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GAZETTE

EXTRAORDINARY.

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**DRAFT ORDINANCE.****MINUTE.**

The following Draft of a proposed Ordinance is published for general information :—

**An Ordinance to provide for the Regulation and Control of the Export of Tea from Ceylon.**

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**An Ordinance to provide for the Regulation and Control of the Export of Tea from Ceylon.**

BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows :

Short title and commencement.

1 This Ordinance may be cited as the Tea (Control of Export) Ordinance, No. of 1933, and shall come into operation on such date as the Governor shall appoint by proclamation in the Gazette.

Interpretation.

2 (1) In this Ordinance, unless the context otherwise requires—

“appointed day” means the day in the year 1933 appointed in accordance with the provisions of section 22.

“Board” means the Tea Advisory Board established under section 5.

“Board of Appeal” means the Board of Appeal established under section 7.

“Ceylon quota of export” means the maximum amount of made tea which may be exported from the Island in respect of any period of assessment.

“Controller” means the person appointed under section 3 to be or to act as Tea Export Controller.

“estate” means an area of land ten acres or more in extent on which the tea plant is grown for the purpose of harvesting the leaf thereof for conversion into made tea.

- “Executive Committee” means the Executive Committee of Agriculture and Lands.
- “export licence” means a licence for the export of tea issued under section 27.
- “exportable maximum” when used with reference to an estate or small holding means the portion of the Ceylon quota of export determined in respect of that estate or small holding in accordance with the provisions of section 23.
- “Government Agent” includes an Assistant Government Agent.
- “immature area” means an area of land planted with tea plants which are not fully mature.
- “made tea” means tea manufactured from the leaf of the tea plant but does not include red-leaf, fluff, and sweepings.
- “percentage of reduction” means the percentage of reduction calculated in the manner prescribed in section 24.
- “percentage of appreciation” means the percentage of appreciation calculated in the manner prescribed in section 24.
- “period of assessment” means the period of twelve months commencing on the appointed day in the year 1933 or any subsequent period of twelve months commencing on the same day in any succeeding year.
- “planting district” means one of the districts into which the Island or any specified part thereof is divided by rules made under section 15.
- “prescribed” means prescribed by this Ordinance or by any rules made thereunder.
- “proprietor” means the owner or lessee of an estate or small holding, and includes the person for the time being in charge of that estate or small holding and any other duly accredited agent of such owner or lessee.
- “registered” means registered under the provisions of this Ordinance.
- “small holding” means an area of land less than ten acres in extent on which the tea plant is grown for the purpose of harvesting the leaf thereof for conversion into made tea.
- “standard crop” when used with reference to an estate or small holding means the amount of made tea determined under the provisions of this Ordinance as the standard crop of that estate or small holding for any period of assessment.
- “stock licence” means a licence to export tea issued under section 31.
- “tea” means the plant known as “*Thea Sinensis*” and includes the leaf thereof whether in a natural or manufactured state.
- “Tea Control Fund” means the fund established under section 32.
- “tea coupon” means a coupon issued under section 26.

(2) Any reference to an amount or quantity of tea or made tea shall be deemed to refer to that amount or quantity expressed in pounds weight.

3 (1) The Governor may appoint—

- (a) any person, by name or by office, to be Tea Export Controller, or to act as such;
- (b) any person, by name or by office, to be Deputy Tea Export Controller, or to act as such; and
- (c) such other officers and servants as may from time to time be required for the purposes of this Ordinance.

Appointment of Controller and other officers.

(2) All persons, officers and servants, appointed under sub-section (1) shall be deemed to be public servants within the meaning of the “Ceylon Penal Code”.

4 In relation to any particular matters or class of matters or to any particular province or planting district, the Controller may, with the consent of the Governor, by writing under his hand, delegate any of his powers under this Ordinance (except this power of delegation) so that the delegated powers may be exercised by the delegate with respect to the matters or class of matters specified or to the province or planting district defined in the instrument of delegation.

Delegation of Controller's powers.

5 There shall be established by the Governor a Tea Advisory Board which shall consist of a Chairman, who shall be the Deputy Chief Secretary of the Island for the time being, and such other members, not exceeding six in number, as the Governor may appoint.

Establishment and constitution of Tea Advisory Board.

Duties, powers and functions of Tea Advisory Board.

6 (1) It shall be the duty of the Board—

- (a) to advise the Controller on all matters incidental or relating to the control and regulation under this Ordinance of the export of tea from the Island and on all other matters which he may refer to the Board for advice ;
- (b) to perform and exercise such duties and powers as may be prescribed or entrusted to it under this Ordinance ; and
- (c) generally to assist the Controller in the administration of this Ordinance.

(2) (a) Rules may be made providing for the conduct of the business of the Board and prescribing the procedure to be followed at meetings of the Board.

(b) Subject to any such rules, the Board may regulate its own procedure.

Establishment and constitution of Board of Appeal.

7 There shall be established by the Governor a Board of Appeal which shall consist of a member of the Ceylon Civil Service, an Advocate or Proctor of the Supreme Court of not less than ten years' standing, and one other person, all of whom shall be appointed by the Governor.

Duties, powers and functions of Board of Appeal.

8 (1) It shall be the duty of the Board of Appeal to hear and determine all appeals preferred to that Board under the provisions of this Ordinance.

(2) Rules may be made prescribing—

- (a) the time within which and the manner in which appeals shall be so preferred ;
- (b) the forms to be used and the fees to be paid in preferring appeals ;
- (c) the procedure to be observed at the hearing of appeals ;
- (d) the remuneration to be paid to members of the Board of Appeal ;
- (e) generally for all matters connected with or incidental to the matters specially enumerated in this sub-section or to the hearing or disposal of appeals.

(3) The decision of the Board of Appeal on any matter or question referred to that Board shall be final and conclusive for the purposes of this Ordinance.

Returns.

9 (1) On or before the prescribed date, the proprietor of every estate shall furnish to the Controller a return in the prescribed form containing the prescribed particulars.

(2) On or before the prescribed date, the proprietor of every small holding shall either furnish to the Government Agent a return in the prescribed form containing the prescribed particulars or shall make a declaration to the like effect before the Government Agent or some officer appointed by him in writing for that purpose.

(3) (a) The date referred to in sub-sections (1) and (2) shall be prescribed in respect of each period of assessment but the proprietor of an estate or small holding who has duly furnished a return in respect of any period of assessment shall not be obliged to furnish a return in respect of any subsequent period of assessment unless required to do so by the Controller or by the Government Agent, as the case may be.

(b) It shall be lawful for the proprietor of an estate or small holding who has failed or omitted duly to furnish any return in respect of any period of assessment to furnish a return in respect of any subsequent period of assessment on or before the date prescribed in respect of such subsequent period.

(c) In this sub-section the furnishing of a return includes the making of the declaration referred to in sub-section (2).

(4) Subject to the provisions of paragraph (b) of sub-section (3), an estate or small holding shall not be registered unless and until a return has been duly furnished to the Controller under this section.

Registers.

10 (1) The Controller shall keep a register of estates in the prescribed form.

(2) The Government Agent shall keep a register of small holdings in the prescribed form.

(3) Rules may be made prescribing the person by whom and the circumstances and manner in which entries made in the registers kept under this section may be amended or rectified from time to time.

Decision of questions relating to the Registers.

11 (1) The Controller shall decide whether any land is entitled to be registered as an estate.

(2) The Government Agent shall decide whether any land is entitled to be registered as a small holding or whether any small holding is entitled to be registered in any particular planting district.

(3) If any question arises as to whether any land is an estate or a small holding, such question shall be decided by the Controller.

(4) An appeal shall lie to the Board of Appeal against any decision made by the Controller under sub-section (1) or sub-section (3) or by the Government Agent under sub-section (2).

12 (1) The forms prescribed for the registers kept under section 10 shall provide for the registration of the proprietor of each estate or small holding and for the registration of the address of each such proprietor.

Registration of proprietors and their addresses.

(2) If any question arises as to whether any person is, or is entitled to be, the registered proprietor of an estate or small holding, such question shall be decided by the Controller.

(3) An appeal shall lie to the Board of Appeal against any decision of the Controller made under sub-section (2).

(4) No decision of the Controller under sub-section (2) or of the Board of Appeal under sub-section (3) shall operate as *res adjudicata* on any question in any civil action in which the title to a registered estate or small holding shall be put in issue.

13 The standard crop of each registered estate shall be assessed by the Controller for each period of assessment.

Controller to assess standard crop of estate.

14 (1) The standard crop of a registered estate for any period of assessment shall be the amount of the allowance for that period of assessment in respect of the immature areas of that estate added to the amount of the average annual output of made tea of that estate for the years 1931 and 1932.

Standard crop of estate.

(2) Rules may be made prescribing the method of computing the allowance referred to in sub-section (1) and the procedure for ascertaining the output mentioned in that sub-section.

(3) In any registered estate, the standard crop in any period of assessment of any area from which no tea was harvested in the years 1931 and 1932 shall be the probable yield of that area in that period of assessment estimated in such manner as may be prescribed.

In this sub-section "area" does not include an immature area.

15 (1) The standard crop of each registered small holding shall be assessed by the Government Agent in respect of each period of assessment.

Standard crop of small holding.

(2) The standard crop of a registered small holding shall be determined by the Government Agent in the prescribed manner according to such rate as may be prescribed for the planting district in which that small holding is situated.

(3) Rules may be made providing for the division of the Island or any specified part thereof into planting districts and prescribing the limits and, where practicable, the name of each such planting district.

16 Notice of the assessment of the standard crop of any estate or small holding for each period of assessment shall be served on the registered proprietor of that estate or small holding.

Notification of assessment.

17 The registered proprietor of an estate or small holding who is dissatisfied with any assessment of the standard crop of his estate or small holding may appeal against such assessment to the Board of Appeal.

Appeal against assessment.

18 (1) The Government Agent shall furnish the Controller with a statement of all assessments made by him under section 15.

Statement of assessments of small holdings to be furnished to Controller by Government Agent.

(2) If any assessment made by the Government Agent is varied in appeal, the Government Agent shall forthwith notify the Controller of the amount of the assessment as so varied.

19 (1) It shall be lawful for the Controller at any time to direct the proprietor of a registered estate—

Power of Controller to call for information.

(a) to furnish before a specified date such information or explanation as the Controller may require in respect of any particulars stated in any return furnished by such proprietor; or

(b) to produce before a specified date such documentary or other evidence as the Controller may require for the purpose of verifying any facts or particulars in any return furnished by such proprietor.

(2) The powers conferred on the Controller by sub-section (1) in respect of an estate may be exercised by a Government Agent in respect of a small holding and, for such purpose, a reference in that sub-section to a return shall be deemed to include a reference to an oral declaration made by the proprietor of a small holding.

Adjustment  
of errors in  
assessment of  
standard crops.

20 (1) If it shall appear to the Controller at any time that by reason of an incorrect return furnished by the registered proprietor, or otherwise, an error has been made in the assessment of the standard crop of any estate in respect of any period of assessment, he may order an amount equivalent to the amount by which such assessment was in error to be added to or to be deducted from the assessment of the standard crop of that estate for the next succeeding period of assessment.

(2) A copy of the order made by the Controller under sub-section (1) in respect of any estate shall be served on the registered proprietor of that estate who may, if dissatisfied with such order, appeal therefrom to the Board of Appeal.

(3) The provisions of sub-sections (1) and (2) shall apply equally in the case of a small holding and, for that purpose, any reference in those sub-sections to the Controller or to an estate shall be construed as references to the Government Agent or to a small holding, respectively, and any reference to a return shall be deemed to include a reference to the oral declaration referred to in section 9 (2).

Ceylon quota  
of export.

21 (1) The Ceylon quota of export for the period of assessment commencing on the appointed day shall be 213,794,225 pounds, which shall be deemed to represent 85 per centum of the quantity of made tea exported from the Island in the year 1929.

(2) The Ceylon quota of export for any period of assessment subsequent to the period mentioned in sub-section (1) may be declared by the Governor by proclamation in the Gazette and, if not so declared, shall be the amount mentioned in that sub-section.

Inclusion in  
Ceylon quota  
of export of  
tea exported  
after appointed  
day.

22 All tea exported from the Island on and after a day in the year 1933 to be appointed by the Governor by proclamation in the Gazette and prior to the day declared by the Governor under section 28, shall be deemed to form part of the Ceylon quota of export for the period of assessment commencing on the former day.

Exportable  
maximum.

23 (1) Subject to the provisions of sub-sections (4), (5) and (6), the exportable maximum of any estate or small holding for any period of assessment shall be the amount of the standard crop of that estate or small holding for that period of assessment reduced by an amount ascertained by taking a percentage of such standard crop equal to the percentage of reduction.

(2) If there is no percentage of reduction for any period of assessment, the amount of the exportable maximum of any estate or small holding for that period shall, subject to the provisions of sub-sections (4), (5) and (6), be the standard crop of that estate or small holding for that period.

(3) If there is a percentage of appreciation for any period of assessment, the amount of the exportable maximum of any estate or small holding for that period shall, subject to the provisions of sub-sections (4), (5) and (6), be the standard crop of that estate or small holding increased by an amount ascertained by taking a percentage of such standard crop equal to the percentage of appreciation.

(4) (a) For any period of assessment, it shall be lawful for the Controller to deduct from the standard crop of every estate or small holding a further amount in addition to the amount, if any, authorised to be deducted under sub-section (1), for the purpose of making such adjustments as may become necessary in respect of possible errors in the assessment of the standard crops or of the exportable maxima of estates and small holdings.

(b) Rules shall be made prescribing the manner in which the further amount referred to in paragraph (a) of this sub-section shall be ascertained and deducted.

(c) Any surplus out of the amount deducted under paragraph (a) of this sub-section shall, after the application of that amount for the purpose for which it was deducted, be allocated *pro rata* by the Controller in the prescribed manner among the registered proprietors of all estates and small holdings from the standard crops of which such amount was so deducted.

(d) Any amount allocated by the Controller under paragraph (c) of this sub-section to the registered proprietor of any estate or small holding shall, upon such allocation, be

deemed to form part of the exportable maximum of such estate or small holding, as the case may be, for the period of assessment for which the reduction authorised under paragraph (a) of this sub-section was made.

(5) (a) For the period of assessment commencing on the appointed day, it shall be lawful for the Controller to deduct from the standard crops of an estate further amounts in addition to the amount, if any, authorised to be deducted under sub-section (1) and the amount authorised to be deducted under sub-section (4) for the purpose of making such adjustments as may be necessary in respect of—

(i) made tea exported from the Island during the period commencing on the appointed day and ending at midnight on the day immediately preceding the day declared under section 28 ;

(ii) made tea authorised to be exported under section 31.

(b) Rules shall be made prescribing the manner in which the further amounts referred to in paragraph (a) of this sub-section shall be determined and deducted.

(6) For the purpose of making such adjustments as may be necessary in respect of tea sold by the proprietors of small holdings between the appointed day and the day declared under section 28, it shall be lawful for the Controller for the period of assessment commencing on the appointed day to deduct from the standard crop of any small holding in addition to the amount, if any, authorised to be deducted under sub-section (1) and the amount authorised to be deducted under sub-section (4), a further amount equivalent to such proportion of the standard crop of that small holding as the period of time between the appointed day and the day declared under section 28 bears to a period of twelve months.

24 (1) If in any period of assessment the total amount (hereinafter in this section referred to as the first amount) of the standard crops of all registered estates and small holdings for that period exceeds the amount (hereinafter in this section referred to as the second amount) of the Ceylon quota of export for the same period, the difference between the two amounts shall, when expressed as a percentage of the first amount, be the percentage of reduction.

Percentage of reduction and percentage of appreciation.

(2) If in any period of assessment the first amount is equal to the second amount, there shall be no percentage of reduction for that period.

(3) If in any period of assessment the first amount is less than the second amount, the difference between the two amounts shall, when expressed as a percentage of the first amount, be the percentage of appreciation.

25 As soon as may be after the assessment of the standard crops of all estates and small holdings in each period of assessment and after the determination by the Board of all appeals preferred against such assessment, the Controller shall proceed to determine the exportable maximum of each estate and small holding for that period and shall notify the registered proprietor of each estate or small holding of the amount of the exportable maximum determined in respect of that estate or small holding for that period.

Determination and notification of the exportable maximum.

26 (1) Subject to the provisions of sub-section (3), the registered proprietor of an estate or small holding shall be entitled to receive from the Controller in respect of any period of assessment tea coupons representing the amount determined to be the exportable maximum of that estate or small holding for that period.

Tea coupons.

(2) The registered proprietor of an estate or small holding shall also be entitled to receive from the Controller in respect of any period of assessment tea coupons representing the amount, if any, allocated to him in respect of that period of assessment under section 23.

(3) In anticipation of the determination of the exportable maximum of any estate or small holding for any period of assessment, the Controller may issue to the registered proprietor of that estate or small holding tea coupons representing such proportion as may be prescribed of the amount estimated by the Controller to be the probable exportable maximum of that estate or small holding for that period.

The amount represented by the tea coupons issued under this sub-section shall be deducted from the amount in respect of which tea coupons may be issued under sub-section (1).

(4) Nothing in this Ordinance contained shall be deemed to render illegal the transfer or sale of tea coupons by one person to another.

Export  
licences.

27 (1) Any person shall be entitled to obtain from the Controller in exchange for one or more tea coupons an export licence authorising the export from the Island of an amount of made tea equal to the amount represented by such coupon or coupons.

(2) The Controller shall not be precluded from issuing an export licence during any period of assessment in exchange for tea coupons issued in or in respect of any prior period of assessment.

(3) Nothing in this Ordinance contained shall be deemed to render illegal the transfer or sale of export licences by one person to another.

Prohibition of  
export of made  
tea after  
declared date  
except under  
licence.

28 (1) On and after a date to be declared by the Governor by proclamation in the Gazette no made tea shall be exported from the Island unless the exportation thereof is authorised by an export licence issued by the Controller and no made tea shall be received or accepted for exportation or shipment by any customs or other officer on and after the date so declared unless the exportation thereof is so authorised.

(2) No export licence shall be issued by the Controller unless tea coupons representing an amount of made tea equivalent to the amount sought to be exported are surrendered to him before the issue of such export licence.

Prohibition  
of export of  
tea seed.

29 From and after a date to be declared by the Governor by proclamation in the Gazette no tea seed shall be exported from the Island.

Prohibition  
against  
planting new  
areas.

30 From and after a date to be declared by the Governor by proclamation in the Gazette no tea shall be planted on any land in the Island which was not planted with tea on a date prior to the date so declared except in such special cases and to such extent as may be prescribed.

Stock licences.

31 (1) Made tea of such description as may be prescribed may be exported from the Island on stock licences to be issued by the Controller.

(2) Rules may be made prescribing—

- (a) the form of a stock licence and the period for which a stock licence shall be valid ;
- (b) the description of the made tea or class of made tea which may be exported on a stock licence ;
- (c) the procedure for ascertaining and assessing the amount of made tea which may be exported on a stock licence including provision for an appeal to the Board of Appeal by any person dissatisfied by such assessment.

Tea Control  
Fund.

32 (1) In order to provide an income for the payment of such expenses as may be incurred in the regulation and control of the export of tea from the Island, there shall be charged, levied and paid an export duty on tea of such amount as may be determined from time to time by a resolution of the State Council duly passed at any public session of the Council and sanctioned by the Governor.

(2) Every such resolution shall be published in the Gazette and the duty authorised to be collected thereunder shall be charged, levied and paid from the date prescribed in that resolution.

(3) Any resolution of the State Council so imposing an additional export duty on tea may be varied or rescinded at any time by a resolution of the Council passed, sanctioned and published in the manner prescribed in sub-sections (1) and (2) of this section.

(4) This section shall have effect as though it formed part of Ordinance No. 17 of 1869 and the provisions of that Ordinance shall apply accordingly.

(5) The proceeds of the export duty recovered under this Ordinance shall be paid over monthly to the Controller by the Principal Collector of Customs and shall be credited to a fund which shall be called the Tea Control Fund and no part thereof shall be credited to general revenue.

(6) The export duty authorised to be imposed under this Ordinance shall be in addition to the export duties levied under any other written law, but shall not be taken into account in estimating the export duty levied on tea under the law of Ceylon for purposes of section 32 of the Income Tax Ordinance, 1932.

(7) Pending the accrual from the export duty levied under this Ordinance of funds sufficient to defray the expenses incurred or likely to be incurred in the regulation and control of the export of tea under this Ordinance, it shall be lawful for



the Financial Secretary to advance to the Controller such sums as the Governor may from time to time authorise him so to advance.

33 Out of the Tea Control Fund and out of such sums as may be advanced by the Financial Secretary under section 32 (7), there shall be defrayed, retrospectively if necessary, the expenses of the introduction and administration of this Ordinance, all salaries, wages, rewards, fees, expenses of assessment, and all other expenses, costs, and charges incurred in carrying out its provisions, and the surplus, if any, which may ultimately be found to be to the credit of that fund after the refund of such advances as may have been made by the Financial Secretary under section 32 (7), shall be applied for the the furtherance and development of the tea industry and to such purposes connected therewith or incidental thereto as the State Council may by resolution from time to time determine.

Expenditure  
from Tea  
Control  
Fund.

34 (1) Within a period of six months reckoned from the date prescribed in the first resolution passed by the State Council under section 32, the Controller shall forward to the Minister estimates of the expenditure likely to be incurred in the administration of the Ordinance and of the income likely to accrue to the Tea Control Fund for the remainder of the year then current.

Estimates of  
income and  
expenditure.

(2) The Controller shall forward to the Minister not later than the first day of November in each year similar estimates of income and expenditure for the next succeeding year.

(3) On receipt of the estimates of income and expenditure the Minister shall, at the first convenient opportunity, lay such estimates on the table of the State Council.

35 (1) The Executive Committee of Agriculture and Lands may make rules for the purpose of carrying out or giving effect to the principles and provisions of this Ordinance.

Rules.

(2) Wherever it is provided in this Ordinance that rules shall or may be made, such rules shall or may be made by the Executive Committee under this section.

(3) In particular and without prejudice to the generality of the powers conferred by sub-section (1) or to any power taken in any other section of this Ordinance or to the requirements of any other section of this Ordinance, the Executive Committee may make rules for or in respect of all or any of the following matters :

- (a) all matters stated or required in this Ordinance to be prescribed ;
- (b) the registers and books which shall be kept by the Controller, the forms of such registers and books and the particulars to be entered therein ;
- (c) the forms of all returns, notices, licences, coupons, certificates, declarations and documents required to be made, served, issued or used for the purposes of this Ordinance ;
- (d) the returns of tea stocks and of tea produced, purchased or sold to be furnished by proprietors of estates and small holdings and by dealers, factory owners, and exporters and the periods at which such returns shall be furnished ;
- (e) the manner of paying or recovering fees or other charges ;
- (f) all matters incidental to or connected with the matters or subjects specifically referred to in this sub-section.

(4) A rule made by the Executive Committee under this section shall be published in the Gazette and shall come into operation upon such publication.

(5) Every rule made by the Executive Committee shall be submitted by motion to the State Council for approval and then to the Governor for ratification.

(6) Any rule which the State Council refuses to approve or which the Governor refuses to ratify shall be deemed to be rescinded but without prejudice to the validity of anything previously done thereunder or to the making of any new rule. The date on which a rule shall so be deemed to be rescinded shall be the date on which the State Council refuses to approve or the date on which the Governor refuses to ratify the rule, as the case may be.

(7) Notification of the date on which any rule made by the Executive Committee is so deemed to be rescinded shall be published in the Gazette.

(8) Any rule made by the Executive Committee shall, when approved by the State Council and ratified by the Governor, be as valid and effectual as if it were herein enacted. Notification of such approval and ratification shall be published in the Gazette.

**Offences.****36** (1) Any person who—

- (a) commits a breach of any of the provisions of this Ordinance or of any of the rules made thereunder, or
- (b) makes default in complying with any direction or requirement of the Controller duly made under the powers conferred on him by this Ordinance, or
- (c) resists or obstructs the Controller or any officer of his department or other person authorised by him while such Controller, officer or person is inspecting or attempting to inspect any estate, premises, small holding or immature area, or
- (d) resists or obstructs the Controller or any officer of his department in the performance of the duties imposed and in the exercise of the powers conferred upon such Controller or officer under this Ordinance, or
- (e) knowingly makes a false statement in any declaration or return made or furnished by him under this Ordinance,

shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding one thousand rupees or to simple or rigorous imprisonment for a period not exceeding six months or to both fine and imprisonment.

(2) No prosecution for any offence under this Ordinance shall be instituted except with the written sanction of the Controller.

**Disposal of fines.**

**37** All fines recovered from persons convicted of any offence under this Ordinance shall be credited to the Tea Control Fund.

**Rewards.**

**38** It shall be lawful for the Controller to pay from the Tea Control Fund rewards in such manner and in such circumstances and to such extent as may be prescribed.

**Right to enter estates, &c., for inspection.**

**39** The Controller or the Government Agent or any person authorised by either in writing may at any time enter any estate, small holding or immature area for the purpose of inspection and may at any time for the same purpose enter any premises in which he has reason to believe that tea is stored or concealed.

**Protection of officers.**

**40** No action shall be instituted against the Controller or against any Government Agent or against the Board or the Board of Appeal or any member of either Board or against any other officer or person acting in compliance with any direction or requirement of the Controller or of the Government Agent or of the Board, or of the Board of Appeal, to charge him, them, or any of them in respect of any act which may have been done or which may have been left undone in good faith in pursuance or supposed pursuance of his or their powers or duties under this Ordinance.

**Service of notices, &c.**

**41** All notices, orders, certificates, tea coupons, licences, or other documents required or authorised by this Ordinance to be served on, delivered, or issued to a registered proprietor shall be deemed to have been duly served, delivered, or issued to such proprietor if they are delivered to or at the registered address of such proprietor, or forwarded by post by registered letter properly addressed with the registered address of such proprietor, and all such notices, orders, and other documents for service on any person other than a registered proprietor shall be deemed to be served on him if delivered to or at the residence of such person.

**Returns to be verified by statutory declaration.**

**42** (1) Every return required by this Ordinance or under the rules made thereunder and any explanation or information required by the Controller or by the Government Agent to be furnished under this Ordinance shall, unless it is otherwise provided, be verified by a declaration that the statements contained therein are true and accurate.

(2) Every declaration made under this Ordinance shall be free from stamp duty.

**Estates in one ownership.**

**43** All estates or small holdings in one ownership may be regarded and dealt with as one unit for the purposes of this Ordinance.

**Duration of Ordinance.**

**44** This Ordinance shall continue in force for a period of five years reckoned from the appointed day.

Provided that the expiration of this Ordinance shall not affect any penalty, forfeiture, or punishment previously

incurred under this Ordinance or under any rules made under this Ordinance, or affect any legal proceeding or remedy in respect of any such penalty, forfeiture, or punishment, and any such legal proceeding may be instituted, or continued, or enforced, and such penalty, forfeiture or punishment may be imposed as if this Ordinance had not expired.

*Objects and Reasons.*

1. During the latter part of 1932 the condition of the tea market, the accumulated stocks in London and elsewhere and the immediate outlook made it necessary for producing countries to consider special methods of effecting an improvement in the general position. It was considered that the only satisfactory manner in which the situation could be met was by a combined scheme for the regulation of exports from the main producing countries, viz.: India, Ceylon and the Dutch East Indies, particularly if a scheme controlled by the respective Governments of those countries could be decided upon and introduced.

2. As a result of subsequent negotiations in London between representatives of the three producing countries mentioned, it was decided, provided sufficient assents from all producing interests were forthcoming, that the Governments of the countries concerned should be asked to give legislative effect to the proposal to regulate exports of tea from each country for a period of five years in order to restore the equilibrium between supply and demand.

3. Referenda were issued to as wide a body of producers as possible in the three countries concerned and the result was overwhelmingly in favour of regulation. Subsequent negotiations between representatives in London of the three producing countries resulted in unanimous agreement in regard to the general terms to which the Governments of the countries concerned would be asked to give legislative effect. These terms have been embodied in this draft Ordinance which is designed to meet the objects of the scheme in so far as Ceylon is concerned and to provide the machinery necessary for the regulation and control of the export of tea from the Island. Powers have been taken to give legislative effect by rules on questions that are at the moment the subject matter of negotiation. Ample safeguards have been provided in regard to these rule-making powers and no rule made under the Ordinance will ultimately be effective unless it has received the approval of the State Council.

4. The Ordinance is to be operative for a period of five years. (Section 44.) As it is not yet known what day will be agreed upon by the countries concerned for the commencement of this period of five years, the drafting device of enabling the Governor to appoint that day by Proclamation has been resorted to in the Ordinance. The entire period of five years reckoned from this "appointed day" will be divided into five "periods of assessment" the first of which will commence on the appointed day in the year 1933 and end on the day preceding that day in the year 1934.

5. The maximum amount of made or manufactured tea which can be exported from Ceylon in respect of the first period of assessment has by agreement been determined by the countries concerned to be 85 per cent. of the total exports of tea from the Island in the year 1929. For convenience of administration, the draft Ordinance provides that the amount of 213,794,225 pounds shall be deemed to represent 85 per cent. of the total exports from Ceylon for that year and shall be called the "Ceylon Quota of Export". The amount mentioned will be operative for each succeeding period of assessment unless it is altered for any subsequent period of assessment on the recommendation of a Committee which will be established in London for the purpose of representing the interests of the countries concerned.

6. In order to limit the total exports from the Island to this amount of 213,794,225 pounds, provision has been made for the assessment of the standard crops of all tea-growing areas in Ceylon. These areas are classified either as "estates" or as "small holdings". An estate is an area of land ten acres or more in extent on which tea is grown; a small holding is any similar area less than ten acres in extent.

7. These standard crops will, in the case of an estate, be assessed on the basis of the average annual output of that estate for the year 1931 and 1932. In a case where no figures are available to show what that output was, the criterion of assessment will be the estimated yield of the estate for the period of assessment. The standard crops of small holdings will be estimated on the basis of flat rates which will be prescribed for the 'planting districts' into which the Island will be divided.

8. Provision has been made in the draft for three possible cases that may arise. If the total amount of the standard crops exceeds the Ceylon quota of export, a specified factor of reduction called in the draft a "percentage of reduction" will have to be applied in order to ascertain what *pro rata* share out of the Ceylon quota can be allotted to any estate or small holding as its "exportable maximum". If the total amount of the standard crop is identical with that of the Ceylon quota there will be no percentage of reduction. If the total amount is less than the Ceylon quota the exportable maximum of each estate or small holding will be increased by a "percentage of appreciation".

9. Provision has been made for the appointment of a Tea Controller who will be responsible for the administration of the Ordinance. The Government Agents will, however, be directly responsible for administrative matters relating to small holdings. Power has been taken to impose an additional export duty on tea in order to meet expenses incurred or likely to be incurred in the introduction and operation of the Ordinance. The Ordinance provides for the appointment of a Tea Advisory Board of not more than six members with the Deputy Chief Secretary as Chairman and it will be the duty of this Board generally to assist and advise the Controller in the administration of the Ordinance. Provision has also been made for the establishment of a special Board of Appeal which will decide all appeals in respect of the assessment of the standard crops of estates and such other matters in respect of which an appeal is allowed under the Ordinance.

10. Section 23 makes special provision for deducting from the standard crops of estates in the first year of assessment such further amounts as may be necessary in order to make adjustments in respect of tea exported between the "appointed day" and the day on and after which no exports of tea will be permitted except upon licence. In the case of small holdings deductions on a different basis are authorised in view of the fact that they are free to dispose of green leaf within the same period unhampered by any of the provisions of this Ordinance. It has accordingly been considered equitable that the standard crop of a small holding shall be reduced in the first year of assessment by an amount which shall bear to the standard crop the same proportion that the period between the appointed day and the date from and after which export is prohibited will bear to a period of 12 months. If, therefore, prohibition against export except on licence is introduced one month after the appointed day, the standard crop of a small holding will be reduced by one-twelfth. In order to safeguard estates and small holdings against any inadvertent omission to furnish returns or to secure assessment in any period of assessment, provision has been made that an assessment of the standard crop of an estate or small holding shall be made for each period of assessment and that a proprietor who has failed to take the necessary steps to secure assessment in any period of assessment shall not be precluded from doing so in the next period of assessment.

11. The standard crop of an estate or small holding less the amount of the authorised reductions is the "exportable maximum" of that estate or small holding for any period of assessment. (Section 23.) Once the exportable maximum has been determined, a proprietor can demand tea coupons representing an amount equivalent to the amount of his exportable maximum. These coupons can be sold or transferred and will have a monetary value because the possessor of a coupon will be entitled to exchange his coupon for a licence to export from the island an amount of tea equivalent to that represented by the coupon tendered in exchange. Tea coupons issued in one year of assessment may be exchanged for licences in a subsequent year of assessment and the right to transfer, exchange or otherwise deal in tea coupons has been in no way fettered by any provision of law inserted in the draft Ordinance.

12. Power has been taken to secure for the Controller and for the officers of his department facilities to call for documents and information and to enter and inspect lands and tea-stores.

Provision has also been made that immature areas shall be taken into consideration for the purpose of the assessment of standard crops and that allowances shall be made in respect of such areas in rules that will be made under the Ordinance.

13. Section 29 prohibits the export of tea seed from Ceylon and section 30 prohibits the opening of new areas in tea. Both these provisions have been inserted in terms of the decisions reached by the representatives of India, Ceylon and the Dutch East Indies.

14. Provision to the effect that estates or small holdings in one ownership may be regarded and dealt with as one unit for the purposes of the Ordinance was considered an essential term by the Ceylon representatives and has accordingly been included in the Ordinance.

J. L. KOTALAWALA,  
Acting Minister of Agriculture and Lands.  
Colombo, April 11, 1933.