| | |
|---------------------|---------------------|
| Mr. Bell | Mr. Lacey |
| Mr. Blakeley | Mr. Latham |
| Mr. Brennan | Mr. Lewis |
| Mr. Malcolm Cameron | Mr. Long |
| Mr. Chifley | Mr. Mackay |
| Mr. Coleman | Mr. W. Maloney |
| Mr. Bernard Corser | Mr. Marks |
| Mr. Crouch | Mr. Marr |
| Mr. Culley | Mr. Martens |
| Mr. Cunningham | Mr. Maxwell |
| Mr. Curtin | Mr. McNeill |
| Mr. Cusack | Mr. Parker Moloney |
| Mr. Fenton | Mr. Morgan |
| Mr. Forde | Mr. Parkhill |
| Mr. Josiah Francis | Mr. Thomas Paterson |
| Mr. Frost | Mr. Prowse |
| Mr. Gabb | Mr. Edward Riley |
| Mr. Gardner | Mr. Riordan |
| Mr. Gibbons | Mr. Scullin |
| Mr. Albert Green | Mr. Theodore |
| Mr. Roland Green | Mr. Thompson |
| Mr. Guy | Mr. Tully |
| Mr. Hill | Mr. Watkins |
| Mr. Hughes | |
| Mr. Hunter | |
| Mr. Jones | <i>Tellers:</i> |
| Mr. Keane | Mr. Bayley |
| Mr. Killen | Mr. E. C. Riley |

Noes, 4.

Mr. Beasley
Mr. James

Tellers:
Mr. Eldridge
Mr. Lazzarini

And so it was resolved in the affirmative.

Resolved—That the House will, at a later hour this day, resolve itself into the said Committee.

2nd July, 1931.

6. MESSAGE FROM THE GOVERNOR-GENERAL.—COMMONWEALTH DEBT CONVERSION BILL.—The following Message from His Excellency the Governor-General was presented, and the same was read by Mr. Speaker :—

ISAAC A. ISAACS,
Governor-General.

Message No. 76.

In accordance with the requirements of section 56 of the Constitution of the Commonwealth of Australia, the Governor-General recommends to the House of Representatives that an appropriation of revenue and moneys be made for the purposes of a Bill for an Act to provide for the Conversion of the Internal Public Debts of the Commonwealth and the States, and for other purposes.

Canberra, 20th June, 1931.

Ordered—That the foregoing Message be taken into consideration, in Committee of the whole House, forthwith.

Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

Mr. Theodore (Treasurer) moved, That it is expedient that an appropriation of revenue and moneys be made for the purposes of a Bill for an Act to provide for the Conversion of the Internal Public Debts of the Commonwealth and the States, and for other purposes.

Debate ensued.

Question—put and passed.

Resolution to be reported.

The House resumed ; Mr. McGrath reported accordingly.

The said Resolution was read, and, on the motion of Mr. Theodore, by leave, was adopted by the House.

7. COMMONWEALTH DEBT CONVERSION BILL.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

Clause 10 debated and agreed to.

Clause 11—

On the motion of Mr. Theodore (Treasurer), the following amendment was made, after debate :—

Page 4, line 2, omit “ to the Treasurer ”.

On the motion of Mr. Mackay, the following further amendment was made, after debate :—

Page 4, line 3, omit “ fourteen ”, insert “ twenty-one ”.

Clause, as amended, debated and agreed to.

Clause 12 debated—

Mr. Crouch moved, as an amendment, That the words “ for safe custody or ” (page 4, line 24) be omitted.

Debate continued.

Amendment negatived.

Debate continued.

On the motion of Mr. Theodore, the following amendments were made, after debate :—

Page 4, line 32, omit “ notified ”, insert “ signified ”.

Page 4, line 35, after “ concerned ” insert “, conforming with the conditions of the existing securities in respect of duration, redemption, rate of interest, and in all other respects ; and, until the securities have been so exchanged, no interest shall be payable thereon in respect of any period subsequent to the thirty-first day of July One thousand nine hundred and thirty-one ”.

Page 4, lines 36–38, omit “ Where dissent in accordance with this section is signified and the existing securities are securities other than Inscribed Stock, such securities shall accompany the notice of dissent ”, insert “ Where existing securities, not so lodged for safe custody or as security, are not in the form of Inscribed Stock, and dissent in respect of those securities is signified in accordance with this Act, those securities shall accompany the document signifying dissent ”.

Clause, as amended, debated and agreed to.

Clause 13—

Mr. Riordan moved, as an amendment, That the words “ The equivalent amount of new securities to be exchanged for an amount of existing securities shall be based on a reduction of the interest rate on existing securities by twenty-two and one-half per centum, and shall where necessary be determined by actuarial calculation in the manner set out in the Schedule to this Act ” (page 4, lines 45–49) be omitted with a view to the insertion of the following words in place thereof :—“ New securities shall be exchanged for an equivalent amount of existing securities and such securities shall be at a uniform rate of three per centum per annum ”.

Debate ensued.

Member named.—The Chairman named the honorable Member for Hunter (Mr. James) for disregarding the authority of the Chair.

Mr. Theodore having addressed the Committee, and Mr. James having expressed his regret, the matter was not further proceeded with.

Debate continued.

2nd July, 1931.

Question—That the words proposed to be omitted stand part of the clause—put.
The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

| | | |
|---------------------|---------------------|-----------------|
| Ayes, 47. | | Noes, 8. |
| Mr. Bell | Mr. Killen | Mr. Eldridge |
| Mr. Blakeley | Mr. Latham | Mr. James |
| Mr. Brennan | Mr. Lewis | Mr. Lacey |
| Mr. Donald Cameron | Mr. Long | Mr. Lazzarini |
| Mr. Malcolm Cameron | Mr. Mackay | Mr. W. Maloney |
| Mr. Chifley | Mr. Marr | Mr. Riordan |
| Mr. Bernard Corser | Mr. Maxwell | |
| Mr. Crouch | Mr. Parker Moloney | <i>Tellers:</i> |
| Mr. Culley | Mr. Morgan | Mr. Beasley |
| Mr. Cunningham | Mr. Nairn | Mr. Watkins |
| Mr. Cusack | Mr. Parkhill | |
| Mr. Fenton | Mr. Thomas Paterson | |
| Mr. Forde | Mr. Prowse | |
| Mr. Josiah Francis | Mr. Edward Riley | |
| Mr. Frost | Mr. Rowe | |
| Mr. Gabb | Mr. Scullin | |
| Mr. Gardner | Mr. Stewart | |
| Mr. Gibbons | Mr. Thompson | |
| Mr. Albert Green | Mr. Tully | |
| Mr. Roland Green | Mr. White | |
| Mr. Hawker | | |
| Mr. Hill | <i>Tellers:</i> | |
| Mr. Hunter | Mr. Bayley | |
| Mr. Jones | Mr. E. C. Riley | |
| Mr. Keane | | |

And so it was resolved in the affirmative.

Clause further debated and agreed to.

Clause 14—

Mr. Scullin (Prime Minister) moved, as an amendment, That the words “ until the original date of maturity ” (page 5, lines 17-18) be omitted with a view to the insertion of the following words in place thereof :—“ for the original period of duration ”.

Debate ensued.

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

| | | |
|---------------------|---------------------|-----------------|
| Ayes, 50. | | Noes, 4. |
| Mr. Bell | Mr. Lacey | Mr. Beasley |
| Mr. Blakeley | Mr. Latham | Mr. Lazzarini |
| Mr. Brennan | Mr. Lewis | |
| Mr. Donald Cameron | Mr. Long | <i>Tellers:</i> |
| Mr. Malcolm Cameron | Mr. Mackay | Mr. Eldridge |
| Mr. Chifley | Mr. Marr | Mr. James |
| Mr. Bernard Corser | Mr. Maxwell | |
| Mr. Crouch | Mr. Parker Moloney | |
| Mr. Culley | Mr. Morgan | |
| Mr. Cunningham | Mr. Nairn | |
| Mr. Cusack | Mr. Parkhill | |
| Mr. Fenton | Mr. Thomas Paterson | |
| Mr. Forde | Mr. Prowse | |
| Mr. Josiah Francis | Mr. Edward Riley | |
| Mr. Frost | Mr. Rowe | |
| Mr. Gabb | Mr. Scullin | |
| Mr. Gardner | Mr. Stewart | |
| Mr. Gibbons | Mr. Theodore | |
| Mr. Albert Green | Mr. Thompson | |
| Mr. Roland Green | Mr. Tully | |
| Mr. Hawker | Mr. Watkins | |
| Mr. Hill | Mr. White | |
| Mr. Hughes | | |
| Mr. Hunter | <i>Tellers:</i> | |
| Mr. Jones | Mr. Bayley | |
| Mr. Keane | Mr. E. C. Riley | |

And so it was resolved in the affirmative.

On the motion of Mr. Theodore, the following further amendment was made :—

Page 5, after sub-clause (1.) insert the following sub-clause :—

(1A.) For the purposes of the last preceding sub-section, the original period of duration shall—

(a) in the case of securities which have been issued with optional dates of redemption—be deemed to expire upon the latest date in respect of which the option of redemption of the securities may be exercised ; and

2nd July, 1931.

(b) in the case of securities which have been issued as redeemable on a specified date or thereafter, or on or after a date to be specified—be deemed to expire on the date, if any, so specified.

Mr. Latham moved, as a further amendment, That after sub-clause (1A.) the following sub-clause be inserted :—

(1B.) In the first sub-section of this section, "Income Tax" includes any tax imposed in respect of income.

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

Ayes, 47.

| | |
|---------------------|---------------------|
| Mr. Bell | Mr. Latham |
| Mr. Blakeley | Mr. Lewis |
| Mr. Brennan | Mr. Long |
| Mr. Donald Cameron | Mr. Mackay |
| Mr. Malcolm Cameron | Mr. Marr |
| Mr. Chifley | Mr. Maxwell |
| Mr. Bernard Corser | Mr. Parker Moloney |
| Mr. Crouch | Mr. Nairn |
| Mr. Culley | Mr. Parkhill |
| Mr. Cunningham | Mr. Thomas Paterson |
| Mr. Cusack | Mr. Prowse |
| Mr. Fenton | Mr. Edward Riley |
| Mr. Forde | Mr. Rowe |
| Mr. Josiah Francis | Mr. Scullin |
| Mr. Frost | Mr. Stewart |
| Mr. Gabb | Mr. Theodore |
| Mr. Gardner | Mr. Thompson |
| Mr. Gibbons | Mr. Tully |
| Mr. Albert Green | Mr. Watkins |
| Mr. Hawker | Mr. White |
| Mr. Hill | |
| Mr. Hughes | |
| Mr. Hunter | |
| Mr. Jones | |
| Mr. Keane | |

Tellers:

Mr. Bayley
Mr. E. C. Riley

Noes, 5.

Mr. Beasley
Mr. Lazzarini
Mr. Riordan

Tellers:

Mr. Eldridge
Mr. James

And so it was resolved in the affirmative.

On the motion of Mr. Theodore, the following further amendment was made :—

Page 5, line 34, after "sub-section" insert "(other than new securities bearing interest at four per centum per annum)".

Question—That the clause, as amended, be agreed to—put.

The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

Ayes, 49.

| | |
|---------------------|---------------------|
| Mr. Bell | Mr. Latham |
| Mr. Blakeley | Mr. Lewis |
| Mr. Brennan | Mr. Long |
| Mr. Donald Cameron | Mr. Mackay |
| Mr. Malcolm Cameron | Mr. Marr |
| Mr. Chifley | Mr. Maxwell |
| Mr. Bernard Corser | Mr. Parker Moloney |
| Mr. Crouch | Mr. Morgan |
| Mr. Culley | Mr. Nairn |
| Mr. Cunningham | Mr. Parkhill |
| Mr. Cusack | Mr. Thomas Paterson |
| Mr. Fenton | Mr. Prowse |
| Mr. Forde | Mr. Edward Riley |
| Mr. Josiah Francis | Mr. Rowe |
| Mr. Frost | Mr. Scullin |
| Mr. Gabb | Mr. Stewart |
| Mr. Gardner | Mr. Theodore |
| Mr. Gibbons | Mr. Thompson |
| Mr. Albert Green | Mr. Tully |
| Mr. Hawker | Mr. Watkins |
| Mr. Hill | Mr. White |
| Mr. Hughes | |
| Mr. Hunter | |
| Mr. Jones | |
| Mr. Keane | |
| Mr. Lacey | |

Tellers:

Mr. Bayley
Mr. E. C. Riley

Noes, 5.

Mr. Beasley
Mr. Lazzarini
Mr. Riordan

Tellers:

Mr. Eldridge
Mr. James

And so it was resolved in the affirmative.

2nd July, 1931.

Clause 15—

Mr. Bell moved, as an amendment, That the words "Hobart Savings Bank and Launceston Bank for Savings" be added to the clause.

Debate ensued.

Closure moved.—Mr. James moved, That the question be now put.

Question—That the question be now put—put and negatived.

Debate continued.

Amendment negatived.

Clause agreed to.

Clause 16 agreed to.

Clause 17—

On the motion of Mr. Theodore, the following amendments were made :—

Page 6, line 7, omit "Notwithstanding anything contained in this Act, new".

Page 6, line 8, omit "existing".

Page 6, line 9, after "Bills" insert "existing at the commencement of this Act".

Page 6, at the end of the clause add the following sub-clause :—

(2.) The other provisions of this Act relating to the conversion of existing securities shall not apply to such Bills.

Clause, as amended, agreed to.

Clause 18—

On the motion of Mr. Theodore, the following amendments were made :—

Page 6, line 13, omit "seventeen", insert "sixteen".

Page 6, line 24, omit "at a price", insert "for an amount".

Page 6, line 32, omit "at a price", insert "for an amount".

Page 6, at the end of the clause add the following sub-clause :—

(2.) In the case of existing securities mentioned in sections fourteen to sixteen inclusive of this Act, which are converted into new securities, the rate of interest shall, except where otherwise provided, be reduced by twenty-two and one-half per centum.

Clause, as amended, agreed to.

Clause 19—

Mr. Eldridge moved, as an amendment, That the words "after the thirty-first day of December One thousand nine hundred and fifty such new securities as are expressed to be redeemable after that date" (page 7, lines 12-15) be omitted.

Debate ensued.

Question—That the words proposed to be omitted stand part of the clause—put.

The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

Ayes, 38.

Noes, 3.

| | |
|---------------------|---------------------|
| Mr. Bell | Mr. Keane |
| Mr. Blakeley | Mr. Lacey |
| Mr. Brennan | Mr. Latham |
| Mr. Donald Cameron | Mr. Lewis |
| Mr. Malcolm Cameron | Mr. Long |
| Mr. Chifley | Mr. Mackay |
| Mr. Bernard Corser | Mr. Marr |
| Mr. Crouch | Mr. Parker Moloney |
| Mr. Culley | Mr. Thomas Paterson |
| Mr. Cunningham | Mr. Prowse |
| Mr. Cusack | Mr. Rowe |
| Mr. Forde | Mr. Scullin |
| Mr. Josiah Francis | Mr. Theodore |
| Mr. Frost | Mr. Thompson |
| Mr. Gardner | Mr. Tully |
| Mr. Gibbons | Mr. White |
| Mr. Albert Green | |
| Mr. Hawker | <i>Tellers:</i> |
| Mr. Hughes | Mr. Bayley |
| Mr. Jones | Mr. E. C. Riley |

Mr. Beasley

Tellers:

Mr. Eldridge
Mr. Lazzarini

And so it was resolved in the affirmative.

Mr. Latham moved, as an amendment, That after "dates" (page 7, line 34), the following proviso be inserted :—

"Provided that in the case of the conversion by any one holder of any amount of securities not exceeding Five hundred pounds the Treasurer may approve of the issue of securities in exchange therefor redeemable at par on the fifteenth day of December One thousand nine hundred and thirty-four, or on the fifteenth day of December One thousand nine hundred and thirty-five, or on the fifteenth day of December One thousand nine hundred and thirty-six".

Debate ensued.

2nd July, 1931.

Question—That the proviso proposed to be inserted be so inserted—put.

The Committee divided (The Temporary Chairman, Mr. Keane, in the Chair)—

| Ayes, 18. | | Noes, 20. | |
|--------------------|---------------------|------------------|--------------------|
| Mr. Beasley | Mr. Mackay | Mr. Blakeley | Mr. Lewis |
| Mr. Donald Cameron | Mr. McGrath | Mr. Brennan | Mr. Long |
| Mr. Bernard Corser | Mr. Thomas Paterson | Mr. Chifley | Mr. Parker Moloney |
| Mr. Eldridge | Mr. Prowse | Mr. Crouch | Mr. Riordan |
| Mr. Josiah Francis | Mr. Thompson | Mr. Cunningham | Mr. Scullin |
| Mr. Roland Green | Mr. White | Mr. Cusack | Mr. Theodore |
| Mr. Hughes | | Mr. Forde | Mr. Tully |
| Mr. Jones | <i>Tellers:</i> | Mr. Frost | |
| Mr. Latham | Mr. Bayley | Mr. Gibbons | <i>Tellers:</i> |
| Mr. Lazzarini | Mr. Bell | Mr. Albert Green | Mr. Martens |
| | | Mr. Lacey | Mr. E. C. Riley |

And so it was negatived.

Clause further debated and agreed to.

Clause 20—

Mr. Theodore moved, as an amendment, That the clause be omitted and the following clause be inserted in its stead :—

20.—(1.) Notwithstanding anything contained in the *Taxation of Loans Act 1923* or in any other Act or State Act, the interest derived by any person in any financial year from new securities exchanged for existing securities (other than interest which in accordance with the provisions of section fourteen of this Act is free from Commonwealth and State Income Tax) shall be free—

Interest on new securities to be free from further taxation.

(a) from any income tax payable under a law of the Commonwealth to the extent by which the total amount of tax which but for this section would be payable in respect of that interest exceeds the amount of income tax which would have been payable in respect of that interest if income tax had been imposed upon the taxable income of the person in that year in accordance with the provisions of the *Income Tax Acts 1930* (other than section seven A of that Act); and

(b) from all income tax under the law of a State.

(2.) In this section "income tax" includes any tax imposed in respect of income.

Debate ensued.

Question—That the amendment be agreed to—put.

The Committee divided (The Chairman, Mr. McGrath, in the Chair)—

| Ayes, 37. | | Noes, 3. | |
|---------------------|---------------------|-----------------|--|
| Mr. Blakeley | Mr. Lacey | Mr. Beasley | |
| Mr. Brennan | Mr. Latham | | |
| Mr. Malcolm Cameron | Mr. Lewis | <i>Tellers:</i> | |
| Mr. Chifley | Mr. Long | Mr. Eldridge | |
| Mr. Bernard Corser | Mr. Mackay | Mr. Lazzarini | |
| Mr. Crouch | Mr. Parker Moloney | | |
| Mr. Culley | Mr. Morgan | | |
| Mr. Cunningham | Mr. Parkhill | | |
| Mr. Cusack | Mr. Thomas Paterson | | |
| Mr. Forde | Mr. Rowe | | |
| Mr. Josiah Francis | Mr. Scullin | | |
| Mr. Frost | Mr. Theodore | | |
| Mr. Gardner | Mr. Thompson | | |
| Mr. Gibbons | Mr. Tully | | |
| Mr. Albert Green | Mr. White | | |
| Mr. Hawker | | | |
| Mr. Hill | <i>Tellers:</i> | | |
| Mr. Hunter | Mr. Bayley | | |
| Mr. Jones | Mr. E. C. Riley | | |
| Mr. Keane | | | |

And so it was resolved in the affirmative.

Clauses 21 to 25 agreed to.

New Clauses—

On the motion of Mr. Theodore, the following new clauses were inserted in the Bill :—

24A.—(1.) Notwithstanding anything to the contrary contained in any law in force in the Commonwealth, or in any Territory under the authority of the Commonwealth, every trustee in the Commonwealth or in any such Territory is hereby expressly authorized and empowered to convert, or to withhold signification of dissent from the conversion of, any existing securities into new securities.

Authority to trustees in Territories to convert certain securities.

(2.) No action, suit or other proceeding shall be commenced, prosecuted or maintained against any trustee upon the ground of any action taken by such trustee to convert any such existing securities or upon the failure by such trustee to signify dissent pursuant to this Act.

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(3.) For the purpose of this section, "trustee" means any person or company appointed by act of parties or by operation of law or authorized by any law in force in the part of the Commonwealth or in the Territory in respect of which the expression is used to act as trustee in that part or Territory, and includes any director or officer of any such company and any person acting in any fiduciary capacity.

24B.—(1.) Registries of stock shall, from the commencement of this Act until ^{Closing of} the expiration of six weeks thereafter or until such earlier date as is specified by the ^{Registries.} Treasurer, be closed as regards all transactions in respect of stock, other than transactions required for the purposes of this Act.

(2.) In this section, "stock" means any stock issued by the Government of the Commonwealth or of a State.

The Schedule—

On the motion of Mr. Theodore, the following amendments were made :—

Page 9, clause (4.), lines 5–6 of the clause, omit "suitable factor set out in Table II. appended hereto", insert "appropriate factor".

Page 9, clause (4.), line 11 of the clause, omit "value above par at", insert "above par for".

Page 9, clause (4.), line 13 of the clause, omit "value below par at", insert "below par for".

Page 9, clause (4.), at the end of the clause insert the following :—

"N.B.—The appropriate factors for certain cases are set out in Table II."

Page 10, in the last line of the second example of working, before the words "per cent." omit "3", insert "4".

Page 11, at the foot of Table II. omit "N.B.—For periods beyond 30 years corresponding rates can be obtained from standard interest tables."

Schedule, as amended, agreed to.

Preamble agreed to.

Title agreed to.

Bill to be reported with amendments..

The House resumed ; Mr. McGrath reported accordingly.

On the motion of Mr. Theodore, the House, by leave, adopted the Report, and, by leave, the Bill was read a third time.

8. ADJOURNMENT.—Mr. Theodore (Treasurer) moved, That the House do now adjourn.

Question—put and passed.

And then the House, at fifteen minutes to twelve o'clock midnight, adjourned until to-morrow at half-past ten o'clock a.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Gullett, Mr. Holloway, Mr. Lyons, Mr. Mathews*, Mr. Nelson, Mr. Earle Page*, and Mr. Ward*.

* On leave.

E. W. PARKES,
Clerk of the House of Representatives.