

2. With regard to the resolutions—

“(b.) The 87th clause, known as the Braddon clause,”

The Premiers have given full consideration to the objections which have been urged against this clause, and have also considered other proposals which have been suggested for the purpose of giving some security to the States that a reasonable amount of the revenue collected in the States shall be returned to them, while, if possible, avoiding excessive burdens of taxation, a prolonged system of bookkeeping, uncertainty as to the amount of the surplus to be divided, and uncertainty as to the method of distributing the surplus amongst the States.

The Premiers consider that all the other proposals are open to more serious objections than those which have been raised against the clause as it appears in the Bill; but with a view of meeting the objections, as far as possible, consistently with the safety of the States, the Premiers are of opinion that the operation of the clause should not continue after a period of ten years if the Parliament then desires to repeal or alter it; and that, in addition, power should be granted to the Parliament to deal with any exceptional circumstances which may from time to time arise in the financial position of any of the States; and for the purpose of giving effect to these opinions—

It is agreed that clause 87 should be amended to read as follows:—

87. *During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides* 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.

And that the following clause should be added to the Bill to follow clause 95:

During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

3. With regard to the resolutions—

“(c.) The Capital of the Commonwealth,”

It is considered that the fixing of the site of a capital is a question which might well be left to the Parliament to decide; but in view of the strong expression of opinion in relation to this matter in New South Wales, the Premiers have modified the clause, so that while the capital cannot be fixed at Sydney, or in its neighbourhood, provision is made in the Constitution for its establishment in New South Wales at a reasonable distance from that city.

And the Premiers have therefore agreed that, instead of the following clause 124—

CHAPTER VII.

MISCELLANEOUS.

Seat of Government.

~~124. The seat of Government of the Commonwealth shall be determined by the Parliament and shall be within territory vested in the Commonwealth.~~

~~Until such determination the Parliament shall be summoned to meet at such place within the Commonwealth as a majority of the Governors of the States or in the event of an equal division of opinion among the Governors as the Governor General shall direct,~~

the following clause should be substituted:—

124. *The seat of Government of the Commonwealth shall be determined by the Parliament and shall be within territory which shall have been granted to or acquired by the Commonwealth and shall be vested in and belong to the Commonwealth, and if New South Wales be an original State shall be in that State and be distant not less than one hundred miles from Sydney.*

Such territory shall contain an area of not less than one hundred square miles, and such portion thereof as shall consist of Crown lands shall be granted to the Commonwealth without any payment therefor.

If Victoria be an original State the Parliament shall sit at Melbourne until it meets at the seat of Government.

4. With regard to the resolutions—

“(d.) The Boundaries of States,”

The Premiers consider that the fullest protection should be given to the various States and that no alteration of territory should be made without the consent of the people as well as of the Parliament of the State affected.

And have therefore agreed that clause 122 of the Bill should be amended to read as follows:—

122. The Parliament of the Commonwealth may, with the consent of the Parliament of a State, and the approval of the majority of the electors of the State voting upon the question, increase, diminish, or otherwise alter the limits of the State, upon such terms and conditions as may be agreed on, and may, with the like consent, make provision respecting the effect and operation of any increase or diminution or alteration of territory in relation to any State affected.

And also that the last paragraph of clause 127 should be amended so as to read as follows:—

~~And~~ No alteration diminishing the proportionate representation of any State in either House of the Parliament, or the minimum number of representatives of a State in the House of Represen-