

inconsistent with the expressed intention of the Legislature, the whole Act would fail to effect.

The foregoing arguments lead to the conclusions :—

1. That the Act in question is not in substance an exercise of the power of taxation conferred upon the Commonwealth Parliament by the Constitution.
2. That, even if it were within the competence of that Parliament to deal with the conditions of Labour, the Act would be invalid, as being in contravention of section 55.
3. That even if the term "taxation," uncontrolled by any context, were capable of including the indirect regulation of the internal affairs of a State by means of taxation, its meaning in the Constitution is limited by the implied prohibition against direct interference with matters reserved exclusively to the States.

We pass to the objection that the Act, if otherwise valid, is invalid on the ground that it discriminates between States and parts of States. In this connection section 99 of the Constitution should be read. It provides that :—

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.

Attention has already been drawn to the provisions requiring Customs duties to be uniform, and to the physical conditions of Australia, which make effective discrimination in many respects between different parts of it. The words "States or parts of States" must be read as synonymous with "parts of the Commonwealth," or "different localities within the Commonwealth." The existing limits of the States are arbitrary, and it would be a strange thing if the Commonwealth Parliament could discriminate in a taxing Act between one locality and another, merely because such localities were not coterminous with the States or with parts of the same State.

The proviso to section 2 of the Act in question exempts