

## The Bill.

(3.) The Commonwealth shall pay to each State month by month the balance (if any) in favour of the State.

90. On the imposition of uniform duties of customs the power of the Parliament to impose duties of customs and of excise, and to grant bounties on the production or export of goods, shall become exclusive.

On the imposition of uniform duties of customs all laws of the several States imposing duties of customs or of excise, or offering bounties on the production or export of goods, shall cease to have effect; but any grant of or agreement for any such bounty lawfully made by or under the authority of the Government of any State shall be taken to be good if made before the thirtieth day of June, one thousand eight hundred and ninety-eight, and not otherwise.

91. Nothing in this Constitution prohibits a State from granting any aid to or bounty on mining for gold, silver, or other metals, nor from granting with the consent of both Houses of the Parliament of the Commonwealth expressed by resolution, any aid to or bounty on the production or export of goods.

92. On the imposition of uniform duties of customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

But, notwithstanding anything in this Constitution, goods imported before the imposition of uniform duties of customs into any State, or into any colony which, whilst the goods remain therein, becomes a State, shall, on thence passing into another State within two years after the imposition of such duties, be liable to any duty chargeable on the importation of such goods into the Commonwealth, less any duty paid in respect of the goods on their importation.

93. During the first five years after the imposition of uniform duties of customs, and thereafter until the Parliament otherwise provides:—

(1.) The duties of customs chargeable on goods imported into a State and afterwards passing into another State for consumption, and the duties of excise paid on goods produced or manufactured in a State and afterwards passing into another State for consumption, shall be taken to have been collected not in the former but in the latter State.

(2.) Subject to the last subsection, the Commonwealth shall credit revenue, debit expenditure, and pay balances to the several States as prescribed for the period preceding the imposition of uniform duties of customs.

94. After five years from the imposition of uniform duties of customs, the Parliament may provide, on such basis as it deems fair, for the monthly payment to the several States of all surplus revenue of the Commonwealth.

95. Notwithstanding anything in this Constitution, the Parliament of the State of Western Australia may, during the first five years after the imposition of uniform duties of customs, impose duties of customs on goods passing into that State and not originally imported from beyond the limits of the Commonwealth; and such duties shall be collected by the Commonwealth.

But any duty so imposed on any goods shall not exceed during the first of such years the duty chargeable on the goods under the law of Western Aus-

## Explanation.

*Illustration of Scheme.*

VICTORIA, in Account with the Commonwealth during first two years.

Revenue transferred—	£	
Customs and excise revenue		2,047,000
Burdens transferred—	£	
Customs and excise expenses ..	73,673	
Post and telegraph expenses (net) ..	52,630	
Defence expenses ..	182,640	
Interest on works transferred ..	123,400	
Lights and beacons ..	13,000	
Quarantine ..	2,200	
Sundries ..	4,417	
	£451,960	2,047,000
		451,960
		£1,595,040
Victoria's share of new additional federal expenditure ..		101,000
Net revenue due to Victoria..		<u>£1,494,040</u>

2. Financial system for five years under uniform tariff. On imposition of uniform tariff trade and intercourse become absolutely free, and Federal Parliament acquires exclusive power to deal with Customs and excise and bounties. Thereafter all States-granted bounties, except such as have been promised by a State before 30th June, 1898, shall cease. Those bounties expressly preserved will be paid by the Commonwealth, being treated as federal expenditure.

During the first five years under uniform tariff the same system of separate accounts that existed during the two years is maintained with some modifications. Commonwealth credits revenue, debits expenditure, and pays balances to the several States. The uniform tariff will, of course, have to be so designed as to return a sufficient amount of revenue to enable the Federal Treasurer to return to the States the amount of Customs revenue which they surrendered, less their respective shares of the new federal expenditure. During this period West Australia enjoys an exceptional privilege. That colony is allowed to continue its pre-Commonwealth tariff on inter-State goods, but so that the duties collected thereunder will be gradually reduced by one-fifth during the second, third, fourth, and fifth years of uniform duties; and thus at the end of the fifth year all such duties absolutely cease, and West Australia enjoys inter-State free-trade with the rest of the States.

3. Financial system after first five years of uniform tariff. At the end of the five years the Federal Parliament will have to provide on such basis as it deems fair for monthly payment to the States of all surplus revenue.