

1940-41-42.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.
CANBERRA.

VOTES AND PROCEEDINGS
OF THE
HOUSE OF REPRESENTATIVES.

No. 100.

TUESDAY, 29TH SEPTEMBER, 1942.

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. WOMEN'S EMPLOYMENT BILL 1942.—Mr. Curtin (Prime Minister), pursuant to leave given on the 25th instant, brought up a Bill intituled "*A Bill for an Act to Encourage and Regulate the Employment of Women for the purpose of aiding the Prosecution of the present War*", and moved, That it be now read a first time.

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

Mr. Curtin 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.

3. PAPERS.—The following Paper was presented, by command of His Excellency the Governor-General—
Taxation Proposals—Report of the Committee of Senators and Members appointed to consider the Income Tax Assessment Bill (No. 2) and the War-time (Company) Tax Assessment Bill.

Ordered to lie on the Table.

The following Papers were presented, pursuant to Statute—

Lands Acquisition Act—Land acquired for Defence purposes—

Bendigo, Victoria.

Fremantle, Western Australia (2).

Gawler, South Australia.

Sale, Victoria.

National Security Act—

National Security (General) Regulations—Orders—

Control of—

Citrus Fruits.

Highway.

Prohibited places (2).

Prohibiting work on land (3).

Restriction of celery planting (South Australia).

Taking possession of land, &c. (201).

Use of land (36).

National Security (Land Transport) Regulations—Order—Western Australia (No. 3).

National Security (Liquid Fuel) Regulations—Order—Liquid fuel (Substitute fuels).

National Security (Supplementary) Regulations—Order—Provision of first aid facilities.

Seat of Government Acceptance Act and Seat of Government (Administration) Act—Regulations—1942—No. 9 (Building and Services Ordinance).

4. STATES GRANTS BILL 1942.—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. Chifley (Treasurer), the House adopted the Report, and (the Standing Orders having previously been suspended, see page 406), the Bill was read a third time.

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5. MESSAGE FROM THE GOVERNOR-GENERAL.—LOAN BILL (No. 3) 1942.—The following Message from His Excellency the Governor-General was presented, and was read by Mr. Speaker :—

GOWRIE,

*Governor-General.**Message No. 88.*

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 moneys be made for the purpose of a Bill for an Act to authorize the Raising and Expending of a certain Sum of Money.

Canberra, 22nd September, 1942.

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 moneys be made for the purpose of a Bill for an Act to authorize the Raising and Expending of a certain Sum of Money.

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. Lazzarini 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.

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. Prowse reported accordingly.

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

6. INCOME TAX ASSESSMENT BILL (No. 2) 1942.—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 to 5 agreed to.

Clause 6—

On the motion of Mr. Chifley (Treasurer), the following amendments were made :—

Page 2, line 32, omit "the purpose of producing", insert "a purpose which includes the production of".

Page 2, lines 35-37, omit "so much of the assessable income derived from those operations as is equal to twenty per centum of the amounts remaining after deducting from that income", insert "an amount equal to twenty per centum of the amount remaining after deducting from the assessable income derived from those operations".

Clause, as amended, debated and agreed to.

Clause 7—

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

Page 3, line 40, omit "so much of the income derived by a company as", insert "the amount of the income derived by a company which".

Clause, as amended, agreed to.

Clause 8 agreed to.

Clause 9—

On the motion of Mr. Chifley, the following amendments were made :—

Page 7, line 46, omit "less", insert "and, where the taxpayer, in consequence of the construction or acquisition of the building, has ceased to use any other building which he had used in carrying on his business, shall include such amount of any loss (not being a loss which is an allowable deduction) sustained by him as a result of that cessation as the Board of Referees determines, less in any case".

Page 8, lines 43-44, omit "or section fifty-nine B", insert "section fifty-nine B or section seventy-two B".

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Clause, as amended, agreed to.

Clause 10 agreed to.

Clause 11 debated and agreed to.

Clause 12—

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

Page 10, at the end of proposed new section 72B add the following sub-sections :—

“(6.) Where, in any assessment, the amount claimed by the taxpayer to be an allowable deduction under sub-section (1.) of this section is reduced by the Commissioner in pursuance of sub-section (2.) of this section, the taxpayer may, within sixty days after service of the notice of the assessment, in writing request the Commissioner to refer the claim to a Board of Referees and the Commissioner shall refer the claim accordingly.

“(7.) Upon every such reference the Board of Referees shall determine whether the amount of the deduction allowed by the Commissioner should be confirmed, increased or reduced and every determination made by the Board under this section shall be final and conclusive.

“(8.) The provisions of Division 2 of Part V. of this Act shall not apply in respect of any matter which, under sub-section (6.) of this section, may be referred to a Board of Referees.”

Clause, as amended, agreed to.

Clause 13 debated and agreed to.

Clause 14 debated and agreed to.

Clause 15—

On the motion of Mr. Chifley, the following amendments were made :—

Page 12, lines 1-2, omit “ amended ”, insert “ amended—(a) ”.

Page 12, at the end of the clause add—

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

“(5.) After the commencement of this sub-section, any election in pursuance of sub-section (3.) of this section shall be made in writing, signed by the public officer of the company, and notified to the Commissioner—

(a) where the election commences to apply in ascertaining the distributable income of the year ended on the thirtieth day of June, One thousand nine hundred and forty-one or of the year ended on the thirtieth day of June, One thousand nine hundred and forty-two, or the accounting period adopted under this Act in lieu of either of those years—on or before the thirty-first day of December, One thousand nine hundred and forty-two, or within such further time as the Commissioner may allow; and

(b) where the election commences to apply in ascertaining the distributable income of any subsequent year—on or before the date of lodgment of the return for that year or within such further time as the Commissioner may allow.

“(6.) Where a private company makes or has made an election under sub-section (3.) of this section, the income tax payable under this Act in respect of income derived during the year ended on the thirtieth day of June, One thousand nine hundred and forty-two, or the accounting period adopted under this Act in lieu of that year, shall, for the purpose of this section, be calculated as if in paragraph (a) of the Seventh Schedule to the *Income Tax Act 1942* the words “ forty-eight pence ” were substituted for the words “ seventy-two pence ”.”

Clause, as amended, agreed to.

Clause 16—

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

Page 12, line 12, add “ and inserting in its stead the following sub-section :—

“(2.) In ascertaining the gross income for the purpose of the last preceding sub-section there shall be deducted from what would otherwise be the gross income—

(a) the amount of any customs duty paid in respect of the importation of any film imported for the purpose of carrying on the business;

(b) the amount of any sales tax paid in respect of any copies of any such film which are printed in Australia; and

(c) the amount of any customs duty paid in respect of the importation of any unexposed sensitized film on which any such copies have been printed,

which, in the year of income, is paid to the Commonwealth (whether directly or indirectly) by the non-resident and which is not an allowable deduction to the person carrying on the business in Australia.”

Clause, as amended, agreed to.

Clauses 17 to 20 agreed to.

Clause 21—

On the motion of Mr. Chifley, the following amendments were made :—

Page 13, lines 4-5, omit “ amended ”, insert “ amended—(a) ”.

Page 13, at the end of the clause add—

“and (b) by adding at the end thereof the following sub-sections :—

“(5.) For the purpose of ascertaining that portion of the taxable income of a company which has not been distributed as dividends, the company may elect that, in lieu of deducting from its taxable income any income tax paid in the year of income under this Act (other than the further tax paid under this Part) or any tax paid under any Act passed by the Parliament imposing a war-time tax upon companies, there shall be deducted any income tax payable under this Act (other than the further tax payable under this Part) or any tax payable under any Act passed by the Parliament imposing a war-time tax upon companies in respect of the income of that year of income.

29th September, 1942.

(6.) Where any company has made an election under sub-section (5.) of this section, that election shall, unless the Commissioner otherwise directs, be deemed to have been made also for the purpose of ascertaining that portion of the taxable income of that company which has not been distributed as dividends, for all subsequent years.

(7.) The election which may be made in pursuance of sub-section (5.) of this section shall be made in writing, signed by the public officer of the company, and notified to the Commissioner—

(a) where the election commences to apply in ascertaining that portion of the taxable income derived by the company during the year ended on the thirtieth day of June, One thousand nine hundred and forty-two, or the accounting period adopted under this Act in lieu of that year, which has not been distributed as dividends—on or before the thirty-first day of December, One thousand nine hundred and forty-two, or within such further time as the Commissioner may allow ; and

(b) where the election commences to apply in ascertaining that portion of the taxable income derived by the company during any subsequent year which has not been distributed as dividends—on or before the date of lodgment of the return for that year, or within such further time as the Commissioner may allow.

(8.) Where a company makes an election under sub-section (5.) of this section, the income tax payable under this Act in respect of income derived during the year ended on the thirtieth day of June, One thousand nine hundred and forty-two, or the accounting period adopted under this Act in lieu of that year, shall, for the purpose of this section, be calculated as if in paragraph (a) of the Seventh Schedule to the *Income Tax Act 1942*, the words “ forty-eight pence ” were substituted for the words “ seventy-two pence ”.

Clause, as amended, agreed to.

Clauses 22 to 29 agreed to.

Clause 30 debated and agreed to.

Clause 31—

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

Page 15, line 35, omit “ section nineteen ”, insert “ sections twelve A, seventeen A and nineteen ”.

Clause, as amended, agreed to.

New Clauses—

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

“ 12A. Section seventy-eight of the Principal Act is amended—

*Gifts and
contributions.*

(a) by inserting in sub-section (1.), before paragraph (b), the following new paragraph :—

(a) In the case of a taxpayer which is a company, gifts of the value of One pound and upwards of money or of property other than money which was purchased by the company within twelve months immediately preceding the making of the gift, made by the company in the year of income to any of the following funds, authorities or institutions in Australia :—

(i) a public hospital ;

(ii) a public benevolent institution ;

(iii) a public fund established and maintained for the purpose of providing money for public hospitals or public benevolent institutions in Australia, or for the establishment of such hospitals or institutions, or for the relief of persons in Australia who are in necessitous circumstances ;

(iv) a public authority engaged in research into the causes, prevention or cure of disease in human beings, animals or plants, where the gift is for such research, or a public institution engaged solely in such research ;

(v) a public university or a public fund for the establishment of a public university ;

(vi) a residential educational institution affiliated under statutory provisions with a public university, or established by the Commonwealth ;

(vii) a public fund established and maintained for providing money for the construction or maintenance of a public memorial relating to the war which commenced on the fourth day of August, One thousand nine hundred and fourteen or the third day of September, One thousand nine hundred and thirty-nine ;

(viii) a public institution or public fund established and maintained for the comfort, recreation or welfare of members of the armed forces of any part of His Majesty's dominions, or of any allied or other foreign force serving in association with His Majesty's armed forces ; and

(ix) the Commonwealth, when made for purposes of defence.’ ; and

(b) by inserting after sub-section (1.) the following sub-section :—

(2.) For the purposes of this section, the value of a gift of property other than money shall be the value of the property at the time of the making of the gift, or the amount paid by the company for the property, whichever is the less.’ ”.

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“ 17A. Section one hundred and sixty of the Principal Act is amended by inserting ^{Concessional rebates.} in paragraph (g) of sub-section (2.), after the words ‘ year of income ’ the words ‘ (not being gifts which are allowable as deductions under this Act in the assessment of the taxpayer) ’.”
 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.

7. SUSPENSION OF STANDING ORDER NO. 70.—Mr. Curtin (Prime Minister) moved, by leave, That Standing Order No. 70 (eleven o'clock rule) be suspended for this sitting.
 Question—put and passed.
8. WAR-TIME (COMPANY) TAX ASSESSMENT BILL 1942.—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—
 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—

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

Page 2, at the end of the clause add—

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

(2.) For the purpose of calculating the deduction under paragraph (a) of the definition of “ taxable profit ” in the last preceding sub-section, the income tax payable by a company for the financial year commencing on the first day of July, One thousand nine hundred and forty-two, shall be calculated as if in paragraph (a) of the Seventh Schedule to the *Income Tax Act 1942* the words “ forty-eight pence ” were substituted for the words “ seventy-two pence ”.”

Clause, as amended, agreed to.

Clause 4 agreed to.

Clause 5—

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

Page 2, after line 38 insert the following proviso :—

“ Provided that a claim in respect of an assessment for the year of tax ended on the thirtieth day of June, One thousand nine hundred and forty-one or on the thirtieth day of June, One thousand nine hundred and forty-two, may be made at any time prior to the first day of January, One thousand nine hundred and forty-three.”

Clause, as amended, agreed to.

Clause 6—

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

Page 2, after line 43 insert the following proviso :—

“ Provided that where a notice of assessment of the taxable profit of any accounting period was served upon a company prior to the commencement of this sub-section, a claim in respect of that accounting period may be made at any time prior to the first day of January, One thousand nine hundred and forty-three.”

Clause, as amended, agreed to.

Clause 7 agreed to.

Clause 8—

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

Page 3, after line 24 insert the following proviso :—

“ Provided that where a notice of assessment of the taxable profit of any accounting period was served upon a company prior to the commencement of this sub-section an application in respect of that accounting period may be made at any time prior to the first day of January, One thousand nine hundred and forty-three.”

Clause, as amended, agreed to.

Clauses 9 to 11 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.

9. POSTPONEMENT OF ORDER OF THE DAY.—Ordered—That Order of the Day No. 4 be postponed until after Order of the Day No. 5, Government Business.
10. 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 instant (see page 404)

Motion agreed to.

29th September, 1942.

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

11. INCOME TAX BILL (NO. 2) 1942.—Mr. Chifley (Treasurer) then brought up a Bill intituled "*A Bill for an Act to amend the 'Income Tax Act 1942'*", 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.

12. PAY-ROLL TAX ASSESSMENT BILL 1942.—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—

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 (Treasurer), the House adopted the Report, and, by leave, the Bill was read a third time.

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

Debate ensued.

Question—put and passed.

And then the House, at fifteen 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. Badman, Mr. Barnard, Mr. Beck, Sir George Bell, Mr. Blain*, Mr. Brennan, Mr. Cameron, Mr. Coles, Mr. Drakeford, Mr. Duncan-Hughes, Mr. Falstein, Mr. James, Mr. Jolly, Mr. Langtry, Mr. McCall, Mr. Paterson, Mr. Price, Mr. Watkins, and Mr. White*.

* On Leave.

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