

1940-41.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.  
CANBERRA.

VOTES AND PROCEEDINGS  
OF THE  
HOUSE OF REPRESENTATIVES.

No. 60.

TUESDAY, 25TH NOVEMBER, 1941.

1. The House met, at three o'clock p.m., pursuant to adjournment.—Mr. Speaker (the Honorable W. M. Nairn) took the Chair, and read Prayers.
2. TAXATION PROPOSALS—REPORT OF COMMITTEE—MINISTERIAL STATEMENT.—Mr. Chifley (Treasurer), by leave, made a Ministerial Statement with reference to the Income Tax proposals being considered by the Committee of Members, and, by command of His Excellency the Governor-General, laid upon the Table, the following Paper :—  
Income Tax—Calls paid to Mining Companies—Report of Committee of Members of the House of Representatives.
3. USE OF SPECIAL FUNDS FOR SECURITY PURPOSES—REPORT OF ROYAL COMMISSION—MOTION FOR PRINTING PAPER.—Mr. Curtin (Prime Minister), laid upon the Table, by command of His Excellency the Governor-General, the following Paper :—  
Use of certain Public Moneys—Report by the Hon. Sir Percival Halse Rogers, K.B.E., Royal Commissioner,  
and moved, That the Paper be printed.  
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.
4. TASMANIA AND THE WAR—ECONOMIC EFFECTS—COMMITTEE OF INQUIRY—MINISTERIAL STATEMENT.—Mr. Curtin (Prime Minister), by leave, made a Ministerial Statement informing the House of the decision to appoint a Committee to inquire into the economic position of Tasmania as affected by and in relation to Australia's war problems and war effort.
5. WHEAT—EXCESS PLANTING—MINISTERIAL STATEMENT.—Mr. Scully (Minister for Commerce), by leave, made a Ministerial Statement informing the House of the provisions being made to permit the harvesting of wheat sown in excess of quantities licensed under the Wheat Stabilization Plan.
6. JURISDICTION OF SUPREME COURT, AUSTRALIAN CAPITAL TERRITORY—MINISTERIAL STATEMENT.—Mr. Evatt (Attorney-General), by leave, made a Ministerial Statement with reference to an insurance claim made in Canberra against the agents of Lloyd's, London, and the application thereto of the jurisdiction of the Supreme Court of the Australian Capital Territory.
7. PAPERS.—The following Papers were presented, pursuant to Statute—  
Australian Soldiers' Repatriation Act—Repatriation Commission—Report for year 1940-41.  
Lands Acquisition Act—Land acquired—  
For Administrative purposes—Darwin, Northern Territory.  
For Defence purposes—Nhill, Victoria.  
National Security Act—  
National Security (General) Regulations—  
By-laws—Controlled area (2).  
Orders—  
Control of lights and traffic (2).  
Navigation and Anchor Lights.  
Navigation (Darkening Ship).  
Navigation (Sailing and Routeing Instructions).  
Protected area.  
Protection of Shipping (Defensive Armament).  
Taking possession of land, &c. (36).  
Use of land (5).  
National Security (Internment Camps) Regulations—Orders—  
Classification of Overseas Internees (No. 1).  
Internment Camp (No. 4).  
National Security (Prisoners of War) Regulations—Camp Order (No. 2).

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Papua Act—Ordinances—1941—

No. 8—Customs Tariff (No. 2).

No. 9—Port Moresby Water Supply.

Seat of Government Acceptance Act and Seat of Government (Administration) Act—Ordinance—1941—No. 17—Nurses Registration.

8. MESSAGE FROM THE SENATE—INVALID AND OLD-AGE PENSIONS BILL 1941.—Mr. Speaker announced the receipt of the following Message from the Senate :—

MR. SPEAKER,

Message No. 81.

The Senate returns to the House of Representatives the Bill for " *An Act to amend the ' Invalid and Old-age Pensions Act 1908-1940 ' , and for other purposes ' , and acquaints the House that the Senate has agreed to the Bill without amendment.*

JAS. CUNNINGHAM,  
President.

The Senate,  
Canberra, 21st November, 1941.

9. WAR-TIME (COMPANY) TAX ASSESSMENT BILL 1941.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—  
Mr. Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

*(In the Committee.)*

Clause 4 further considered—

On the motion of Mr. Fadden (Leader of the Opposition), the following amendment was made, after debate :—

Page 2, line 2, omit " four ", insert " five ".

Clause, as amended, agreed to.

Clause 5 debated—

On the motion of Mr. Lazzarini (Minister assisting the Treasurer), the following amendment was made, after debate :—

Page 2, line 6, omit " Twenty-five ", insert " Twenty ".

Clause, as amended, agreed to.

Clause 6—

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

Page 2, line 18, after " forty-one " add " and all subsequent years ".

Clause, as amended, agreed to.

Clause 7 agreed to.

Title agreed to.

Bill to be reported with amendments.

The House resumed ; Mr. Prowse reported accordingly.

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

10. WAYS AND MEANS—WAR-TIME (COMPANY) 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 29th October, 1941 (see page 203).

Mr. Fadden (Leader of the Opposition) moved, as an amendment, That the word " Six " (line 5) be omitted with a view to inserting the word " Five " in place thereof.

Debate ensued.

Question—That the amendment be agreed to—put.

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

Ayes, 24.

Mr. Abbott	Mr. McEwen
Mr. Anthony	Mr. Menzies
Sir George Bell	Mr. Nairn
Mr. Cameron	Mr. Paterson
Mr. Collins	Mr. Price
Mr. Duncan-Hughes	Mr. Ryan
Mr. Fadden	Mr. Spender
Mr. Francis	Mr. Spooner
Mr. Harrison	Sir Frederick Stewart
Mr. Hughes	
Mr. Hutchinson	<i>Tellers:</i>
Mr. Jolly	Mr. Beck
Mr. McDonald	Mr. Marwick

Noes, 27.

Mr. Baker	Mr. Johnson
Mr. Beasley	Mr. Lawson
Mr. Blackburn	Mr. Lazzarini
Mr. Breen	Mr. Martens
Mr. Chifley	Mr. McLeod
Mr. Clark	Mr. Morgan
Mr. Coles	Mr. Mulcahy
Mr. Curtin	Mr. Riordan
Mr. Dedman	Mr. Scully
Mr. Drakeford	Mr. Ward
Mr. Evatt	
Mr. Falstein	<i>Tellers:</i>
Mr. Forde	Mr. Pollard
Mr. Frost	Mr. Sheehan
Mr. Holloway	

And so it was negatived.

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 the next sitting, again resolve itself into the said Committee.

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Mr. Lazzarini (Minister assisting the Treasurer) 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. Lazzarini, was adopted by the House.

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

11. WAR-TIME (COMPANY) TAX BILL 1941.—Mr. Lazzarini (Minister assisting the Treasurer) then brought up a Bill intituled “ A Bill for an Act to amend the ‘ War-time (Company) Tax Act 1940 ’ ”, and moved, That it be now read a first time.

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

Mr. Lazzarini 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. Lazzarini, the House adopted the Report, and the Bill was read a third time.

12. AUSTRALIAN SOLDIERS’ REPATRIATION BILL 1941.—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. Frost (Minister for Repatriation), the House adopted the Report, and, by leave, the Bill was read a third time.

13. POST AND TELEGRAPH RATES BILL 1941.—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. McDonald moved, as an amendment, That all words after “ Bill ” be omitted with a view to inserting the following words in place thereof :—“ be withdrawn temporarily and re-introduced with the provisions of Statutory Rules 1941 No. 261 incorporated therein ”.

Debate continued.

Mr. Mulcahy 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 a later hour this day.

14. INCOME TAX ASSESSMENT BILL 1941.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—

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

(In the Committee.)

Clause 6—

Debate resumed on the amendment moved by Mr. Spooner, viz. :—That the words “ sub-paragraphs (i) and (ii) ” (line 27) be omitted with a view to inserting the words “ sub-paragraph (i) ” in place thereof.

Question—That the amendment be agreed to—put.

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

Ayes, 23.

Mr. Abbott	Mr. McEwen
Mr. Anthony	Mr. Nairn
Sir George Bell	Mr. Paterson
Mr. Cameron	Mr. Price
Mr. Collins	Mr. Ryan
Mr. Duncan-Hughes	Mr. Spender
Mr. Fadden	Mr. Spooner
Mr. Francis	Sir Frederick Stewart
Mr. Harrison	
Mr. Hughes	
Mr. Hutchinson	<i>Tellers:</i>
Mr. Jolly	Mr. Beck
Mr. McDonald	Mr. Marwick

Noes, 27.

Mr. Baker	Mr. Johnson
Mr. Beasley	Mr. Lawson
Mr. Blackburn	Mr. Lazzarini
Mr. Breen	Mr. McLeod
Mr. Chifley	Mr. Morgan
Mr. Clark	Mr. Mulcahy
Mr. Coles	Mr. Pollard
Mr. Curtin	Mr. Riordan
Mr. Dedman	Mr. Scully
Mr. Drakeford	Mr. Ward
Mr. Evatt	
Mr. Falstein	<i>Tellers:</i>
Mr. Forde	
Mr. Frost	Mr. Martens
Mr. Holloway	Mr. Sheehan

And so it was negatived.

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

Page 2, at end of clause add the following sub-clause :—

“(2.) The amendments effected by the last preceding sub-section shall not apply to any dividends paid, credited or distributed if the dividends were declared prior to the thirtieth day of October, One thousand nine hundred and forty-one.”

Clause, as amended, debated and agreed to.

Clause 7 debated—

Question—That the clause be agreed to—put.

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

Ayes, 27.

Mr. Baker	Mr. Johnson
Mr. Beasley	Mr. Lawson
Mr. Blackburn	Mr. Lazzarini
Mr. Breen	Mr. McLeod
Mr. Chifley	Mr. Morgan
Mr. Clark	Mr. Mulcahy
Mr. Coles	Mr. Pollard
Mr. Curtin	Mr. Riordan
Mr. Dedman	Mr. Scully
Mr. Drakeford	Mr. Ward
Mr. Evatt	
Mr. Falstein	
Mr. Forde	<i>Tellers:</i>
Mr. Frost	Mr. Martens
Mr. Holloway	Mr. Sheehan

Noes, 23.

Mr. Abbott	Mr. McEwen
Mr. Anthony	Mr. Nairn
Sir George Bell	Mr. Paterson
Mr. Cameron	Mr. Price
Mr. Collins	Mr. Ryan
Mr. Duncan-Hughes	Mr. Spender
Mr. Fadden	Mr. Spooner
Mr. Francis	Sir Frederick Stewart
Mr. Harrison	
Mr. Hughes	<i>Tellers:</i>
Mr. Hutchinson	Mr. Beck
Mr. Jolly	Mr. Marwick
Mr. McDonald	

And so it was resolved in the affirmative.

Clauses 8 and 9 agreed to.

Clause 10 debated—

Question—That the clause be agreed to—put.

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

Ayes, 27.

Mr. Baker	Mr. Johnson
Mr. Beasley	Mr. Lawson
Mr. Blackburn	Mr. Lazzarini
Mr. Breen	Mr. McLeod
Mr. Chifley	Mr. Morgan
Mr. Clark	Mr. Mulcahy
Mr. Coles	Mr. Pollard
Mr. Curtin	Mr. Riordan
Mr. Dedman	Mr. Scully
Mr. Drakeford	Mr. Ward
Mr. Evatt	
Mr. Falstein	
Mr. Forde	<i>Tellers:</i>
Mr. Frost	Mr. Martens
Mr. Holloway	Mr. Sheehan

Noes, 23.

Mr. Abbott	Mr. McEwen
Mr. Anthony	Mr. Nairn
Sir George Bell	Mr. Paterson
Mr. Cameron	Mr. Price
Mr. Collins	Mr. Ryan
Mr. Duncan-Hughes	Mr. Spender
Mr. Fadden	Mr. Spooner
Mr. Francis	Sir Frederick Stewart
Mr. Harrison	
Mr. Hughes	<i>Tellers:</i>
Mr. Hutchinson	Mr. Beck
Mr. Jolly	Mr. Marwick
Mr. McDonald	

And so it was resolved in the affirmative.

Clause 11 debated and agreed to.

Clause 12 debated and agreed to.

Clause 13 agreed to.

Clause 14—

On the motion of Mr. Fadden (Leader of the Opposition), the following amendment was made :—

Page 5, at end of clause add the following sub-clause :—

“(2.) The amendments effected by the last preceding sub-section shall not apply to any premium in respect of any lease granted, assigned or surrendered prior to the thirtieth day of October, One thousand nine hundred and forty-one.”

Clause, as amended, agreed to.

Clause 15—

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

Page 5, line 16, after “estate” add “and shall be deemed to be income to which no beneficiary is presently entitled”.

Clause, as amended, agreed to.

Clause 16 agreed to.

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## Clause 17—

Mr. Chifley (Treasurer) moved, as an amendment, That proposed new section 102A be omitted and the following proposed new sections inserted in place thereof :—

“ 102A.—(1.) Where after the twenty-ninth day of October, One thousand nine hundred and forty-one the wife of a taxpayer has acquired or acquires any property, whether directly or indirectly, as a result of any gift by the taxpayer or any transfer by him without his receiving fully adequate consideration, and the taxable income derived by the wife during the year of income is in excess of Two hundred pounds, the Commissioner shall—

- (a) assess the taxpayer to pay the amount of tax which would be payable if the rate of tax applicable to his taxable income were the rate which would be applicable if there were added to his taxable income an amount equal to so much of the income from that property as is included in the taxable income of the wife ; and
- (b) assess the wife to pay the amount of tax which would be payable by her if—
- (i) the rate of tax applicable to so much of the income from that property as is included in her taxable income were the same as the rate at which the taxpayer is assessed in accordance with the last preceding paragraph ; and
- (ii) the rate of tax applicable to the remainder of her taxable income were the rate of tax which would be applicable to a taxable income equal to that remainder,

and the taxpayer and his wife shall respectively be liable to pay the amounts so assessed.

(2.) For the purposes of this section, the part of the income from the property included in the taxable income of the wife shall be the amount remaining after deducting from the income from the property—

- (a) the deductions allowable under this Act from that income ; and
- (b) where the property is a business, such amount as, in the opinion of the Commissioner, represents the value of any services rendered by her in carrying on that business.

“ 102B. This Division shall continue in operation so long as the *National Security Act 1939–1940* continues in operation and no longer.”

On the motion of Mr. Spender, the following amendments were made in proposed new section 102A :—

Line 3, after “ taxpayer ” insert “ made after that date ”.

Line 4, after “ him ” insert “ after that date ”.

Amendment, as amended, agreed to.

Clause, as amended, agreed to.

## Clause 18—

On the motion of Mr. Lazzarini, (Minister assisting the Treasurer) the following amendment was made, after debate :—

Page 6, lines 8–11, omit all the words after “ Principal Act ”, insert “ is amended—

- (a) by inserting in paragraph (e) of sub-section (2.), after the word ‘ year ’ (second occurring), the words ‘ or, if the company is a non-resident, before the expiration of nine months after the close of that year ’ ; and
- (b) by adding at the end thereof the following sub-sections :—

‘ (3.) For the purpose of ascertaining the distributable income of a private company, the private company may elect that, in lieu of deducting from its taxable income any income tax paid under this Act (other than the tax paid under this Division) in the year of income, there shall be deducted any income tax payable under this Act (other than the tax payable under this Division) in respect of the income of that year of income.

‘ (4.) Where any private company has made an election under the last preceding sub-section, that election shall, unless the Commissioner otherwise directs, be deemed to have been made also for the purpose of ascertaining the distributable income of that company for all subsequent years.’ ”

Clause, as amended, agreed to.

Clauses 19 to 21 agreed to.

## Clause 22—

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

Page 6, line 33, at end of clause add the following :—“ and the following sections inserted in its stead :—

‘ 160.—(1.) Where in respect of the income of any year of income the sum of the the tax assessed under this Act and under the *War-time (Company) Tax Assessment Act 1940–1941* and the income tax imposed under any law of a State or of a Territory being part of the Commonwealth exceeds ninety per centum of an amount ascertained by adding to the taxable income of the taxpayer the amount of any deductions allowed under the provisions of paragraph (c) of sub-section (1.) of section seventy-two of this Act, a rebate shall be allowed of so much of that excess as bears to that excess the same proportion as the sum of the tax assessed under this Act and under the *War-time (Company) Tax Assessment Act 1940–1941* bears to the sum of those taxes and the income tax imposed under any law of any such State or Territory.

(2.) For the purposes of the last preceding sub-section, any reference to tax assessed under this Act, or under the *War-time (Company) Tax Assessment Act 1940–1941*, or to any income tax imposed under any law of a State or Territory, shall not include any additional tax for which the taxpayer becomes liable by reason of any evasion or non-compliance with any provisions of this Act, the *War-time (Company) Tax Assessment Act 1940–1941* or the law of the State or Territory, as the case may be.

‘ 160A.—(1.) Where a taxpayer has, in the year of income, paid calls on shares owned by him in a mining company or syndicate carrying on mining operations in Australia for gold, silver, base metals, rare minerals or oil, or in any company carrying

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on afforestation in Australia as its principal business, he shall be entitled to a rebate in his assessment of the amount obtained by applying to the amount of the calls (not exceeding the amount of the taxable income of the year of income) a rate equivalent to—

- (a) where the taxpayer is not a company and the taxable income is derived wholly from personal exertion—one-third of the rate of tax payable for the year of tax on a taxable income from personal exertion equal to the taxable income of the taxpayer ;
- (b) where the taxpayer is not a company and the taxable income is not derived wholly from personal exertion—one-third of the rate of tax payable for the year of tax on a taxable income from property equal to the taxable income of the taxpayer ; or
- (c) where the taxpayer is a company—one-third of the rate of tax payable by companies for the year of tax.

(2.) For the purposes of paragraph (c) of the last preceding sub-section tax payable by a taxpayer which is a company shall not include—

- (a) any tax imposed by any Act as a super tax on part of the taxable income of a company ; or
- (b) any tax assessed under the provisions of Part IIIA. of this Act.' ”.

Clause, as amended, agreed to.

Clause 23 debated and agreed to.

Clauses 24 to 26 agreed to.

Clause 27—

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

Page 7, lines 16–19, omit all the words after “ Principal Act ”, insert “ is amended—

- (a) by omitting from paragraph (a) of the definition of ‘ employee ’ the word ‘ and ’ (last occurring) ;
- (b) by adding at the end of the definition of ‘ employee ’ the following word and paragraph :—  
‘ ; and (c) includes any member of the Defence Force ; ’ ; and
- (c) by omitting paragraph (a) of the definition of ‘ salary or wages ’ and inserting in its stead the following paragraph :—  
‘ (a) under any contract which is wholly or substantially for the labour of the person to whom the payments are made ; ’ ”.

Clause, as amended, agreed to.

Clause 28 postponed.

*New clauses—*

On the motion of Mr. Lazzarini, the following new clauses were inserted in the Bill :—

“ 4A. Section twenty-six of the Principal Act is amended by inserting after paragraph (e) the following paragraph :—  
‘ (ea) the value to any taxpayer who is a member of the Defence Force of all allowances given or granted in respect of his service as such a member, whether so given or granted in money, goods, meals, sustenance, the use of premises or quarters, or otherwise ; ’ ”.

Certain items of assessable income.

“ 20A. The heading to Division 17 of Part III. of the Principal Act is amended by omitting the words ‘ on Income Taxed Abroad and on Business Income ’ ”.

Amendment of heading to Division 17 of Part III.

Postponed clause 28—

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

Page 7, lines 22–23, omit “ to twenty (both sections inclusive) and sections ”, insert “, fifteen, sixteen, eighteen, nineteen,”.

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. Lazzarini, by leave, the House adopted the Report, and, by leave, the Bill was read a third time.

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

Question—put and passed.

And then the House, at twenty-one minutes past ten 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. Badman, Mr. Barnard, Mr. Blain, Mr. Brennan, Mr. Conelan, Mr. Guy, Mr. Holt, Mr. James, Mr. Langtry, Sir Charles Marr, Mr. McCall, Sir Earle Page\*, Mr. Perkins, Mr. Rankin, Mr. Stacey, Mr. Watkins, Mr. White\*, and Mr. Wilson.

\* On leave.

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