

1937.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA,
CANBERRA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 20.

THURSDAY, 9TH SEPTEMBER, 1937.

1. The House met, at eleven o'clock a.m., pursuant to adjournment.—Mr. Speaker (the Honorable G. J. Bell) took the Chair, and read Prayers.
2. MINISTERIAL STATEMENT—BUSINESS OF THE HOUSE.—Mr. Lyons (Prime Minister), by leave, made a Ministerial Statement informing the House of the Business with which the Government proposed to proceed during the present Session.
Mr. Curtin (Leader of the Opposition), by leave, also made a Statement with reference to the matter.
Mr. Lyons, by leave, made a further Statement on the subject.
3. MINISTERIAL STATEMENT—CORONATION MEDALS.—Mr. Lyons (Prime Minister), by leave, made a Ministerial Statement with respect to the awarding of Coronation Medals to former Members of the Commonwealth Parliament.
4. PAPERS.—The following Paper was presented, by command of His Excellency the Governor-General—
High Commissioner for Australia in London—Report for 1936.
Ordered to lie on the Table.
The following Papers were presented, pursuant to Statute—
Census and Statistics Act—Regulations Amended—Statutory Rules 1937, No. 95.
Invalid and Old-age Pensions Act—Statement for year 1936-37.
National Debt Sinking Fund Act—National Debt Commission—Fourteenth Annual Report, for year 1936-37.
Post and Telegraph Act—Regulations Amended—Statutory Rules 1937, No. 86.
5. REPATRIATION FUND (BAILLIEU GIFT) BILL.—Mr. Menzies (Attorney-General), pursuant to leave given on the 8th instant, brought up a Bill intituled "*A Bill for an Act to vary the Trusts upon which the Baillieu Gift to the Australian Soldiers' Repatriation Fund is held, to provide for the Distribution of that Gift, and for other purposes*", and moved, That it be now read a first time.
Question—put and passed.—Bill read a first time.
Mr. Menzies moved, by leave, That the second reading be made an Order of the Day for a later hour this day.
Question—put and passed.
6. SUSPENSION OF STANDING ORDER NO. 70.—Mr. Lyons (Prime Minister) moved, pursuant to notice, That Standing Order No. 70 (eleven o'clock rule) be suspended until the end of this Session.
Debate ensued.
Question—put.
The House divided (The Speaker, Mr. Bell, in the Chair)—

Ayes, 37.

Mr. A. G. Cameron	Mr. McEwen
Sir Donald Cameron	Mr. Menzies
Mr. Casey	Mr. Nairn
Mr. Fadden	Mr. Noek
Mr. J. V. Fairbairn	Mr. Earle Page
Mr. Josiah Francis	Sir Archdale Parkhill
Sir Henry Gullett	Mr. Thomas Paterson
Mr. E. F. Harrison	Mr. Perkins
Mr. E. J. Harrison	Mr. Price
Mr. Hawker	Mr. Prowse
Mr. Holt	Mr. Scholfield
Mr. Hughes	Mr. Stacey
Mr. Hunter	Sir Frederick Stewart
Mr. Hutchinson	Mr. Street
Mr. Jennings	Mr. White
Mr. Lane	
Mr. John Lawson	
Mr. Lyons	
Sir Charles Marr	Mr. Gardner
Mr. McBride	Mr. Thompson

Tellers:

Noes, 25.

Mr. Baker	Mr. Lazzarini
Mr. Barnard	Mr. G. W. Mahoney
Mr. Beasley	Mr. Makin
Mr. Blackburn	Mr. Martens
Mr. Brennan	Mr. William Riordan
Mr. Clark	Mr. Rosevear
Mr. Curtin	Mr. Scullin
Mr. Drakeford	Mr. Ward
Mr. Forde	Mr. D. O. Watkins
Mr. Frost	
Mr. Garden	
Mr. Albert Green	
Mr. Holloway	
Mr. James	

Tellers:

Mr. Gander
Mr. George Lawson

And so it was resolved in the affirmative.

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7. CUSTOMS TARIFF VALIDATION BILL (1937).—Mr. White (Minister for Trade and Customs) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff Proposals.
Question—put and passed.
Mr. White 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. White moved, by leave, That the second reading be made an Order of the Day for a later hour this day.
Question—put and passed.
8. CUSTOMS TARIFF (EXCHANGE ADJUSTMENT) VALIDATION BILL (1937).—Mr. White (Minister for Trade and Customs) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to provide for the Validation of Adjustments in Duties of Customs under Customs Tariff (Exchange Adjustment) Proposals.
Question—put and passed.
Mr. White 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. White moved, by leave, That the second reading be made an Order of the Day for a later hour this day.
Question—put and passed.
9. CUSTOMS TARIFF (CANADIAN PREFERENCE) VALIDATION BILL (1937).—Mr. White (Minister for Trade and Customs) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to provide for the Validation of Collections of Duties of Customs under Customs Tariff (Canadian Preference) Proposals.
Question—put and passed.
Mr. White 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. White moved, by leave, That the second reading be made an Order of the Day for a later hour this day.
Question—put and passed.
10. EXCISE TARIFF VALIDATION BILL (1937).—Mr. White (Minister for Trade and Customs) moved, pursuant to notice, That he have leave to bring in a Bill for an Act to provide for the Validation of Collections of Duties of Excise under Excise Tariff Proposals.
Question—put and passed.
Mr. White 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. White moved, by leave, That the second reading be made an Order of the Day for a later hour this day.
Question—put and passed.
11. WAYS AND MEANS ["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 Ways and Means—
Question proposed—That Mr. Speaker do now leave the Chair.
Debate ensued.
Sir Archdale Parkhill (Minister for Defence) moved, That the debate be now adjourned.
Question—That the debate be now adjourned—put.
The House divided (The Speaker, Mr. Bell, in the Chair)—

Ayes, 32.

Noes, 24.

Mr. A. G. Cameron	Mr. McBride	Mr. Baker	Mr. Lazzarini
Sir Donald Cameron	Mr. McEwen	Mr. Barnard	Mr. G. W. Mahoney
Mr. Casey	Mr. Menzies	Mr. Beasley	Mr. Makin
Mr. Bernard Corser	Mr. Nairn	Mr. Blackburn	Mr. Martens
Mr. Fadden	Mr. Earle Page	Mr. Brennan	Mr. William Riordan
Mr. J. V. Fairbairn	Sir Archdale Parkhill	Mr. Clark	Mr. Rosevear
Sir Henry Gullett	Mr. Thomas Paterson	Mr. Drakeford	Mr. Scullin
Mr. E. F. Harrison	Mr. Perkins	Mr. Forde	Mr. Ward
Mr. E. J. Harrison	Mr. Prowse	Mr. Frost	Mr. D. O. Watkins
Mr. Hawker	Mr. Scholfield	Mr. Garden	
Mr. Holt	Mr. Stacey	Mr. Albert Green	<i>Tellers:</i>
Mr. Hughes	Sir Frederick Stewart	Mr. Holloway	Mr. Gander
Mr. Hunter	Mr. Street	Mr. James	Mr. George Lawson
Mr. Jennings			
Mr. Lane	<i>Tellers:</i>		
Mr. John Lawson	Mr. Gardner		
Sir Charles Marr	Mr. Thompson		

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.

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12. SUPPLY—ESTIMATES—ADDITIONS, NEW WORKS, BUILDINGS, ETC., 1937-38.—The House, according to Order, resolved itself into the Committee of Supply.

(In the Committee.)

ADDITIONS, NEW WORKS, BUILDINGS, ETC., 1937-38.

Vote—"Postmaster-General's Department, £2,250,000"—debated and agreed to.

Vote—"Part III.—Territories of the Commonwealth, £635,000"—debated and agreed to.

Mr. Casey (Treasurer) moved, That there be granted to His Majesty to the service of the year 1937-38, for the purposes of Additions, New Works, Buildings, &c., a sum not exceeding £3,721,000.

Question—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 a later hour this day, again resolve itself into the said Committee.

13. SUSPENSION OF STANDING ORDERS.—Mr. Casey (Treasurer) moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be passed without delay.
Question—put and passed.
14. SUPPLY RESOLUTION.—The Resolution reported from the Committee of Supply was read, and, on the motion of Mr. Casey (Treasurer), was adopted by the House.
15. WAYS AND MEANS RESOLUTION—ESTIMATES—ADDITIONS, NEW WORKS, BUILDINGS, ETC., 1937-38.—The House, according to Order, resolved itself into the Committee of Ways and Means.

(In the Committee.)

ADDITIONS, NEW WORKS, BUILDINGS, ETC., 1937-38.

Mr. Casey (Treasurer) moved, That, towards making good the Supply granted to His Majesty for Additions, New Works, Buildings, &c., for the year 1937-38, there be granted out of the Consolidated Revenue Fund a sum not exceeding £3,721,000.

Question—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 a later hour this day, again resolve itself into the said Committee. 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. Thomas Paterson do prepare and bring in a Bill to carry out the foregoing Resolution.

16. APPROPRIATION (WORKS AND BUILDINGS) BILL 1937-38.—Mr. Casey (Treasurer) then brought up a Bill intituled "*A Bill for an Act to grant and apply a sum out of the Consolidated Revenue Fund for the service of the year ending the thirtieth day of June One thousand nine hundred and thirty-eight for the purposes of Additions, New Works, Buildings, &c., and to appropriate such sum*", 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.

17. MESSAGE FROM THE GOVERNOR-GENERAL.—ASSENT TO BILL.—The following Message from His Excellency the Governor-General was received, and was read by Mr. Speaker :—

GOWRIE,

Governor-General.

Message No. 22.

A Proposed Law intituled "*Supply Act (No. 2) 1937-38*" as finally passed by the Senate and the House of Representatives of the Commonwealth, having been presented to the Governor-General for the Royal Assent, His Excellency has, in the name and on behalf of His Majesty, assented to the said Law.

Government House,
Canberra, 9th September, 1934.

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18. 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 .. $\frac{76.5}{100} \left\{ 3 + \frac{T}{160} \right\}$ 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 .. $\frac{76.5}{100} \left\{ 3 + \frac{6,900}{160} \right\}$ pence.

and

the rate of tax for every pound of taxable income in excess of £6,900 shall be .. 68.85 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 $\frac{90}{100} \left\{ 3 + \frac{T}{100} \right\}$ 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 .. $\frac{90}{100} \left\{ 1 + \frac{T \times 14}{1,000} \right\}$ 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 .. $\frac{90}{100} \left\{ 4\frac{3}{4} + \frac{T \times 23}{2,000} \right\}$ 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 .. $\frac{90}{100} \left\{ 4\frac{3}{4} + \frac{3,700 \times 23}{2,000} \right\}$ pence.

and

the rate of tax for every pound of taxable income in excess of £3,700 shall be .. 81 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.

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.

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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 One shilling.

(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 One shilling.

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-seven.

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-seven made prior to the passing 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-eight.

Debate ensued.

Question—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 a later hour this day, again resolve itself into the said Committee.

Mr. Casey moved, pursuant to contingent notice, That the Standing Orders be suspended, to enable the remaining stages to be 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.

19. INCOME TAX BILL (1937).—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, after debate.

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.

20. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 3, Government Business, be postponed until a later hour this day.

21. POST OFFICE WORKS BILL.—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.*)

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 (Treasurer), the House adopted the Report, and (the Standing Orders having previously been suspended, *see* page 96), the Bill was read a third time.

22. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 5 to 10, Government Business, be postponed until a later hour this day.

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23. NATIONAL OIL PROPRIETARY LIMITED AGREEMENT BILL.—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. John Lawson 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.

24. ADJOURNMENT.—Sir Archdale Parkhill (Minister for Defence) moved, That the House do now adjourn.
Debate ensued.
Question—put and passed.

And then the House, at seven minutes to eleven o'clock p.m., 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. Thomas Collins, Mr. Fiske, Mr. Roland Green, Mr. Gregory, Mr. W. Maloney, Mr. McCall, Mr. McClelland, Mr. Mulcahy, and Mr. Scully.

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