

1948.

## THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

## VOTES AND PROCEEDINGS

OF THE

## HOUSE OF REPRESENTATIVES.

No. 33.

THURSDAY, 28TH OCTOBER, 1948.

1. The House met, at half-past two o'clock p.m., pursuant to adjournment.—The Deputy Speaker (Mr. Clark) took the Chair, and read Prayers.
2. ADJOURNMENT-MOTION FOR PURPOSE OF DISCUSSION.—Mr. Harrison (Acting Leader of the Opposition) rose in his place, and said that he proposed to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, namely, "Maladministration in the Repatriation Department and in particular the attitude of the Minister for Repatriation in endeavouring to influence the judgment of the War Pensions Entitlement Appeal Tribunals by improper means".
- Mr. Deputy Speaker thereupon called upon those Members who approved of the proposed discussion to rise in their places, and more than the necessary number of Members having risen accordingly—Mr. Harrison moved, That the House do now adjourn.
- Ordered—That Mr. Harrison be granted an extension of time.
- Debate ensued.
- Ordered—That Mr. Barnard (Minister for Repatriation) be granted an extension of time.
- Debate continued.
- Closure.*—Mr. Scully (Vice-President of the Executive Council) moved, That the question be now put.
- Question—That the question be now put—put.
- The House divided (The Deputy Speaker, Mr. Clark, in the Chair)—

Ayes, 34.

Mr. Barnard	Mr. Holloway
Mr. Beazley	Mr. Johnson
Mrs. Blackburn	Mr. Langtry
Mr. Brennan	Mr. Lawson
Mr. Burke	Mr. Lazzarini
Mr. Calwell	Mr. Lemmon
Mr. Chambers	Mr. McLeod
Mr. Conelan	Mr. O'Connor
Mr. Daly	Mr. Pollard
Mr. Dedman	Mr. Russell
Mr. Drakeford	Mr. Scully
Mr. Duthie	Mr. Ward
Mr. Edmonds	Mr. Watkins
Mr. Falstein	Mr. Williams
Mr. Fraser	
Mr. Gaha	<i>Tellers:</i>
Mr. Hadley	Mr. Fuller
Mr. Haylen	Mr. Sheehan

Noes, 26.

Mr. Abbott	Mr. Hutchinson
Mr. Adermann	Mr. Lang
Mr. Anthony	Dame Enid Lyons
Mr. Beale	Mr. McBride
Mr. Bowden	Mr. McEwen
Mr. Cameron	Mr. Rankin
Mr. Davidson	Mr. Ryan
Mr. Fadden	Mr. Spender
Mr. Falkinder	Mr. Turnbull
Mr. Francis	Mr. White
Mr. Gullett	
Mr. Hamilton	<i>Tellers:</i>
Mr. Harrison	Mr. Corser
Mr. Hughes	Mr. McDonald

And so it was resolved in the affirmative.

And the question—That the House do now adjourn—was put accordingly, and negatived.

3. PAPER.—The following Paper was presented, pursuant to Statute—

Lands Acquisition Act—Land acquired for Postal purposes—Beverley, Western Australia,

F.4574.

28th October, 1948.

4. INCOME TAX ASSESSMENT BILL 1948.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—  
Mr. Deputy Speaker left the Chair, and the House resolved itself into a Committee of the Whole.

(In the Committee.)

Clause 8 further considered—

Mr. White moved, as an amendment, That after proposed sub-paragraph (xi) the following sub-paragraph be inserted:—“(xii) all subscriptions for ex-servicemen’s memorial halls;”.

Debate continued.

Question—That the sub-paragraph proposed to be inserted be so inserted—put.

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

Ayes, 25.

Mr. Abbott	Mr. Hutchinson
Mr. Adermann	Dame Enid Lyons
Mr. Anthony	Mr. McBride
Mr. Beale	Mr. McEwen
Mr. Bowden	Mr. Rankin
Mr. Cameron	Mr. Ryan
Mr. Davidson	Mr. Spender
Mr. Fadden	Mr. Turnbull
Mr. Falkinder	Mr. White
Mr. Francis	
Mr. Gullett	
Mr. Hamilton	
Mr. Harrison	
Mr. Hughes	

Tellers:

Mr. Corser
Mr. McDonald

Noes, 35.

Mr. Barnard	Mr. Holloway
Mr. Beazley	Mr. Johnson
Mrs. Blackburn	Mr. Lang
Mr. Brennan	Mr. Langtry
Mr. Burke	Mr. Lawson
Mr. Calwell	Mr. Lazzarini
Mr. Chambers	Mr. Lemmon
Mr. Clark	Mr. McLeod
Mr. Conelan	Mr. O'Connor
Mr. Daly	Mr. Pollard
Mr. Dedman	Mr. Russell
Mr. Drakeford	Mr. Scully
Mr. Duthie	Mr. Ward
Mr. Edmonds	Mr. Watkins
Mr. Falstein	
Mr. Fraser	
Mr. Gaha	
Mr. Hadley	
Mr. Haylen	

Tellers:

Mr. Fuller
Mr. Williams

And so it was negatived.

Clause agreed to.

Clause 9—

Mr. Fadden moved, as an amendment, That the following paragraphs be added to the definition of “distributable income” (page 5):—

“(e) any expenditure incurred by the company in the course of gaining or producing any income or profit derived during the year of income, not being expenditure of capital or of a capital, private or domestic nature, and not being expenditure which is an allowable deduction, or, where the income or profit is not included in the assessable income, which would have been an allowable deduction if that income or profit had been assessable income:

“(f) the amount necessary to restore unrecouped losses of paid up capital:

Provided that where the Commissioner is satisfied that it was necessary for a company to retain profit of the year of income to meet losses which, at the expiration of six months after the close of that year, appeared certain to arise, he may make such allowance from the distributable income of that year as he considers just having regard to the total profit of the company for the year of income and to the undistributed profits of the company;”.

Debate ensued.

Amendment negatived.

Progress to be reported, and leave asked to sit again.

The House resumed; Mr. Lazzarini reported accordingly.

Resolved—That the House will, at a later hour this day, again resolve itself into the said Committee.

5. POSTPONEMENT OF ORDERS OF THE DAY.—Ordered—That Orders of the Day Nos. 2 to 21 be postponed until after Order of the Day No. 22, Government Business.
6. IMMIGRATION BILL 1948.—The Order of the Day having been read for the second reading—Mr. Calwell (Minister for Immigration) moved, That the Bill be now read a second time.  
Mr. Harrison (Acting 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.
7. INCOME TAX ASSESSMENT BILL 1948.—The Order of the Day having been read for the further consideration of this Bill in Committee of the whole House—  
Mr. Deputy Speaker left the Chair, and the House again resolved itself into a Committee of the Whole.

28th October, 1948.

(In the Committee.)

Clause 9 further considered.

Mr. Fadden moved, as an amendment, That the definition of " private company " (pages 5 and 6) be omitted and the following definition inserted in place thereof:—

" ' private company ' means a company which is under the control of not more than seven persons, and which is not a company in which the public are substantially interested or a subsidiary of a public company ; ".

Debate continued.

Amendment negatived.

On the motion of Mr. Dedman (Minister for Defence), the following amendments were made :—

Page 5, lines 43 and 44, omit " (not being a company in which the public are substantially interested) ".

Page 6, line 1, after " not " insert " a company in which the public are substantially interested or ".

Page 9, at the end of the clause add the following sub-clause :—

" (2.) Notwithstanding the amendment effected by this section, and the provisions of section twenty-three of this Act, a company shall be deemed not to have been a private company within the meaning of the definition of ' private company ' in section one hundred and three, or for the purposes of any other provision, of the Principal Act, as amended by this Act, at any time during the year of income which ended on the thirtieth day of June, One thousand nine hundred and forty-eight, if, in relation to that year of income, the company would have been deemed to be a company in which the public were substantially interested within the meaning of paragraph (a) of sub-section (2.) of section one hundred and three of the Principal Act, if this Act had not been passed. ".

Clause, as amended, agreed to.

Clause 10 agreed to.

Clause 11 debated—

Mr. Fadden moved, as an amendment, That the following proviso be added to sub-section (1.) of proposed section 105A :—" Provided that this sub-section shall apply only where the Commissioner is of the opinion that the incorporation of the group of companies was undertaken for the purpose of avoiding or altering the incidence of taxation. ".

Debate continued.

Amendment negatived.

Mr. Fadden moved, as an amendment, That proposed section 105B be omitted.

Debate continued.

Amendment negatived.

Clause agreed to.

Clause 12 agreed to.

Clause 13—

Mr. Fadden moved, as an amendment, That the words " where the dividends are paid wholly and exclusively out of one or more of the following amounts " (page 12, lines 24 and 25) be omitted with a view to inserting the following words in place thereof :—" to the extent that the dividends are paid out of one or more of the following funds ".

Debate ensued.

Amendment negatived.

Mr. Fadden moved, as an amendment, That after " shares " (page 13, line 4) the words " of the same class as those shares " be inserted.

Debate continued.

Amendment negatived.

Clause agreed to.

Clause 14—

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

Page 13, after paragraph (a) insert the following paragraph :—

" (aa) by inserting in paragraph (g) of sub-section (2.), after the word ' Australia ' (wherever occurring), the words ' or the Territory of New Guinea ' ; ".

Clause, as amended, debated and agreed to.

Clause 15 agreed to.

Clause 16 omitted.

Clauses 17 and 18 agreed to.

Clause 19—

Mr. Fadden moved, as an amendment, That after proposed sub-paragraph (iii) (page 15, lines 19-22) the following sub-paragraph be inserted :—

" (iv) taxes paid or payable under assessments made pursuant to Division 7 of this Act to the extent provided by sub-paragraph (i) of paragraph (b) of sub-section (1.) of section one hundred and three, hereof. ".

Debate ensued.

Amendment negatived.

Clause agreed to.

Clauses 20 to 22 agreed to.

Clause 23 —

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

Page 18, line 18, omit " paragraph (a) " insert " paragraphs (a) and (aa) ".

Clause, as amended, agreed to.

Title agreed to.

Bill to be reported with amendments.

28th October, 1948.

The House resumed ; Mr. Lazzarini reported accordingly.

Mr. Dedman moved, by leave, That the Report be adopted.

Mr. Abbott moved, That the Bill be now recommitteed to a Committee of the whole House for the reconsideration of clause 4.

Debate ensued.

Question—put and negatived.

Question—That the Report be adopted—put and passed.

Mr. Dedman asked leave to move, That the Bill be now read a third time.

Objection being raised, leave not granted.

Mr. Dedman moved, pursuant to contingent notice, That so much of the Standing Orders be suspended as would prevent the remaining stages being passed without delay.

Debate ensued.

Question—put.

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

Ayes, 30.

Noes, 22.

Mr. Barnard	Mr. Langtry	Mr. Abbott	Mr. Hutchinson
Mr. Beazley	Mr. Lawson	Mr. Anthony	Mr. Lang
Mrs. Blackburn	Mr. Lazzarini	Mr. Beale	Mr. McBride
Mr. Brennan	Mr. Lemmon	Mr. Bowden	Mr. McEwen
Mr. Burke	Mr. McLeod	Mr. Cameron	Mr. Rankin
Mr. Calwell	Mr. O'Connor	Mr. Davidson	Mr. Spender
Mr. Chambers	Mr. Pollard	Mr. Fadden	Mr. Turnbull
Mr. Conelan	Mr. Russell	Mr. Falkinder	Mr. White
Mr. Dedman	Mr. Scully	Mr. Francis	<i>Tellers:</i>
Mr. Drakeford	Mr. Ward	Mr. Hamilton	Mr. Corser
Mr. Duthie	Mr. Watkins	Mr. Harrison	Mr. McDonald
Mr. Edmonds	Mr. Williams	Mr. Hughes	
Mr. Falstein	<i>Tellers:</i>		
Mr. Fraser	Mr. Fuller		
Mr. Gaha	Mr. Sheehan		
Mr. Haylen			

And so it was resolved in the affirmative.

Mr. Dedman moved, That the Bill be now read a third time.

Mr. Fadden moved, as an amendment, That the word "now" be omitted from, and that the words "this day six months" be added to, the question.

Amendment negatived.

Question—That the Bill be now read a third time—put and passed.—Bill read a third time.

8. 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. Dedman (Minister for Defence) on the 8th September, 1948 (see pages 24–6).

Motion agreed to.

Resolution to be reported, and leave asked to sit again.

The House resumed ; Mr. Sheehan reported accordingly.

Resolved—That the House will, at a later hour this day, again resolve itself into the said Committee.

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

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

9. INCOME TAX BILL 1948.—Mr. Dedman (Minister for Defence) 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. Dedman moved, That the Bill be now read a second time.

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

Mr. Deputy 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. Sheehan reported accordingly.

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

28th October, 1948.

10. ADJOURNMENT.—Mr. Dedman (Minister for Defence) moved, That the House do now adjourn.  
Debate ensued.

*Closure.*—Mr. Scully (Vice-President of the Executive Council) moved, That the question be now put.  
Question—That the question be now put—put.

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

Ayes, 28.

Mr. Barnard	Mr. Langtry
Mr. Beazley	Mr. Lawson
Mrs. Blackburn	Mr. Lazzarini
Mr. Brennan	Mr. Lemmon
Mr. Burke	Mr. McLeod
Mr. Calwell	Mr. O'Connor
Mr. Chambers	Mr. Pollard
Mr. Dedman	Mr. Russell
Mr. Drakeford	Mr. Scully
Mr. Duthie	Mr. Watkins
Mr. Edmonds	Mr. Williams
Mr. Falstein	
Mr. Fraser	<i>Tellers:</i>
Mr. Gaha	Mr. Fuller
Mr. Haylen	Mr. Sheehan

Noes, 15.

Mr. Anthony	Mr. Rankin
Mr. Bowden	Mr. Spender
Mr. Cameron	Mr. Turnbull
Mr. Davidson	Mr. White
Mr. Fadden	
Mr. Francis	<i>Tellers:</i>
Mr. Harrison	Mr. Corser
Mr. Hutchinson	Mr. Falkinder
Mr. McEwen	

And so it was resolved in the affirmative.

And the question—That the House do now adjourn—was put accordingly, and passed.

And then the House, at twenty-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. Blain, Mr. Evatt\*, Mr. Holt\*, Mr. Howse\*, Mr. James\*, Mr. Menzies\*, Mr. Mulcahy\*, Sir Earle Page, Mr. Riordan, Mr. Rosevear\*, Mr. Scullin\*, Mr. Sheehy\* and Mr. Thomson.

\* On leave.

F. J. GREEN,

*Clerk of the House of Representatives.*