

The Bill.

Explanation.

of excise, and the control of the payment of bounties, shall pass to the Executive Government of the Commonwealth.

87. Of the net revenue of the Commonwealth from duties of customs and of excise, not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure.

The balance shall, in accordance with this Constitution, be paid to the several States, or applied towards the payment of interest on debts of the several States taken over by the Commonwealth.

88. Uniform duties of customs shall be imposed within two years after the establishment of the Commonwealth.

89. Until the imposition of uniform duties of customs :—

(1.) The Commonwealth shall credit to each State the revenues collected therein by the Commonwealth.

(2.) The Commonwealth shall debit to each State :—

(a.) The expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any department transferred from the State to the Commonwealth.

(b.) The proportion of the State, according to the number of its people, in the other expenditure of the Commonwealth.

(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 of 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.

Customs and excise, and control the payment of bounties. [But intercolonial free-trade will not begin until there is a federal tariff (see section 92) ; and until then the duties so collected will be according to the tariffs of the States, and the Parliaments of the States may continue to alter their tariffs.]

87. *Application of Customs and Excise.*—Of the net revenue from customs and excise the Commonwealth is never to spend more than one-fourth, and must either return the balance to the States or (if it takes over any of the State debts under section 104) apply it to the payment of interest.

88. *Uniform Duties.*—Uniform duties must be imposed within two years.

89. *Payments before Uniform Duties.*—Before uniform duties, the Commonwealth is to return to each State the revenue collected in that State, less a proper share of the federal expenditure.

Expenditure is charged against the States in two ways : Expenditure incurred for a transferred department (see section 69) is charged against the State in which the expenditure happened ; and other federal expenditure [for instance, the salaries of federal Judges and members, and the interest on federal loans] is charged in proportion to population.

90, 91. *After Uniform Duties ; Exclusive Powers.*—After uniform duties, the power of the Parliament to impose customs and excise duties, and to grant bounties, will become *exclusive*, and all State laws imposing such duties, or offering bounties, will come to an end. But any agreement for a bounty made by a State Government under any such law will be good if made before the 30th June, 1898, and not otherwise.

Nevertheless, a State may, at its own expense, grant bounties on mining for gold, silver, or other metals : and may grant any bounties with the consent of both Houses of the Federal Parliament.

92. *Freetrade between States.*—After uniform duties, trade between the States is to be absolutely free.

But goods imported into any State *before* uniform duties must, if they pass into another State within two years afterwards, pay the difference between the federal duty and that which they originally paid. [This is to prevent goods from being “loaded up” in a State where the duties are light, and then becoming free of the whole Commonwealth when the inter-State duties are removed.]