

1940-41-42-43.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 116.

THURSDAY, 11TH FEBRUARY, 1943.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable W. M. Nairn) took the Chair, and read Prayers.
2. MESSAGE FROM THE GOVERNOR-GENERAL.—ASSENT TO RESERVED BILL.—The following Message from His Excellency the Governor-General was received, and was read by Mr. Speaker:—

GOWRIE,

*Governor-General.**Message No. 95.*

The Governor-General informs the House of Representatives that the proposed law intituled "An Act to amend Part IX. of the *Navigation Act* 1912-1935 relating to Courts of Marine Inquiry", which was reserved for His Majesty's pleasure, has been laid before His Majesty in Council, and that His Majesty has, by an Order in Council dated 16th day of December, One thousand nine hundred and forty-two, been pleased to confirm, approve and declare his assent to the said proposed law.

The Governor-General has caused The King's confirmation, approval and assent to be proclaimed in the *Commonwealth of Australia Gazette*, No. 31, dated 10th February, 1943, a copy of which proclamation is attached hereto.

Canberra, 10th February, 1943.

PROCLAMATION.

Commonwealth of
Australia to wit.
GOWRIE,
Governor-General.

By His Excellency the Governor-
General in and over the Com-
monwealth of Australia.

WHEREAS a proposed law entitled "An Act to amend Part IX. of the *Navigation Act* 1912-1935 relating to Courts of Marine Inquiry" has been passed by both Houses of the Parliament of the Commonwealth:

AND WHEREAS upon the said proposed law being on the twelfth day of June, 1942, presented to me for the Royal Assent, I declared that I reserved the said proposed law for the signification of His Majesty's pleasure:

AND WHEREAS the signification of His Majesty's pleasure has been communicated to me:

NOW THEREFORE I, Alexander Gore Arkwright, Baron Gowrie, the Governor-General aforesaid, do hereby proclaim and make known that the said proposed law has been laid before His Majesty in Council, and that by an Order in Council, bearing date the sixteenth day of December, One thousand nine hundred and forty-two, His Majesty has been pleased to confirm, approve, and declare his assent to the proposed law.

GIVEN under my Hand and the Seal of the Commonwealth this tenth day of February in the (L.S.) year of our Lord One thousand nine hundred and forty-three, and in the seventh year of His Majesty's reign.

By His Excellency's Command,

JOHN A. BEASLEY,

Minister of State for Supply and Shipping.

GOD SAVE THE KING!

3. FINANCIAL STATEMENT—MOTION FOR PRINTING PAPER.—Mr. Chifley (Treasurer), by leave, made a Financial Statement and outlined the financial proposals to be submitted to Parliament during the Session. Mr. Chifley then, by command of His Excellency the Governor-General, laid upon the Table the following Paper:—

Financial Statement by the Honorable J B. Chifley, M.P., Treasurer,
and moved, That the Paper be printed.

Mr. Fadden (Leader of the Opposition) 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.

F.6316.

11th February, 1943.

4. MESSAGE FROM THE GOVERNOR-GENERAL.—NATIONAL WELFARE FUND BILL 1943.—The following Message from His Excellency the Governor-General was presented, and was read by Mr. Speaker :—

GOWRIE,

*Governor-General.**Message No. 96.*

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 establish a National Welfare Fund.

Canberra, 11th February, 1943.

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. Chifley (Treasurer) moved, That it is expedient that an appropriation of revenue be made for the purposes of a Bill for an Act to establish a National Welfare Fund.

Question—put and passed.

Resolution to be reported.

The House resumed; Mr. Prowse reported accordingly.

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

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

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

Sir Frederick Stewart 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. INCOME TAX ASSESSMENT BILL 1943.—Mr. Chifley (Treasurer), pursuant to leave given on the 10th instant, brought up a Bill intituled “*A Bill for an Act to amend the ‘Income Tax Assessment Act 1936-1942’*”, and moved, That it be now read a first time.

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

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

Mr. Fadden (Leader of the Opposition) 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.

6. POSTPONEMENT OF BUSINESS.—Ordered—That the intervening business be postponed until after Orders of the Day Nos. 2 and 3, Government Business.
7. WAYS AND MEANS—INCOME TAX.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(*In the Committee.*)

Mr. Chifley (Treasurer) moved—

1. That on and after a date to be fixed by proclamation, published in the *Commonwealth of Australia Gazette*, not being earlier than the date upon which an Act to establish a National Welfare Fund comes into operation, a tax be imposed upon incomes at the following rates :—

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

If the taxable income does not exceed £300, the rate of tax for every pound of taxable income up to and including £100 be 6 pence, and the rate of tax for every pound of taxable income in excess of £100 be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 be 44 pence and the rate of tax for every pound of taxable income in excess of £300 be 96.01 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 be 85.3 pence and the rate of tax for every pound of taxable income in excess of £1,000 be 110.033 pence increasing uniformly by .033 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £3,000 the rate of tax for every pound of taxable income up to and including £2,000 be 114.15 pence and the rate of tax for every pound of taxable income in excess of £2,000 be 176.015 pence increasing uniformly by .015 of one penny for every pound by which the taxable income exceeds £2,001.

11th February, 1943.

If the taxable income exceeds £3,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £3,000 be 139.76 pence and the rate of tax for every pound of taxable income in excess of £3,000 be 206.004 pence increasing uniformly by .004 of one penny for every pound by which the taxable income exceeds £3,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 be 169.46 pence and the rate of tax for every pound of taxable income in excess of £5,000 be 222 pence.

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

If the taxable income does not exceed £200 the rate of tax for every pound of taxable income up to and including £100 be 6 pence and the rate of tax for every pound of taxable income in excess of £100 be 30.165 pence increasing uniformly by .165 of one penny for every pound by which the taxable income exceeds £101.

If the taxable income exceeds £200 but does not exceed £300 the rate of tax for every pound of taxable income up to and including £200 be 26.25 pence and the rate of tax for every pound of taxable income in excess of £200 be 75.74 pence increasing uniformly by .24 of one penny for every pound by which the taxable income exceeds £201.

If the taxable income exceeds £300 but does not exceed £1,000 the rate of tax for every pound of taxable income up to and including £300 be 50.6 pence and the rate of tax for every pound of taxable income in excess of £300 be 123.51 pence increasing uniformly by .01 of one penny for every pound by which the taxable income exceeds £301.

If the taxable income exceeds £1,000 but does not exceed £2,000 the rate of tax for every pound of taxable income up to and including £1,000 be 106.55 pence and the rate of tax for every pound of taxable income in excess of £1,000 be 137.534 pence increasing uniformly by .034 of one penny for every pound by which the taxable income exceeds £1,001.

If the taxable income exceeds £2,000 but does not exceed £5,000 the rate of tax for every pound of taxable income up to and including £2,000 be 139.025 pence and the rate of tax for every pound of taxable income in excess of £2,000 be 205.50275 pence increasing uniformly by .00275 of one penny for every pound by which the taxable income exceeds £2,001.

If the taxable income exceeds £5,000 the rate of tax for every pound of taxable income up to and including £5,000 be 183.86 pence and the rate of tax for every pound of taxable income in excess of £5,000 be 222 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 taxable income derived from personal exertion by a taxpayer to whose income Division 16 of Part III. of the *Income Tax Assessment Act 1936-1943* applies, 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 1936-1943*, 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 1936-1943*, 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 on Certain Incomes of less than £113.

Notwithstanding anything contained in the last five preceding Divisions, where, apart from this Division, the amount of income tax payable in respect of a taxable income of less than One hundred and thirteen pounds would, after deducting all rebates to which a taxpayer is entitled in his assessment, be greater than fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds, the income tax payable in respect of that taxable income shall be fifty per centum of the amount by which the taxable income exceeds One hundred and four pounds.

11th February, 1943.

Division G.—Tax Payable Where Amount Would Otherwise be Less than Ten Shillings.

Notwithstanding anything contained in the last six preceding Divisions, where, apart from this Division, the amount of income tax which a person would be liable to pay after deducting all rebates to which he is entitled in his assessment, is less than Ten shillings, the income tax payable by that person shall be Ten shillings.

Division H.—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 1936-1943*, 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 I.—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—

- (i) in the case of a company which is not a life assurance company—seventy-two pence ;
- (ii) in the case of a company which is a mutual life assurance company—sixty pence ; or
- (iii) in the case of a life assurance company, other than a mutual life assurance company—

(1) in respect of so much of that part of the taxable income which has been derived from its life assurance business as bears the same proportion to such part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits of the company's life assurance business for the same year of income—sixty pence ; and

(2) in respect of the remainder of the taxable income of the company—seventy-two pence.

(b) Subject to the last preceding Division, for every pound of that portion of the taxable income of a company which has not been distributed as dividends on which the company is liable, pursuant to Part IIIA. of the *Income Tax Assessment Act 1936-1943*, to pay further tax, the rate of tax shall be twenty-four pence.

(c) 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 1936-1943*, to pay income tax, the rate of tax shall be seventy-two pence.

Division J.—Tax Payable where Amount would Otherwise Include Odd Pence.

Notwithstanding anything contained in the preceding Divisions, if, apart from this Division, the income tax which a person, before deducting any rebate to which he is entitled in his assessment, would be liable to pay, leaves an amount of pence remaining when expressed in pounds and shillings—

- (a) if the remaining pence do not exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings ; or
- (b) if the remaining pence exceed six—the income tax payable by that person shall be the amount so expressed in pounds and shillings plus one shilling.

2. That, in addition to any income tax payable under the preceding provisions of this Resolution, there shall be payable upon the taxable income in excess of Five thousand pounds derived by a company a super-tax at the rate of twelve pence for every pound of that excess :

Provided that this paragraph shall not apply—

- (a) to the assessment of a company as a trustee ;
- (b) to the income of a company to which section fourteen of the *War-time (Company) Tax Assessment Act 1940-1942* provides that that Act shall not apply ; or
- (c) to so much of that part of the taxable income of a life assurance company which has been derived from its life assurance business as bears the same proportion to such part of the taxable income as the amount of the profits divided for the same year of income among the life assurance policy holders of the company bears to the total profits of the company's life assurance business for the same year of income.

3. That tax in accordance with the preceding 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 forty-three.

4. That, until 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-four, the foregoing provisions of this Resolution shall also apply for all financial years subsequent to that beginning on the first day of July, One thousand nine hundred and forty-three.

5. That in the preceding Resolutions the expression "*Income Tax Assessment Act 1936-1943*" means the *Income Tax Assessment Act 1936-1942* as proposed to be amended by the *Income Tax Assessment Bill 1943*.

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.

11th and 12th February, 1943.

8. ACTIVITIES OF LIVERPOOL PRESS, MELBOURNE—MINISTERIAL STATEMENT.—Mr. Evatt (Attorney-General), by leave, made a Ministerial Statement with reference to a circular soliciting information and subscriptions sent by the Liverpool Press, Melbourne, to relatives of deceased members of the Forces, and informed the House of the action being taken to suppress such activities.
9. DEFENCE (CITIZEN MILITARY FORCES) BILL 1943.—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—*And on the Amendment moved thereto by Mr. Cameron, viz. :—*That all words after “That” be omitted with a view to inserting the following words in place thereof :—“the Bill be withdrawn and redrafted to provide that any member of the Citizen Military Forces may be required to serve anywhere beyond the limits of Australia”—

Debate resumed.

Ordered—That Mr. Spender be granted extensions of time (2).

Debate continued.

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

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

Ayes, 56.

Mr. Abbott	Mr. Jolly
Mr. Anthony	Mr. Langtry
Mr. Baker	Mr. Lawson
Mr. Barnard	Mr. Lazzarini
Mr. Beasley	Mr. Makin
Mr. Beck	Mr. Marwick
Mr. Breen	Mr. McCall
Mr. Brennan	Mr. McDonald
Mr. Calwell	Mr. McEwen
Mr. Chifley	Mr. McLeod
Mr. Clark	Mr. Morgan
Mr. Collins	Mr. Mulcahy
Mr. Corser	Sir Earle Page
Mr. Curtin	Mr. Paterson
Mr. Dedman	Mr. Perkins
Mr. Drakeford	Mr. Pollard
Mr. Evatt	Mr. Rankin
Mr. Fadden	Mr. Riordan
Mr. Falstein	Mr. Rosevear
Mr. Forde	Mr. Scully
Mr. Francis	Mr. Sheehan
Mr. Frost	Mr. Spooner
Mr. Guy	Mr. Ward
Mr. Holloway	Mr. Watkins
Mr. Holt	Mr. Wilson
Mr. Hughes	
Mr. Hutchinson	<i>Tellers:</i>
Mr. James	Mr. Conelan
Mr. Johnson	Mr. Martens

Noes, 13.

Mr. Badman
Mr. Cameron
Mr. Coles
Mr. Duncan-Hughes
Mr. Harrison
Sir Charles Marr
Mr. Menzies
Mr. Price
Mr. Prowse
Mr. Spender
Sir Frederick Stewart

Tellers:

Mr. Ryan
Mr. Stacey

And so it was resolved in the affirmative.

Question—That the Bill be now read a second time—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.)

Clause 1 agreed to.

Clause 2—

Mr. Blackburn moved, as an amendment, That all words after “on” (first occurring) (page 1, lines 6 and 7) be omitted with a view to inserting the words “a day to be fixed by proclamation which shall not be issued until the Governor-General is satisfied that the provisions of this Act have been submitted to the electors, and that a majority of the electors voting approve such provisions” in place thereof.

Debate ensued.

Amendment negatived.

Clause agreed to.

Clause 3—

Mr. Coles moved, That the clause be postponed.

Debate ensued.

Question—put and negatived.

The Committee continuing to sit until after midnight—

FRIDAY, 12TH FEBRUARY, 1943.

Clause agreed to.

Clauses 4 and 5 agreed to.

11th and 12th February, 1943.

Proposed new clause—

Mr. Blackburn moved, That the following new clause be inserted in the Bill :—

“ 6. Notwithstanding anything contained in this or in any other Act, no member of the Citizen Military Forces who has not attained the age of twenty-one years may be required to serve beyond the limits of the Commonwealth and those of any Territory under the authority of the Commonwealth.”.

Debate ensued.

Proposed new clause negatived.

Title agreed to.

Bill to be reported without amendment.

The House resumed ; Mr. Prowse reported accordingly.

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

10. ADJOURNMENT.—Mr. Curtin (Prime Minister) moved, That the House do now adjourn.

Question—put and passed.

And then the House, at half-past twelve o'clock midnight, adjourned until this day at half-past ten o'clock a.m.

MEMBERS PRESENT.—All Members were present (at some time during the sitting) except Sir George Bell, Mr. Blain*, Mr. Scullin*, and Mr. White*.

* On leave.

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