

The Bill.

Explanation.

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 Australia in force at the imposition of uniform duties, and shall not exceed during the second, third, fourth, and fifth of such years respectively four-fifths, three-fifths, two-fifths, and one-fifth of such latter duty, and all duties imposed under this section shall cease at the expiration of the fifth year after the imposition of uniform duties.

If at any time during the five years the duty on any goods under this section is higher than the duty imposed by the Commonwealth on the importation of the like goods, then such higher duty shall be collected on the goods when imported into Western Australia from beyond the limits of the Commonwealth.

96. Until the Parliament otherwise provides, the law in force in any colony which has become or becomes a State with respect to the receipt of revenue and the expenditure of money on account of the Government of the colony, and the review and audit of such receipt and expenditure, shall apply to the receipt of revenue and the expenditure of money on account of the Commonwealth in the State in the same manner as if the Commonwealth, or the Government, or an officer of the Commonwealth, were mentioned whenever the colony, or the Government, or an officer of the colony, is mentioned.

97. The power of the Parliament to make laws with respect to trade and commerce extends to navigation and shipping, and to railways the property of any State.

98. The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

99. The Commonwealth shall not, by any law or regulation of trade or commerce, abridge the right of a State or of the residents therein to the reasonable use of the waters of rivers for conservation or irrigation.

93. *Payments after Uniform Duties.*—For five years after uniform duties, and afterwards until the Parliament otherwise provides, revenue is to be returned to the States in the same way as before uniform duties (see section 89), with one difference: duties of customs and excise are to be credited, not necessarily to the State in which the *duties are collected*, but to the State in which the *goods are consumed*. If, therefore, goods have paid duty in one State, and afterwards passed into another State for consumption, the duty is to be credited to the second State, and not to the first. [The reason for this is that the duty is presumably paid by the consumer, and should therefore be returned to his State.]

94. *Payments after Five Years.*—After the five years the Parliament may provide for the return of surplus revenue to the States on such basis as it thinks fair.

95. *West Australian Duties.*—Notwithstanding the provision for inter-State freetrade, Western Australia has special permission, for *five years* after uniform duties, to impose certain customs duties on goods from the other States.

These duties are to be collected by the Commonwealth and credited to Western Australia; and they are to be gradually reduced till they vanish at the end of the five years. [So much of the revenue of Western Australia is derived from customs, and especially from intercolonial duties, that it was feared that the sum returnable to that State as the result of uniform duties would be altogether insufficient. This provision enables the West Australian Treasury to meet the deficiency at the cost of the West Australian taxpayers, by inter-State customs duties.]

If this inter-State duty happens to be higher, at any time, than the Commonwealth duty on similar goods imported from abroad, such goods imported from abroad into Western Australia are to pay the higher duty. [This is to prevent goods from places outside the Commonwealth having an advantage over goods of the Commonwealth.]

96. *Audit.*—The Parliament may make laws to regulate the receipt and expenditure of money, and the audit of federal accounts; but until it does so the laws of the States are to apply.

97, 98, 99. *Trade and Commerce.*—The power of the Parliament to make laws with respect to foreign and inter-State trade and commerce (see section 51) is explained and limited as follows :—

The power extends to navigation and shipping, and to State railways.

The Commonwealth must not, in exercising the power, give preference to one State over another; nor must it deprive the people of a State of the reasonable use of rivers for water conservation or irrigation.