

1937-38-39.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.
CANBERRA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 107.

TUESDAY, 19TH SEPTEMBER, 1939.

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. SPECIAL MILITARY FORCE—MINISTERIAL STATEMENT.—Mr. Street (Minister for Defence), by leave, made a Ministerial Statement with reference to the special infantry division to be raised for service either at home or overseas.
3. INTERNATIONAL SITUATION—MINISTERIAL STATEMENT.—Mr. Menzies (Prime Minister), by leave, made a Ministerial Statement with reference to recent events in Europe, the Far East, and at sea.
4. SUGAR—MINISTERIAL STATEMENT.—Mr. John Lawson (Minister for Trade and Customs), by leave, made a Ministerial Statement informing the House of the terms and basis upon which the Queensland Government had arranged to dispose of surplus raw sugar to the British Sugar Control Board.
5. PAPERS.—The following Papers were presented, by command of His Excellency the Governor-General—
Tariff Board—Reports and Recommendations—
 - Brake and transmission linings.
 - Coil springs for motor vehicle chassis.
 - Cornflour.
 - Dental units and dental polishing lathes.
 - Electric fans of the type ordinarily used in offices and the household.
 - Electric motors of less than 1 horse-power.
 - Electrolytic condensers.
 - Glucose.
 - Jute yarns ; hemp and flax yarns.
 - Lawnmowers.
 - Printed advertising matter from the United Kingdom.
 - Process engravers' plates.
 - Radio and electrical testing instruments and appliances.
 - Screwing tools ; tap wrenches, screwplates of the fixed type, and stocks.
 - Sewing threads, linen flax, hemp or jute.
 - Shock absorbers.
 - Starch flours.
 - Tomato juice.

Severally ordered to lie on the Table, and to be printed.

The following Papers were presented, pursuant to Statute—

- Commonwealth Public Service Act—Appointment of J. J. Moyle, Department of the Treasury.
- Defence Act—Defence (National Security) Regulations Amended—Statutory Rules 1939, No. 86.
- National Security Act—Regulations—Statutory Rules 1939, Nos. 87, 88, 89, 90, 91.
- Naval Defence Act—Regulations Amended—Statutory Rules 1939, No. 85.
- Seat of Government Acceptance Act and Seat of Government (Administration) Act—
Ordinances of 1939—
 - No. 6—Trespass on Commonwealth Lands.
 - No. 7—Police Offences.
 - No. 8—Seat of Government (Administration).
 - No. 9—Co-operative Trading Societies.
- Regulations Amended, &c.—
 - Building and Services Ordinance.
 - National Capital Development Ordinance.

19th September, 1939.

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

(In the Committee.)

Consideration resumed of the motions previously moved by Mr. Spender (Minister assisting the Treasurer), viz. :—

1. That a tax be imposed upon gold (other than gold imported into Australia and gold coin and wrought gold) delivered, either in Australia or in a Territory under the authority of the Commonwealth of Australia, to the Commonwealth Bank of Australia, or to an agent of that Bank, on or after the fifteenth day of September, One thousand nine hundred and thirty-nine.

2. That the amount of tax so imposed be three-fourths of the amount by which the amount payable by the Commonwealth Bank of Australia in respect of gold so delivered exceeds an amount calculated at the rate of Nine pounds for each ounce of fine gold contained in the gold so delivered.

3. That the Treasurer be empowered, by notice published in the *Gazette*, to direct that, for the purposes of the tax imposed by the Act passed to give effect to these resolutions, gold include gold coin and wrought gold delivered to the Commonwealth Bank of Australia, or to an agent of that Bank, and thereupon tax be imposed, in accordance with these resolutions upon gold coin and wrought gold so delivered.

Mr. Spender moved, as an amendment, That the words " and gold coin and wrought gold " (paragraph 1.) be omitted and the following words inserted in place thereof, " from any place not being a Territory under the authority of the Commonwealth of Australia and gold coin, and gold and gold alloys which on view have apparently been worked or manufactured for trade purposes, and the waste products arising from the working and manufacturing of gold and gold alloys for trade purposes (in these resolutions referred to as ' wrought gold ') ".

Debate ensued.

Amendment agreed to.

Motions, as amended, agreed to.

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

The House resumed ; Mr. Nairn reported accordingly.

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

Mr. Spender 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. Spender, were adopted by the House.

Ordered—That Mr. Spender and Mr. Holt do prepare and bring in a Bill to carry out the foregoing Resolutions.

7. GOLD TAX BILL 1939.—Mr. Spender (Minister assisting the Treasurer) then brought up a Bill intituled " *A Bill for an Act to impose a Tax upon Gold* ", and moved, That it be now read a first time.

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

Mr. Spender moved, That the Bill be now read a second time.

Debate ensued.

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.)

Clauses 1 to 6 agreed to.

Title agreed to.

Bill to be reported without amendment.

The House resumed ; Mr. Nairn reported accordingly.

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

8. GOLD TAX COLLECTION BILL 1939.—Mr. Spender (Minister assisting the Treasurer) moved, by leave, That he have leave to bring in a Bill for an Act relating to the Imposition and Collection of a Tax upon Gold.

Question—put and passed.

Mr. Spender then brought up the Bill accordingly, and moved, That it be now read a first time.

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

Mr. Spender moved, by leave, That the Bill be now read a second time.

Debate ensued.

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, after debate.

Bill to be reported without amendment.

The House resumed ; Mr. Nairn reported accordingly.

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

19th September, 1939.

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. Spender (Minister assisting the 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 .. $\frac{96.7725}{100} \left\{ 3 + \frac{T}{160} \right\}$ 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 .. $\frac{96.7725}{100} \left\{ 3 + \frac{6,900}{160} \right\}$ pence.

and
the rate of tax for every pound of taxable income in excess of £6,900 shall be .. 87.09525 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 $\frac{113.85}{100} \left\{ 3 + \frac{T}{100} \right\}$ 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 .. $\frac{113.85}{100} \left\{ 1 + \frac{T \times 14}{1,000} \right\}$ 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 .. $\frac{113.85}{100} \left\{ 4\frac{3}{4} + \frac{T \times 23}{2,000} \right\}$ 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 .. $\frac{113.85}{100} \left\{ 4\frac{3}{4} + \frac{3,700 \times 23}{2,000} \right\}$ pence.

and
the rate of tax for every pound of taxable income in excess of £3,700 shall be .. 102.465 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 1936-1938* 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.

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 1936-1938*, 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 1936-1938*, 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.

19th September, 1939.

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 1936-1938*, 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 24 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 1936-1938* to pay income tax, the rate of tax shall be 24 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-nine.

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-nine 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 forty.

Debate ensued.

Question—put and passed.

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

The House resumed; Mr. Nairn reported accordingly.

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

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

10. INCOME TAX BILL 1939.—Mr. Spender (Minister assisting the 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. Spender moved, That the Bill be now read a second time.

Mr. Cameron 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.

11. MESSAGE FROM THE GOVERNOR-GENERAL.—DEFENCE EQUIPMENT BILL 1939.—The following Message from His Excellency the Governor-General was presented, and was read by Mr. Speaker:—

GOWRIE,

Governor-General.

Message No. 87.

In accordance with the requirements of Section fifty-six of the Constitution of the Commonwealth of Australia, the Governor-General recommends to the House of Representatives that an appropriation of revenue be made for the purposes of a Bill for an Act to grant and apply out of the Consolidated Revenue Fund a sum for Defence purposes.

Canberra, 19th September, 1939.

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. Spender (Minister assisting the Treasurer) moved, That it is expedient that an appropriation of revenue be made for the purposes of a Bill for an Act to grant and apply out of the Consolidated Revenue Fund a sum for Defence purposes.

Question—put and passed.

Resolution to be reported.

The House resumed; Mr. Nairn reported accordingly.

Mr. Spender 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. Spender, was adopted by the House.

19th September, 1939.

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

Mr. Spender then brought up the Bill accordingly, and moved, That it be now read a first time.

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

Mr. Spender moved, That the Bill be now read a second time.

Debate ensued.

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. Nairn reported accordingly.

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

12. STATES GRANTS BILL 1939.—The Order of the Day having been read for the resumption of the debate on the question, That the Bill be now read a second time—

Debate resumed.

Mr. Cameron 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.

13. SALES TAX ASSESSMENT BILL (No. 5) 1939.—The Order of the Day having been read for the resumption of the debate on the question, That the Bill be now read a second time—

Debate resumed.

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.*)

Clauses 1 and 2 agreed to.

Clause 3 debated and agreed to.

Title agreed to.

Bill to be reported without amendment.

The House resumed; Mr. Makin reported accordingly.

On the motion of Mr. Spender (Minister assisting the Treasurer), the House adopted the Report, and, by leave, the Bill was read a third time.

14. WAYS AND MEANS—CUSTOMS TARIFF AMENDMENTS (Nos. 7 AND 9).—The House, according to Order, again resolved itself into the Committee of Ways and Means.

(*In the Committee.*)

[See proposed Resolutions for Customs Tariff Amendments of the 3rd May, 1939 (pages 350–4), and of the 14th September, 1939 (pages 464–70)].

General debate ensued on the first Item.

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

The House resumed; Mr. Makin reported accordingly.

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

15. SUPPLY—BUDGET DEBATE.—The House, according to Order, resolved itself into the Committee of Supply.

(*In the Committee.*)

General debate resumed on the question, That the first item in the Estimates, under Division No. 1.—

The Senate—namely—

Salaries and allowances	£8,040
---------------------------------	--------

be agreed to.

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

The House resumed; Mr. Makin reported accordingly.

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

16. ADJOURNMENT.—Mr. Spender (Minister assisting the Treasurer) moved, That the House do now adjourn.

Debate ensued.

Question—put and passed.

And then the House, at seventeen minutes past eleven o'clock p.m., adjourned until to-morrow at half-past two o'clock p.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except—Mr. Gregory, Mr. Hunter, Mr. Lane, Mr. Maloney, Mr. Prowse, Mr. Scholfield, Mr. Scully, and Mr. Thompson.

F. C. GREEN,

Clerk of the House of Representatives.