

1937-38.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 41.

TUESDAY, 27TH SEPTEMBER, 1938.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable G. J. Bell) took the Chair, and read Prayers.
2. INTERNATIONAL SITUATION—MINISTERIAL STATEMENT.—Mr. Lyons (Prime Minister), by leave, made a Ministerial Statement with reference to the International Situation.
Mr. Curtin (Leader of the Opposition), by leave, also made a Statement with regard to the matter and defined the views of the Australian Labour Party on Australia's participation in disputes in Europe.
3. MANUFACTURE IN AUSTRALIA OF ENGINES AND CHASSIS OF MOTOR VEHICLES—MINISTERIAL STATEMENT.—Mr. White (Minister for Trade and Customs), by leave, made a Ministerial Statement on the subject of the manufacture in Australia of engines and chassis of motor vehicles and informed the House of the decision of the Government to provide for the payment of a bounty of ten shillings per radiator assembly for the next two years.
4. TRADE DISCUSSIONS BETWEEN THE UNITED KINGDOM AND AUSTRALIA—MEMORANDUM OF CONCLUSIONS—MINISTERIAL STATEMENT—MOTION FOR PRINTING PAPER.—Sir Earle Page (Minister for Commerce), by leave, made a Ministerial Statement regarding the recent trade discussions between Ministers of His Majesty's Governments in the United Kingdom and Australia reviewing various matters arising out of the Ottawa Agreement of 1932, and, by command of His Excellency the Governor-General, laid upon the Table the following Paper:—
Trade Discussions between representatives of His Majesty's Governments in the United Kingdom and the Commonwealth of Australia—Memorandum of Conclusions, London, 20th July, 1938,
and moved, That the Paper be printed.
Mr. Forde moved, That the debate be now adjourned.
Question— That the debate be now adjourned—put and passed.
Ordered— That the resumption of the debate be made an Order of the Day for the next sitting.
5. PAPERS.— The following Papers were presented, by command of His Excellency the Governor-General—
Tariff Board—Report—Motor Vehicles.
Ordered to lie on the Table and to be printed.
Agricultural Council—Statement dealing with the Eighth Meeting of the Australian Agricultural Council, held at Perth, 8th-9th September, 1938, together with Resolutions agreed to.
Ordered to lie on the Table.
The following Papers were presented, pursuant to Statute—
Arbitration (Public Service) Act—Determinations by the Arbitrator, &c.—1938—
No. 18— Australian Postal Electricians' Union.
No. 19— Amalgamated Postal Workers' Union of Australia.
No. 20— Amalgamated Postal Workers' Union of Australia; and Australian Workers' Union.
Commonwealth Conciliation and Arbitration Act—Regulations Amended—Statutory Rules 1938, No. 88.
Commonwealth Public Service Act—Appointments—Department—
Health—J. B. Mathieson.
Treasury—W. C. Balmford.
Customs Act—Regulations Amended—Statutory Rules 1938, No. 86.
Taxation—Twentieth Report of the Commissioner, years 1936-37: Land Tax, Income Tax, Estate Duty; 1937-38: Sales Tax.
6. WAYS AND MEANS—SALES TAX.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

Debate resumed on the nine motions moved by Mr. Casey (Treasurer) on the 21st September, 1938 (see page 193).

Question— That the motions be agreed to—put.

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

Ayes, 29.		Noes, 25.	
Mr. Cameron	Mr. Paterson	Mr. Baker	Mr. Martens
Mr. Casey	Mr. Perkins	Mr. Blackburn	Mr. Pollard
Mr. Corser	Mr. Price	Mr. Brennan	Mr. Riordan
Mr. Fairbairn	Mr. Rankin	Mr. Clark	Mr. Rosevear
Mr. Francis	Mr. Scholfield	Mr. Drakeford	Mr. Scully
Mr. Gregory	Mr. Stacey	Mr. Fadden	Mr. Sheehan
Mr. Hawker	Sir Frederick Stewart	Mr. Forde	Mr. Ward
Mr. Holt	Mr. Street	Mr. Frost	Mr. Watkins
Mr. Hutchinson	Mr. Thompson	Mr. Green	Mr. Wilson
Mr. Jennings	Mr. Thorby	Mr. Holloway	
Mr. Jolly	Mr. White	Mr. James	<i>Tellers:</i>
Mr. Lane		Mr. Lazzarini	Mr. Gander
Mr. John Lawson	<i>Tellers:</i>	Mr. Mahoney	Mr. George Lawson
Sir Charles Marr	Mr. Gardner	Mr. Makin	
Mr. McEwen	Mr. Nairn		
Sir Earle Page			

And so it was resolved in the affirmative.

Resolutions to be reported, and leave asked to sit again.

The House resumed; Mr. Prowse reported accordingly.

Resolved—That the House will, at a later hour this day, again resolve itself into the said Committee. Mr. Casey moved, pursuant to contingent notice, That so much of the Standing Orders be suspended as would prevent the remaining stages being passed without delay.

Question—put and passed.

The Resolutions reported from the Committee were read, and, on the motion of Mr. Casey, were adopted by the House.

Ordered—That Mr. Casey and Mr. Thorby do prepare and bring in Bills to carry out the foregoing Resolutions.

7. SUSPENSION OF STANDING ORDERS TO ENABLE THE SALES TAX BILLS TO BE CONSIDERED TOGETHER.—

Mr. Casey (Treasurer) moved, by leave, That so much of the Standing Orders be suspended as would prevent the questions in regard to the introduction, first and second readings, Committee's report stage, and third readings being put in one motion covering several or all of the Sales Tax Bills Nos.

1 to 9, and the consideration of several or all of such Bills together in a Committee of the Whole.

Question—put and passed.

8. SALES TAX BILLS (Nos. 1 to 9) 1938.—Mr. Casey (Treasurer) then brought up the following Bills:—

*A Bill for an Act to amend the "Sales Tax Act (No. 1) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 2) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 3) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 4) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 5) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 6) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 7) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 8) 1930-1936";**A Bill for an Act to amend the "Sales Tax Act (No. 9) 1930-1936";*

and moved, That the Bills be now read a first time.

Question—put and passed.—Bills read a first time.

Mr. Casey moved, That the Bills be now read a second time.

Debate ensued.

Question—That the Bills be now read a second time—put.

The House divided (The Speaker, Mr. Bell, in the Chair)—

Ayes, 31.		Noes, 25.	
Mr. Anthony	Mr. Paterson	Mr. Baker	Mr. Martens
Mr. Cameron	Mr. Perkins	Mr. Blackburn	Mr. Pollard
Mr. Casey	Mr. Price	Mr. Brennan	Mr. Riordan
Mr. Corser	Mr. Prowse	Mr. Clark	Mr. Rosevear
Mr. Fairbairn	Mr. Rankin	Mr. Drakeford	Mr. Scully
Mr. Francis	Mr. Scholfield	Mr. Fadden	Mr. Sheehan
Mr. Gregory	Mr. Stacey	Mr. Forde	Mr. Ward
Mr. Hawker	Sir Frederick Stewart	Mr. Frost	Mr. Watkins
Mr. Holt	Mr. Street	Mr. Green	Mr. Wilson
Mr. Hutchinson	Mr. Thompson	Mr. Holloway	
Mr. Jennings	Mr. Thorby	Mr. James	<i>Tellers:</i>
Mr. Jolly	Mr. White	Mr. Lazzarini	Mr. Gander
Mr. Lane		Mr. Mahoney	Mr. George Lawson
Mr. John Lawson	<i>Tellers:</i>	Mr. Makin	
Sir Charles Marr	Mr. Gardner		
Mr. McEwen	Mr. Nairn		
Mr. Menzies			

And so it was resolved in the affirmative. Bills read a second time.

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

(In the Committee.)

Bills, by leave, taken together as a whole, and agreed to.

Bills to be reported without amendment.

The House resumed: Mr. Prowse reported accordingly.

On the motion of Mr. Casey, the House adopted the Reports, and the Bills were read a third time.

9. WAYS AND MEANS—INCOME TAX.—The House, according to Order, again resolved itself into the Committee of Ways and Means.

(In the Committee.)

Mr. Casey (Treasurer) moved—

1. That a tax be imposed upon incomes at the following rates:—

Division A.—Rate of Tax in Respect of Taxable Income Derived from Personal Exertion.

For the purposes of this Division— T = taxable income in pounds.

If the taxable income does not exceed £6,900, the rate of tax for every pound of taxable income shall be .. $\frac{87.975}{100} \left\{ 3 + \frac{T}{160} \right\}$ pence.

If the taxable income exceeds £6,900, the rate of tax for every pound of taxable income up to and including £6,900 shall be $\frac{87.975}{100} \left\{ 3 + \frac{6,900}{160} \right\}$ pence.

and

the rate of tax for every pound of taxable income in excess of £6,900 shall be 79.1775 pence.

Division B.—Rate of Tax in Respect of Taxable Income Derived from Property.

For the purposes of this Division— T = taxable income in pounds.

If the taxable income does not exceed £500, the rate of tax for every pound of taxable income shall be $\frac{103.5}{100} \left\{ 3 + \frac{T}{100} \right\}$ pence.

If the taxable income exceeds £500 but does not exceed £1,500, the rate of tax for every pound of taxable income shall be $\frac{103.5}{100} \left\{ 1 + \frac{T \times 14}{1,000} \right\}$ pence.

If the taxable income exceeds £1,500 but does not exceed £3,700, the rate of tax for every pound of taxable income shall be $\frac{103.5}{100} \left\{ 4\frac{3}{4} + \frac{T \times 23}{2,000} \right\}$ pence.

If the taxable income exceeds £3,700, the rate of tax for every pound of taxable income up to and including £3,700 shall be $\frac{103.5}{100} \left\{ 4\frac{3}{4} + \frac{3,700 \times 23}{2,000} \right\}$ pence.

and

the rate of tax for every pound of taxable income in excess of £3,700 shall be 93.15 pence.

Division C.—Rates of Tax in Respect of Taxable Income Derived Partly from Personal Exertion and Partly from Property.

(a) For every pound of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division A if the total taxable income of the taxpayer were derived exclusively from personal exertion, by the amount of the total taxable income.

(b) For every pound of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Division B if the total taxable income of the taxpayer were derived exclusively from property, by the amount of the total taxable income.

Division D.—Rates of Tax by reference to an Average Income.

(a) For every pound of the taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936–1937* is applied, the rate of tax shall be ascertained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his average income, by that average income.

(b) For every pound of taxable income derived by him from property the rate of tax shall be ascertained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his average income, by that average income.

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Division E.—Rate of Tax by reference to a Notional Income.

(a) For every pound of the actual taxable income from personal exertion of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1937*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division A upon a taxable income from personal exertion equal to his notional income, by that notional income.

(b) For every pound of the actual taxable income from property of a taxpayer deriving a notional income, as specified by sub-section (1.) of section eighty-six of the *Income Tax Assessment Act 1936-1937*, the rate of tax shall be the amount obtained by dividing the tax that would be payable under Division B upon a taxable income from property equal to his notional income, by that notional income.

Division F.—Tax payable where amount would otherwise be less than Ten shillings.

Notwithstanding anything contained in the last five preceding Divisions, where the amount of income tax which a person would, apart from this Division, be liable to pay is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

Division G.—Rates of Tax Payable by a Trustee.

For every pound of the taxable income in respect of which a trustee is liable, pursuant to either section ninety-eight or section ninety-nine of the *Income Tax Assessment Act 1936-1937*, to be assessed and to pay tax the rate of tax shall be the rate which would be payable under Division A, B, C, D or E as the case requires, if one individual were liable to be assessed and to pay tax on that taxable income.

Division H.—Rates of Tax Payable by a Company.

(a) Subject to the last preceding Division, for every pound of the taxable income of a company the rate of tax shall be 13·8 pence.

(b) For every pound of interest in respect of which a company is liable, pursuant to sub-section (1.) of section one hundred and twenty-five of the *Income Tax Assessment Act 1936-1937* to pay income tax, the rate of tax shall be 13·8 pence.

2. That tax in accordance with the foregoing provisions of this resolution shall be levied and paid for the financial year beginning on the first day of July, One thousand nine hundred and thirty-eight.

3. That the foregoing provisions of this resolution shall also apply to all assessments for financial years subsequent to that beginning on the first day of July, One thousand nine hundred and thirty-eight made prior to the commencement of the Act for the levying and payment of income tax for the financial year beginning on the first day of July, One thousand nine hundred and thirty-nine.

Progress to be reported, and leave asked to sit again.

The House resumed; Mr. Prowse reported accordingly.

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

10. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 2 to 4 be postponed until after Order of the Day No. 7.
11. DISCHARGE OF ORDERS OF THE DAY.—The following Orders of the Day were read, and, on the motion of Mr. Casey (Treasurer), discharged :—
 Sales Tax Exemptions Bill 1938—Second reading—Resumption of debate.
 Supplementary Appropriation Bill 1936-37—Further consideration in Committee (*Clause 2*).
 Supplementary Appropriation (Works and Buildings) Bill 1936-37—Second reading—Resumption of debate.
12. WAYS AND MEANS—INCOME TAX.—The House, according to Order, again resolved itself into the Committee of Ways and Means.

(*In the Committee.*)

Debate resumed on the motion moved by Mr. Casey (Treasurer). [*See Entry No. 9.*]

Question—That the motion be agreed to—put and passed.

Resolution to be reported, and leave asked to sit again.

The House resumed; Mr. Prowse reported accordingly.

Resolved—That the House will, at the next sitting, again resolve itself into the said Committee.

Mr. Casey moved, pursuant to contingent notice, That so much of the Standing Orders be suspended as would prevent the remaining stages being passed without delay.

Question—put and passed.

The Resolution reported from the Committee was read, and, on the motion of Mr. Casey, was adopted by the House.

Ordered—That Mr. Casey and Mr. Menzies do prepare and bring in a Bill to carry out the foregoing Resolution.

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13. INCOME TAX BILL 1938.—Mr. Casey (Treasurer) then brought up a Bill intituled "*A Bill for an Act to impose a Tax upon Incomes*", and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Mr. Casey moved, That the Bill be now read a second time.
Question—put and passed.—Bill read a second time.
Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(*In the Committee.*)

Bill, by leave, taken as a whole, and agreed to.
Bill to be reported without amendment.

The House resumed; Mr. Prowse reported accordingly.

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

14. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Casey (Treasurer) moved, That the House, at its rising, adjourn until half-past eleven o'clock a.m. to-morrow.
Question—put and passed.
15. ADJOURNMENT.—Mr. Menzies (Attorney-General) moved, That the House do now adjourn.
Question—put and passed.

And then the House, at twenty-seven minutes to nine o'clock p.m., adjourned until to-morrow at half-past eleven o'clock a.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Badman, Mr. Beasley, Mr. Blain, Mr. Collins, Sir Henry Gullett, Mr. Harrison, Mr. Maloney, Mr. McCall, Mr. Mulcahy, Mr. Nock, and Mr. Spender.

F. C. GREEN,
Clerk of the House of Representatives.