

1940-41-42-43.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,  
CANBERRA.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF REPRESENTATIVES.

No. 125.

THURSDAY, 4TH MARCH, 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. BISMARCK SEA BATTLE—MINISTERIAL STATEMENT.—Mr. Curtin (Prime Minister), by leave, made a Ministerial Statement informing the House of the text of a communiqué issued by the Commander-in-Chief of the South-west Pacific Area (General Douglas MacArthur) announcing a victory of the Allied Forces over the Japanese in a battle in the Bismarck Sea. Mr. Curtin then expressed admiration at the bravery and ability of the men responsible for the victory, and the gratitude of the Parliament for this great success to our arms.  
Mr. Fadden (Leader of the Opposition), by leave, made a Statement associating the Opposition with the congratulations extended to the Commander-in-Chief and the Forces under his command.
3. SPITFIRE SQUADRONS IN AUSTRALIA—MINISTERIAL STATEMENT.—Mr. Curtin (Prime Minister), by leave, made a Ministerial Statement announcing the presence in battle areas in Australia of Spitfire Fighter Squadrons sent by the Government of the United Kingdom.
4. PAPER.—The following Paper was presented, pursuant to Statute—  
Lands Acquisition Act—Land acquired for Commonwealth purposes—Smithton, Tasmania.
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—That Mr. Speaker do now leave the Chair—put and negatived.  
Resolved—That the House will, at the next sitting, resolve itself into the said Committee.
6. INCOME TAX ASSESSMENT 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. Fadden, viz.:*—That all words after “Bill” be omitted with a view to inserting the following words in place thereof:—“be withdrawn and re-drafted either by itself or in conjunction with the Income Tax Bill to provide that—
  - (1) the anomalies and injustices inherent in the Bills be rectified, *inter alia*, the arbitrary and unfair discrimination against the taxpayer with family responsibilities, employees as a class, and individuals comprised in this class;
  - (2) as from 1st July, 1943, all instalments and assessments on income from salaries and wages should be based upon current earnings for the year of tax, which in the first year would be 1943-44, with an adjustment at the end of each year of tax, and cash refunds to taxpayers who have paid more by instalments than is legally assessable;

4th and 5th March, 1943.

- (3) of the total additional tax payable by taxpayers under the Bill, as from 1st July, 1943, as the result of increased rates of taxation, 50 per cent. should be treated as a post war credit and refunded to taxpayers on some equitable graduated scale by six equal half-yearly instalments commencing after the termination of the war against Germany, Italy and Japan, and carrying interest at 2 per cent. per annum in the meanwhile; and
- (4) the increased rates of tax proposed by the Income Tax Bill to operate from 1st April, 1943, shall for the three months from 1st April, 1943, to 30th June, 1943, be applied to all individual taxpayers and levied upon the incomes of 1941-42; the additional amount so payable for the year of tax 1942-43 shall be fully treated as a post-war credit repayable as in paragraph (3); and

that an expert committee be set up to report upon methods whereby incomes other than wages and salaries may be taxed in the year of income; and also upon a more equitable method of taxing the incomes of private companies"—

Debate resumed.

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, 29.		Noes, 26.	
Mr. Baker	Mr. Lazzarini	Mr. Abbott	Mr. McDonald
Mr. Blackburn	Mr. Makin	Mr. Anthony	Mr. McEwen
Mr. Breen	Mr. McLeod	Mr. Beck	Mr. Paterson
Mr. Calwell	Mr. Morgan	Mr. Cameron	Mr. Perkins
Mr. Chifley	Mr. Mulcahy	Mr. Collins	Mr. Price
Mr. Clark	Mr. Pollard	Mr. Duncan-Hughes	Mr. Prowse
Mr. Coles	Mr. Riordan	Mr. Fadden	Mr. Rankin
Mr. Curtin	Mr. Rosevear	Mr. Francis	Mr. Ryan
Mr. Dedman	Mr. Scully	Mr. Harrison	Mr. Spender
Mr. Drakeford	Mr. Sheehan	Mr. Holt	Mr. Spooner
Mr. Evatt	Mr. Ward	Mr. Hutchinson	
Mr. Forde		Mr. Jolly	<i>Tellers:</i>
Mr. Frost	<i>Tellers:</i>	Sir Charles Marr	Mr. Marwick
Mr. Holloway	Mr. Conelan	Mr. McCall	Mr. Stacey
Mr. Johnson	Mr. Martens		
Mr. Lawson			

And so it was resolved in the affirmative.

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

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

Ayes, 29.		Noes, 26.	
Mr. Baker	Mr. Lazzarini	Mr. Abbott	Mr. McDonald
Mr. Blackburn	Mr. Makin	Mr. Anthony	Mr. McEwen
Mr. Breen	Mr. McLeod	Mr. Beck	Mr. Paterson
Mr. Calwell	Mr. Morgan	Mr. Cameron	Mr. Perkins
Mr. Chifley	Mr. Mulcahy	Mr. Collins	Mr. Price
Mr. Clark	Mr. Pollard	Mr. Duncan-Hughes	Mr. Prowse
Mr. Coles	Mr. Riordan	Mr. Fadden	Mr. Rankin
Mr. Curtin	Mr. Rosevear	Mr. Francis	Mr. Ryan
Mr. Dedman	Mr. Scully	Mr. Harrison	Mr. Spender
Mr. Drakeford	Mr. Sheehan	Mr. Holt	Mr. Spooner
Mr. Evatt	Mr. Ward	Mr. Hutchinson	
Mr. Forde		Mr. Jolly	<i>Tellers:</i>
Mr. Frost	<i>Tellers:</i>	Sir Charles Marr	Mr. Marwick
Mr. Holloway	Mr. Conelan	Mr. McCall	Mr. Stacey
Mr. Johnson	Mr. Martens		
Mr. Lawson			

And so it was resolved in the affirmative.—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 postponed until after clause 24.

Clauses 3 and 4 agreed to.

Clause 5—

Mr. Blackburn moved, That the clause be postponed.

Debate ensued.

The Committee continuing to sit until after midnight—

FRIDAY, 5TH MARCH, 1943.

Debate continued.

Question—That the clause be postponed—put.

4th and 5th March, 1943.

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

<p style="text-align: center;">Ayes, 4.</p> <p>Mr. Cameron Mr. Harrison</p> <p style="text-align: center;"><i>Tellers:</i></p> <p>Mr. Blackburn Mr. Duncan-Hughes</p>	<p>Mr. Abbott Mr. Baker Mr. Beck Mr. Breen Mr. Calwell Mr. Chifley Mr. Clark Mr. Coles Mr. Collins Mr. Dedman Mr. Drakeford Mr. Evatt Mr. Fadden Mr. Forde Mr. Francis Mr. Frost Mr. Holloway Mr. Holt Mr. Hutchinson Mr. Johnson Mr. Jolly Mr. Lawson Mr. Lazzarini Mr. Makin</p>	<p style="text-align: center;">Noes, 46.</p> <p>Sir Charles Marr Mr. Marwick Mr. McCall Mr. McDonald Mr. McEwen Mr. McLeod Mr. Morgan Mr. Mulcahy Mr. Paterson Mr. Pollard Mr. Price Mr. Rankin Mr. Riordan Mr. Rosevear Mr. Scully Mr. Sheehan Mr. Spender Mr. Spooner Mr. Stacey Mr. Ward</p> <p style="text-align: center;"><i>Tellers:</i></p> <p>Mr. Conelan Mr. Martens</p>
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And so it was negatived.

Clause agreed to.

Clause 6 debated and agreed to.

Clauses 7 to 9 agreed to.

Clause 10—

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

Page 4, line 23, after "pilot" insert "or radio operator".

Clause, as amended, agreed to.

Clause 11 debated and agreed to.

Clauses 12 and 13 agreed to.

Clause 14—

Mr. Blackburn moved, as an amendment, That the word "daughter" (wherever occurring) (page 5, paragraph (a)) be omitted with a view to inserting the words "female relative" in place thereof.

Debate ensued.

Amendment negatived.

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

Page 5, lines 10–25, omit sub-paragraphs (i), (ii), and (iii), insert "of One hundred pounds".

Page 5, at the end of paragraph (aa) add "Provided further that the rebate of tax allowed in respect of this paragraph shall not exceed Forty-five pounds;".

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

Page 7, line 4, omit "and".

Mr. Blackburn moved, as a further amendment, That the following paragraph be added to paragraph (c):—

“(bb) in the case of any unmarried taxpayer whose taxable income in the year of income does not exceed Two hundred and eight pounds, amounts not exceeding Fifty pounds in the aggregate paid by the taxpayer in the year of income for the maintenance of any relative who is resident and who is partly or (except in the case of a mother) wholly maintained by the taxpayer;”.

Debate continued.

Amendment withdrawn, by leave.

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

Page 7, at the end of the clause add:—

“; and (e) by adding at the end thereof the following sub-section:—

“(4.) Where a taxpayer would, but for this sub-section, be entitled to a rebate based on amounts specified in any two or more of paragraphs (a), (ag), (b) and (ba) of sub-section (2.) of this section in respect of the same person, the taxpayer shall be entitled to a rebate in respect of that person based on one only of those amounts, being an amount which is not less than any other of those amounts.’”.

Clause, as amended, agreed to.

Clauses 15 to 17 agreed to.

Clause 18 postponed until after clause 24.

Clause 19—

Mr. Fadden (Leader of the Opposition) moved, as an amendment, That paragraph (b) be omitted.

Debate ensued.

Amendment withdrawn, by leave.

4th and 5th March, 1943.

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

Page 8, omit proposed sub-section (1A), insert the following sub-section:—

“(1A.) For the purposes of this section, where an employee receives from an employer salary or wages in respect of a period of time in excess of one week, the employee shall be deemed to be entitled to receive in respect of each week or part of a week in that period an amount of salary or wages ascertained by dividing the salary or wages by the number of days in the period and multiplying the resultant amount—

(a) in the case of each week—by seven; and

(b) in the case of a part of a week—by the number of days in the part of a week.”.

Clause, as amended, agreed to.

Clause 20 agreed to.

Clause 21 debated.

Question—That the clause be agreed to—put.

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

Ayes, 24.

Mr. Baker	Mr. McLeod
Mr. Breen	Mr. Morgan
Mr. Chifley	Mr. Mulcahy
Mr. Clark	Mr. Pollard
Mr. Dedman	Mr. Riordan
Mr. Drakeford	Mr. Rosevear
Mr. Forde	Mr. Scully
Mr. Frost	Mr. Sheehan
Mr. Holloway	Mr. Ward
Mr. Johnson	
Mr. Lawson	<i>Tellers:</i>
Mr. Lazzarini	Mr. Conelan
Mr. Makin	Mr. Martens

Noes, 22.

Mr. Abbott	Sir Charles Marr
Mr. Anthony	Mr. McDonald
Mr. Beck	Mr. McEwen
Mr. Blackburn	Mr. Nairn
Mr. Cameron	Mr. Price
Mr. Collins	Mr. Rankin
Mr. Duncan-Hughes	Mr. Ryan
Mr. Francis	Mr. Spooner
Mr. Harrison	
Mr. Holt	<i>Tellers:</i>
Mr. Hutchinson	Mr. Marwick
Mr. Jolly	Mr. Stacey

And so it was resolved in the affirmative.

Clause 22—

Question—That the clause be agreed to—put.

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

Ayes, 24.

Mr. Baker	Mr. McLeod
Mr. Breen	Mr. Morgan
Mr. Chifley	Mr. Mulcahy
Mr. Clark	Mr. Pollard
Mr. Dedman	Mr. Riordan
Mr. Drakeford	Mr. Rosevear
Mr. Forde	Mr. Scully
Mr. Frost	Mr. Sheehan
Mr. Holloway	Mr. Ward
Mr. Johnson	
Mr. Lawson	<i>Tellers:</i>
Mr. Lazzarini	Mr. Conelan
Mr. Makin	Mr. Martens

Noes, 22.

Mr. Abbott	Sir Charles Marr
Mr. Anthony	Mr. McDonald
Mr. Beck	Mr. McEwen
Mr. Blackburn	Mr. Nairn
Mr. Cameron	Mr. Price
Mr. Collins	Mr. Rankin
Mr. Duncan-Hughes	Mr. Ryan
Mr. Francis	Mr. Spooner
Mr. Harrison	
Mr. Holt	<i>Tellers:</i>
Mr. Hutchinson	Mr. Marwick
Mr. Jolly	Mr. Stacey

And so it was resolved in the affirmative.

Clause 23 agreed to.

Clause 24 debated and agreed to.

Postponed clause 2 agreed to.

Postponed clause 18 agreed to.

Clause 25 debated—

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

Page 16, line 8, after “obligation” insert “, unless he proves that he had no knowledge of the failure”.

Clause, as amended, agreed to.

Clause 26—

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

Page 16, line 18, omit “ten”, insert “seven”.

Clause, as amended, agreed to.

Clause 27 postponed until after the new clauses.

*New clause—*

On the motion of Mr. Chifley, the following new clause was inserted in the Bill, after debate:—

“8A. Section seventy-two B of the Principal Act is amended by omitting sub-section (1.) and inserting in its stead the following sub-section:—

(1.) Where, in the year of income, the taxpayer has, for the protection of persons or property from hostile action by the forces of any country with which His Majesty is at war, incurred expenditure on or in connexion with premises or part of premises owned or used by him primarily and principally for the purpose of producing assessable income, or in carrying on a business for that purpose, that expenditure shall be an allowable deduction.”

*Expenditure for enemy raids precautions.*

4th and 5th March, 1943.

*Proposed new clause—*

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

- 17A. Section two hundred and seventeen of the Principal Act is amended—
- (a) by inserting, before sub-section (1.), the following sub-sections :—
- (1A.) Tax shall not be payable on the income derived by a person in the year of tax in which he dies.
- (1B.) The amount of tax payable by a person or the trustees of the estate of a person in respect of the income of the year of income immediately preceding the date of the person's death shall not exceed an amount which bears to the amount of tax which would have been payable on the income of that year of income, if the person had not died in the year of tax immediately succeeding that year of income, the same proportion as the period of time during which the person survived the expiration of that year of income bears to a whole year.;
- (b) by omitting from sub-section (1.) the words 'date of' and inserting in their stead the words 'and of the year of income immediately preceding'; and
- (c) by inserting in sub-section (2.), after the word 'person', the words 'up to the end of the year of income immediately preceding his death'."

Payment of  
tax where  
taxpayer dies.

Debate ensued.

Proposed new clause negatived.

Postponed clause 27—

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

Page 16, line 31, after "eight," insert "eight A, eleven,".

Clause, as amended, agreed to.

Title agreed to.

Bill to be reported with amendments.

The House resumed; Mr. Prowse reported accordingly.

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

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

*(In the Committee.)*

Consideration resumed of the motion moved by Mr. Chifley (Treasurer) on the 11th February (see pages 470-2).

Motion agreed to.

Resolution 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. 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. Lazzarini do prepare and bring in a Bill to carry out the foregoing Resolution.

## 8. INCOME TAX BILL 1943.—Mr. Chifley (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. Chifley 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. Chifley, the House adopted the Report, and the Bill was read a third time.

## 9. ALTERATION OF HOUR OF NEXT MEETING.—Mr. Chifley (Treasurer) moved, That the House, at its rising, adjourn until half-past eleven o'clock a.m. this day.

Question—put and passed.

## 10. ADJOURNMENT.—Mr. Chifley (Treasurer) moved, That the House do now adjourn.

Question—put and passed.

And then the House, at twenty-one minutes past five o'clock in the morning, adjourned until this day at half-past eleven o'clock a.m.

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

\* On leave.

F. C. GREEN,

Clerk of the House of Representatives.

By Authority: L. F. JOHNSTON, Commonwealth Government Printer, Canberra.