



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY

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PART II.—LEGAL.

DRAFT ORDINANCES.

MINUTE.

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

L. D.—O 49/40

An Ordinance to amend the Tea Control Ordinance.

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

1. This Ordinance may be cited as the Tea Control (Amendment) Ordinance, No. of 1940, and shall come into operation on the first day of December, 1940.

2. Section 6 of the Tea Control Ordinance, (hereinafter referred to as "the principal Ordinance"), is hereby repealed and the following new section is substituted therefor:—

6. (1) For the purposes of this Ordinance, the Governor shall appoint not less than ten persons all of whom shall form a panel from which each Board of Appeal shall be constituted as hereinafter provided.

(2) Every Board of Appeal shall consist of three persons and at least one of such persons shall be an Advocate or Proctor of the Supreme Court of not less than ten years' standing.

3. Section 7 of the principal Ordinance is hereby amended by the substitution of the words "a Board of Appeal" for the words "the Board of Appeal" where those words occur collectively—

(a) for the first time in sub-section (1) of that section ;
(b) in paragraph (d) of sub-section (2) of that section ; and
(c) in sub-section (3) of that section.

Cap. 299,
Vol. VI.,
p. 387.

Short title
and date of
operation.

Replacement
of section 6
of Chapter 299.

Boards of
Appeal.

Amendment of
section 7 of
the principal
Ordinance.

Amendment of sections 10, 11, 14 and 15 of the principal Ordinance.

Insertion of new section 11A in the principal Ordinance.

Registration of manufacturers and exporters.

Amendment of section 17 of the principal Ordinance.

Insertion of new section 19A in the principal Ordinance.
The Coupon Credit Bank.

Replacement of section 20 of the principal Ordinance.

Tea coupons and coupon credits.

4. Sections 10, 11, 14 and 15 of the principal Ordinance are hereby amended, by the substitution for the words "the Board of Appeal" where those words occur collectively in each of those sections, of the words "a Board of Appeal".

5. The following new section is hereby inserted immediately after section 11 of the principal Ordinance and shall have effect as section 11A of that Ordinance :—

11A. (1) The Controller shall keep a register of manufacturers and a register of exporters.

(2) Any person who desires to be registered as a manufacturer or as an exporter shall apply to the Controller for registration. Every such application shall be made in the prescribed form.

(3) Every return made to the Controller by a manufacturer or an exporter under the Tea (Registration of Manufacturers and Exporters) Regulations, 1940, shall be deemed to be an application made under this section for registration as a manufacturer or as an exporter, as the case may be; and every person registered under those regulations as a manufacturer or as an exporter prior to the first day of December, 1940, shall be deemed to be a manufacturer or an exporter, as the case may be, registered under this section.

(4) A registered proprietor or any other person may be registered both as a manufacturer and as an exporter.

(5) The Controller shall decide whether any person shall be registered as a manufacturer or as an exporter.

(6) The Controller may cancel the registration of any person who is registered or is deemed to be registered under this section—

(a) if the Controller is satisfied that such person has ceased to be a manufacturer or an exporter, as the case may be; or

(b) if such person has, in any return under the Tea (Registration of Manufacturers and Exporters) Regulations, 1940, or in any application under this section, made any statement or furnished any particulars which are untrue or incorrect; or

(c) if such person has acted in contravention of, or has failed to comply with, any provision of this Ordinance or of any regulation.

(7) An appeal shall lie to a Board of Appeal—

(a) against any decision of the Controller under sub-section (5);

(b) against the cancellation of the registration of any person under sub-section (6).

6. Section 17 of the Principal Ordinance is hereby amended in the proviso to paragraph (b) of sub-section (4) of that section by the substitution, for the words "tea coupons", of the words "coupon credits".

7. The following new section is hereby inserted immediately after section 19 of the principal Ordinance and shall have effect as section 19A of that Ordinance :—

19A. (1) On the first day of December, 1940, there shall be established a Coupon Credit Bank.

(2) The Controller shall be responsible for the maintenance and management of the Bank in accordance with the provisions of this Ordinance and the regulations made thereunder.

(3) The Controller shall open in the Bank a separate account in the name of every person who is for the time being registered under this Ordinance as the proprietor of an estate, or as a manufacturer, or as an exporter.

8. Section 20 of the principal Ordinance is hereby repealed and the following new section is substituted therefor :—

20. (1) On and after the first day of December, 1940, tea coupons shall be issued only to the registered proprietors of small holdings; and the registered proprietors of estates shall, in lieu of receiving tea coupons, be entitled on and after that date to have their respective accounts in the Bank credited with coupon credits as hereinafter provided.

(2) Every tea coupon shall have imprinted on the face thereof the number of pounds of made tea represented by that coupon.

(3) Every coupon credit in the Bank shall be expressed as a credit for a specified number of pounds of made tea.

(4) Subject to the provisions of sub-section (7), the registered proprietor of an estate shall be entitled to receive from the Controller, in respect of any period of assessment, a coupon credit in the Bank equivalent to the amount determined to be the exportable maximum of that estate for that period.

(5) Subject to the provisions of sub-section (7), the registered proprietor of a 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 small holding for that period.

(6) 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, a coupon credit in the Bank or tea coupons, as the case may be, equivalent to or representing the amount, if any, allocated to him in respect of that period under section 17 (4) (b).

(7) In anticipation of the determination of the exportable maximum of any estate or small holding for any period of assessment, the Controller may, at such times and in such quantities as he may in his discretion determine—

(a) in the case of an estate, grant to the registered proprietor of that estate coupon credits in the Bank which shall in the aggregate be equivalent to the amount estimated by the Controller to be the probable exportable maximum of that estate for that period of assessment;

(b) in the case of a small holding, issue to the registered proprietor of that small holding tea coupons representing in the aggregate the amount estimated by the Controller to be the probable exportable maximum of that small holding for that period of assessment.

The amount of any coupon credit granted or of any tea coupons issued under the preceding provisions of this sub-section to the registered proprietor of any estate or of any small holding shall be deducted from the amount of the coupon credit to which the proprietor of that estate is entitled under sub-section (4) or from the tea coupons to which the proprietor of that small holding is entitled under sub-section (5), as the case may be.

(8) No coupon credit other than a coupon credit granted by the Controller under the preceding provisions of this section shall at any time be made to the account of any registered proprietor in the Bank.

(9) Subject to the provisions of sections 20D and 23 (1), every coupon credit in the Bank shall be deemed to be cancelled, and every tea coupon shall cease to be valid, at midnight on the thirty-first day of March in the period of assessment in which such credit or coupon is granted or issued.

9. The following new sections are hereby inserted immediately after new section 20 of the principal Ordinance and shall have effect as sections 20A, 20B, 20c and 20D, respectively, of that Ordinance—

Insertion of new sections 20A, 20B, 20c and 20D in the principal Ordinance.

20A. (1) No tea coupon issued under section 20 to the registered proprietor of a small holding shall be sold or transferred to, or purchased by, any person other than a registered manufacturer.

Transactions in tea coupons and coupon credits.

(2) A registered manufacturer who purchases any tea coupon shall forthwith surrender that coupon to the Bank and shall, *subject to the provisions of sub-sections (8) and (9) of section 20B*, be entitled to a coupon credit of an amount equivalent to that imprinted on the face of that coupon.

(3) No coupon credit granted under section 20 to the registered proprietor of an estate shall be sold or transferred, in whole or in part, by that proprietor to any person other than a registered manufacturer; and no such coupon credit shall be purchased, in whole or in part, from that proprietor by any person other than a registered manufacturer.

(4) No coupon credit held in the Bank by any registered manufacturer shall be sold or transferred, in whole or in part, by that manufacturer to any person other than a registered exporter; and no such coupon credit shall be purchased, in whole or in part, from that manufacturer by any person other than a registered exporter.

(5) Every sale or transfer of a coupon credit shall be effected in writing in such form as the Controller may approve for the purpose.

20B. (1) The limit of the coupon credit of a registered manufacturer during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall, subject to any variation made by a

Limit of coupon credit of registered manufacturer.

Board of Appeal as hereinafter provided, and subject to the provisions of sub-section (3)—

- (a) in the case of a manufacturer who has carried on business as such throughout the period of twenty-four months ended on the thirty-first day of October, 1940, be an amount equivalent to five times the average monthly output of made tea from his factory or factories for that period of twenty-four months; or
- (b) in any other case, be an amount equivalent to five times such amount as the Controller may determine to be the average monthly output of made tea from the factory or factories of that manufacturer.

(2) The limit of the coupon credit of a registered manufacturer during each period of three months in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall, subject to any variation made by the Controller or by a Board of Appeal as hereinafter provided, and subject to the provisions of sub-section (3)—

- (a) in the case of a manufacturer who has carried on business as such throughout the period of twenty-four months ended on the thirty-first day of October, 1940, be an amount equivalent to three and a half times the average monthly output of made tea from his factory or factories during that period of twenty-four months;
- (b) in any other case, be an amount equivalent to three and a half times such amount as the Controller may determine to be the average monthly output of made tea from the factory or factories of that manufacturer.

(3) Where any person who is the registered proprietor of any estate or estates is also a registered manufacturer, the limit of the coupon credit of that person in his capacity as a registered manufacturer shall not, for any period, be less than an amount which bears to the probable exportable maximum of the estate or estates as estimated by the Controller under section 20, the same proportion as the number of complete months in that period bears to twelve.

(4) As soon as may be after the registration of a manufacturer, the Controller shall by order determine the limit of the coupon credit of that manufacturer and notify that manufacturer of the amount of such limit.

(5) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, by order reduce the amount of the limit of the coupon credit of any registered manufacturer, if he is satisfied, after such inquiry as he may deem necessary, that such amount is excessive, having regard to the actual output of made tea from the factory or factories of that manufacturer and to all the other circumstances of the case. Every such order shall be notified by the Controller to the manufacturer affected thereby.

(6) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, upon application made to him in that behalf by any registered manufacturer, by order increase the amount of the limit of the coupon credit of that manufacturer if he is satisfied, after such inquiry as he may deem necessary, that such amount is insufficient, having regard to the actual output of made tea from the factory or factories of that manufacturer and to all the other circumstances of the case. Every such order and every refusal to make any such order shall be notified by the Controller to the manufacturer affected thereby.

(7) An appeal shall lie to a Board of Appeal against any order of the Controller under sub-section (4) or sub-section (5) or sub-section (6) or against any refusal by the Controller to make an order under sub-section (6); and a Board of Appeal may, upon any such appeal, confirm the order of the Controller or increase or reduce the amount of the limit of the coupon credit of the manufacturer by whom the appeal is preferred.

(8) The aggregate of the coupon credits which may be credited to the account in the Bank of any registered manufacturer during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall not exceed the amount of the limit of the coupon credit of that manufacturer for that period.

(9) (a) In this sub-section, "period of three months" means any period of three months ending on the thirtieth day of June, the thirtieth day of September, the thirty-first day of December, or the thirty-first day of March, in any period of assessment.

(b) The aggregate of the coupon credits which may be credited to the account in the Bank of any registered manufacturer during any period of three months in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall not exceed the amount of the limit of the coupon credit of that manufacturer for that period of three months.

(c) Where at the end of any period of three months in any period of assessment, other than the period of three months ending on the thirty-first day of March, any coupon credits credited to the account of any registered manufacturer have not been sold or transferred to an exporter, such coupon credits may be retained in the account of that manufacturer notwithstanding that the aggregate of such coupon credits and of the coupon credits credited to that account during the succeeding period of three months, may exceed the amount of the limit of the coupon credit of that manufacturer.

20c. (1) The limit of the coupon credit of a registered exporter during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall, subject to any variation made by a Board of Appeal as hereinafter provided—

Limit of
coupon
credit of
exporter.

(a) in the case of an exporter who has carried on business as such throughout the period of twenty-two months ended on the thirty-first day of October, 1940, be an amount equivalent to one forty-fourth part of the total amount of made tea exported by that exporter during that period of twenty-two months ;

(b) in any other case, be an amount equivalent to such amount as the Controller may determine to be the average amount of made tea likely to be exported by that exporter during each fortnight in the period commencing on the date of his registration and ending on the thirty-first day of March, 1941.

(2) The limit of the coupon credit of a registered exporter at any time in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall, subject to any variation made by the Controller or by a Board of Appeal as hereinafter provided—

(a) in the case of an exporter who has carried on business as such throughout the period of twenty-two months ended on the thirty-first day of October, 1940, be an amount equivalent to one forty-fourth part of the total amount of made tea exported by that exporter during that period of twenty-two months ;

(b) in any other case, be an amount equivalent to such amount as the Controller may determine to be the average amount of made tea likely to be exported by that exporter during each fortnight in any such period of assessment.

(3) As soon as may be after the registration of an exporter, the Controller shall, by order, determine the limit of the coupon credit of that exporter and notify that exporter of the amount of such limit.

(4) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, by order reduce the amount of the limit of the coupon credit of any registered exporter if he is satisfied, after such inquiry as he may deem necessary, that such amount is excessive, having regard to the amount of made tea actually exported by that exporter and to all the other circumstances of the case. Every such order shall be notified by the Controller to the exporter affected thereby.

(5) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, upon application made to him in that behalf by any exporter, by order increase the amount of the limit of the coupon credit of that exporter if he is satisfied, after such inquiry as he may deem necessary, that such amount is insufficient, having regard to the amount of made tea actually exported by that exporter and to all the other circumstances of the case. Every such order, and every refusal to make any such order, shall be notified by the Controller to the exporter affected thereby.

(6) An appeal shall lie to a Board of Appeal against any order of the Controller under sub-section (3) or sub-section (4) or sub-section (5) or against any refusal by the Controller to make an order under sub-section (5) ; and a Board of Appeal may, upon any such appeal, confirm the order of the

Controller or increase or reduce the amount of the limit of the coupon credit of the exporter by whom the appeal is preferred.

(7) The coupon credit in the Bank of any registered exporter shall not at any time exceed the limit of the coupon credit of that exporter for the time being.

Invalidation of tea coupons and coupon credits.

20D. (1) Subject as hereinafter provided, the Controller may, by notification published in the *Gazette* and in three consecutive issues of one English, one Sinhalese and one Tamil newspaper circulating in Ceylon, prescribe, in respect of any tea coupon issued or coupon credit granted for any period of assessment, the date within that period of assessment on and after which that coupon shall cease to be valid or that coupon credit shall be deemed to be cancelled :

Provided that nothing in the preceding provisions of this section shall affect or be deemed or be construed to effect the provisions of section 23(1).

(2) Any notification under sub-section (1) shall be published in the *Gazette* not less than one month before the date prescribed by the Controller in that notification.

Amendment of section 21 of the principal Ordinance.

10. Section 21 of the principal Ordinance is hereby amended as follows :—

(1) by the repeal of sub-section (1) of that section and by the substitution thereof of the following new sub-section :—

“(1) Any registered exporter shall be entitled in any period of assessment to obtain from the Controller an export licence authorising the export from Ceylon during that period of a specified amount of made tea upon the surrender to the Controller of an equivalent amount of coupon credits which have been credited in that period to the account of that exporter in the Bank. Every coupon credit so surrendered shall be deemed to be cancelled.”;

(2) by the repeal of sub-section (3) of that section and by the substitution thereof of the following new sub-section :—

“(3) An export licence shall be personal to the registered exporter to whom such licence is issued and shall not be sold, transferred, negotiated or otherwise disposed of by that exporter.”.

Amendment of section 23 of the principal Ordinance.

11. Section 23 of the principal Ordinance is hereby amended by the repeal of sub-section (1) of that section and the substitution thereof of the following new sub-section :—

“(1) A registered exporter who, at the end of any period of assessment, has any coupon credit in his account in the Bank, may, on application made to the Controller within fourteen days next following the end of that period and upon surrender to the Controller of that coupon credit, obtain from the Controller a special export licence authorising the export from Ceylon of an amount of made tea equivalent to the amount of that coupon credit :

Provided that no such special export licence shall be issued upon the surrender of the coupon credit of any exporter unless it is established to the satisfaction of the Controller—

(a) that the exporter has in his possession an amount of made tea equivalent to the amount of the coupon credit ; and

(b) that such made tea was produced in the period of assessment in which that coupon credit was credited to the account of that exporter.”.

Replacement of section 24 of the principal Ordinance.

Tea coupons, &c. to be valuable securities.

12. Section 24 of the principal Ordinance is hereby repealed and the following new section is substituted therefor :—

24. Every tea coupon, every export licence and every special export licence shall be deemed to be a valuable security within the meaning of the Penal Code.

Insertion of new section 32A in the principal Ordinance.

13. The following new section is hereby inserted immediately after section 32 of the principal Ordinance and shall have effect as section 32A of that Ordinance :—

32A. It shall be lawful for the Controller at any time to direct any person who applies to be, or is, registered as a manufacturer or as an exporter—

(a) to furnish before a specified date such information as the Controller may require in respect of such application or registration or such explanation as the Controller may require in respect of any information furnished by such person ; or

Further powers of Controller to call for information.

- (b) to produce or cause to be produced before a specified date such documentary or other evidence as the Controller may require for the purpose of verifying any information or explanation furnished by such person.

14. Section 35 of the principal Ordinance is hereby amended in paragraph (d) of sub-section (1) of that section by the substitution, for the words "makes any declaration", of the words "makes any application or declaration".

Amendment of section 35 of the principal Ordinance.

15. Section 39 of the principal Ordinance is hereby amended as follows:—

Amendment of section 39 of the principal Ordinance.

- (1) by the substitution, for the words "the Board of Appeal" wherever those words occur collectively in that section, of the words "a Board of Appeal"; and
- (2) by the substitution, for the words "either Board", of the words "the Board or of a Board of Appeal".

16. Section 40 of the principal Ordinance is hereby amended as follows:—

Amendment of section 40 of the principal Ordinance.

- (1) by the substitution, for the words "registered proprietor" wherever those words occur collectively in that section, of the words "registered proprietor, registered manufacturer or registered exporter"; and
- (2) by the substitution, for the words "such proprietor" wherever those words occur collectively in that section, of the words "such proprietor, manufacturer or exporter".

17. Section 42 of the principal Ordinance is hereby amended in sub-section (2) of that section as follows:—

Amendment of section 42 of the principal Ordinance.

- (1) by the substitution, in paragraphs (f) and (g) of that sub-section, for the word "producers", of the words "producers, manufacturers";
- (2) by the insertion, immediately after paragraph (f) of that sub-section, of the following new paragraph:—
" (ff) the method and basis of the determination of the limit of the coupon credit in the Bank of manufacturers and exporters; "
- (3) by the insertion immediately after paragraph (g) of that sub-section of the following new paragraph:—
" (gg) the management, administration and control of the Coupon Credit Bank and the disposal of coupon credits in that Bank on the death, insolvency or incapacity of the holder of such credits; "

18. Section 46 of the principal Ordinance is hereby amended as follows:—

Amendment of section 46 of the principal Ordinance.

- (1) by the re-numbering of that section as section 46 (1);
- (2) by the insertion immediately before the definition of "Board", of the following new definition:—
" "Bank" means the Coupon Credit Bank established under section 19A; "
- (3) in the definition of "Board of Appeal", by the substitution for the words "the Board of Appeal", of the words "a Board of Appeal";
- (4) by the insertion, immediately after the definition of "exportable maximum", of the following new definition:—
" "exporter" means any person who carries on the business of exporting made tea from Ceylon, and includes any person who carries on such business together with any other business; "
- (5) by the insertion, immediately after the definition of "made tea", of the following new definition:—
" "manufacturer" means any person who, being lawfully in possession of a tea factory, whether as owner, lessee, usufructuary mortgagee or otherwise, manufactures made tea at that factory; " and
- (6) in the definition of "registered", by the substitution for the words "registered under the provisions of the Ordinance", of the words "registered or deemed to be registered under any provision of this Ordinance".

19. (1) The regulations relating to the Tea Coupon Bank published in *Gazette* No. 8,561 of December 22, 1939, are hereby rescinded, and the Tea Coupon Bank referred to in those regulations is hereby abolished.

Abolition of Tea Coupon Bank and transfer of credits therefrom.

(2) Notwithstanding anything in sub-section (1) or in the provisions of the principal Ordinance as amended by this Ordinance, credits to coupon accounts in the Tea Coupon Bank referred to in sub-section (1) may, upon application made to the Controller on or before the fifteenth day of December, 1940, in such form as the Controller may approve for the purpose, be transferred to the Coupon Credit Bank established under the new section 19A of the principal Ordinance, and shall, subject as hereinafter provided, be credited as coupon credits to the account of any registered proprietor, registered manufacturer or registered exporter :

Provided that—

- (a) the amount which may be so credited to the account of any registered proprietor shall not exceed an amount equal to three-tenths of the amount represented by the tea coupons issued to that proprietor prior to the first day of December, 1940, in respect of the period of assessment commencing on the first day of April, 1940 ;
- (b) the amount which may be so credited to the account of any registered manufacturer or registered exporter shall not exceed the amount of the limit of the coupon credit of that manufacturer or exporter, as the case may be.

Reference in written contracts to tea coupons to be construed as including a reference to coupon credits.

20. In any case where the terms of a contract relating to any tea coupon have, prior to the twenty-third day of November, 1940, been reduced to the form of a document by or by the consent of the parties to that contract or in compliance with the requirements of any written law, any reference in any such document to a tea coupon shall, on and after the first day of December, 1940, be deemed to include a reference to a coupon credit in the Bank ; and such document may, on and after that date, be read and construed accordingly.

Registration of forward contracts and special accounts in the Coupon Credit Bank.

21. (1) In this section, "forward contract" means a contract in writing—

- (a) executable, in whole or in part, at any time or on any occasion on or after the first day of December, 1940 ;
- (b) entered into by any person prior to the twenty-third day of November, 1940 ; and
- (c) containing an undertaking by that person to sell, deliver or transfer to, or purchase from, some other person a specified or ascertainable quantity of tea coupons.

(2) The Controller shall keep a register of forward contracts.

(3) Any party to any forward contract may apply to the Controller on or before the tenth day of December, 1940, for the registration of that contract. Every such application shall be made in a form approved by the Controller for the purpose.

(4) Any person aggrieved by the refusal of the Controller to register any forward contract may appeal against such refusal to a Board of Appeal.

(5) Upon the registration of any forward contract, the Controller shall open in the Bank a separate account, (hereinafter referred to as a "special account"), in the name of any person who, if this Ordinance had not been enacted, would have become entitled under such contract to the transfer or delivery to him of any tea coupons.

(6) The aggregate of the coupon credits which may be credited to the special account in the Bank of any person during any period of assessment shall not exceed the amount represented by the tea coupons to the transfer or delivery of which that person would, if this Ordinance had not been enacted, have been entitled, during that period of assessment, under the registered forward contract in respect of which such special account was opened in the Bank.

(7) (a) The proprietor of a small holding may surrender tea coupons to the credit of the special account of any person in the Bank ; and, upon such surrender, a coupon credit equivalent to the amount of made tea represented by the coupons so surrendered shall, subject to the provisions of sub-section (6), be credited to that special account.

(b) The whole or any part of the coupon credit of any registered proprietor of an estate may, subject to the provisions of sub-section (6), be credited to the special account of any person in the Bank. Every such transfer of a coupon credit shall be effected in writing in such form as the Controller may approve for the purpose.

(8) Save as provided in sub-section (7), no coupon credit shall be credited to the special account of any person in the Bank.

(9) No coupon credit to the credit of the special account of any person in the Bank shall be sold or transferred to, or purchased by, any person other than a registered manufacturer or registered exporter. Every such sale or transfer shall be effected in writing in such form as the Controller may approve for the purpose.

22. The provisions of sections 19 to 21 of this Ordinance shall be read and construed as one with the principal Ordinance as amended by sections 2 to 18 of this Ordinance :

Provided that the provisions of sections 19 to 21 of this Ordinance shall have effect notwithstanding any inconsistency between such provisions and those of the principal Ordinance as amended by sections 2 to 18 of this Ordinance.

Construction and effect of sections 19 to 21 of this Ordinance.

Objects and Reasons.

The object of this Bill is to amend the Tea Control Ordinance (Chapter 299) so as to introduce a new system of administration under which tea coupons will be issued only to the proprietors of small holdings, and coupon credits in a new Coupon Credit Bank will be granted in lieu of coupons to the proprietors of estates.

2. The existing law provides for the registration of proprietors only ; but the registration of the other two classes of persons who are engaged in the industry, namely, manufacturers and exporters, is a necessary feature of the new system and provision has accordingly been made for such registration. (Clause 5—new section 11A). A registered proprietor or any other person may be registered both as a manufacturer and as an exporter. It will, therefore, be possible for the same person to be a registered proprietor, a registered manufacturer and a registered exporter for the purposes of the amended law.

3. The negotiability of coupons and coupon credits will be restricted to proprietors, manufacturers and exporters. Coupons will continue to be issued to proprietors of small holdings ; and coupon credits in the Coupon Credit Bank will be granted to proprietors of estates. (Clause 8—new section 20). Every manufacturer and exporter will, on registration, be assigned a limit to the amount of the coupon credit which he may hold in the Bank. The basis on which this limit is determined is the actual or potential output of the factory or factories of the manufacturer. (Clause 9—new section 20B). Similarly, every exporter will, on registration, be assigned a limit to the coupon credit which he may hold in the Bank, and, as in the case of a manufacturer, such limit will be determined on the basis of the actual or potential business of the exporter. (Clause 9—new section 20c). The limit of the coupon credit of a manufacturer or an exporter will be determined by the Controller in accordance with the principles prescribed by the Ordinance or by regulations and the decision of the Controller will be subject to an appeal.

As it will not be possible for the existing Board of Appeal to cope with the additional work assigned to a Board of Appeal under the new law, provision is made (Clause 2—new section 6) for the appointment of a panel of ten persons, thus enabling several Boards of Appeal to function simultaneously, if necessary.

4. The coupons and coupon credits of proprietors can be sold or transferred only to registered manufacturers who, in turn, will be permitted to transfer their coupon credits to registered exporters. (Clause 9—new section 20A). As export licences are required only by exporters, such licences will not be negotiable under the amended law and can be obtained only by registered exporters.

5. The Controller will be authorised, as in the Rubber Control Ordinance, to prescribe a date in any period of assessment on and after which any tea coupon issued or coupon credit granted in that period will be invalidated or cancelled, as the case may be. (Clause 9—new section 20D). This power of the Controller can be used, if necessary, to expedite the sale or transfer of coupons or coupon credits so as to secure the early export from the Island of tea covered by such coupons or credits.

6. Coupons surrendered to the Bank will be converted into coupon credits. The new Bank has, accordingly, been designated "The Coupon Credit Bank" and will take the place of the existing Tea Coupon Bank. (Clause 7—new section 19A). Clause 19 makes provision for the transfer of accounts from the old Bank to the new.

7. Clause 20 provides that written contracts executed prior to November 23, 1940, shall, on and after December 1,

1940, be construed as though any reference in any such document to a "tea coupon" included a reference to a "coupon credit".

8. The purpose of Clause 21 is to protect the rights of persons who would, but for the amendment of the law, have been entitled to receive tea coupons in pursuance of any forward contract. Every such person will, if the forward contract is registered with the Controller, be entitled to have a special account opened in his name in the Bank. Proprietors of small holdings can surrender coupons to the credit of any such special account and proprietors of estates can transfer coupon credits to any such special account. The coupon credit of any person who has a special account in the Bank can be transferred by that person to the account of a registered manufacturer or of a registered exporter.

B. H. ALUWIHARE,

Acting Minister for Agriculture and Lands.

Colombo, November 22, 1940.

MINUTE.

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

Chapter 178. (Volume IV., page 425).	L. D.—O. 21/40 An Ordinance to amend the Lepers Ordinance. BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows:—
Short title.	1. This Ordinance may be cited as the Lepers Amendment Ordinance, No. of 1940.
Amendment of Chapter 178.	2. The Lepers Ordinance (hereinafter referred to as "the principal Ordinance"), is hereby amended as follows:— (a) by the substitution, for the expressions "leper asylum" and "leper asylums" wherever those expressions occur in the principal Ordinance, of the expressions "leprosy hospital" and "leprosy hospitals", respectively; (b) by the substitution, for the word "asylum" wherever that word occurs in the principal Ordinance except in section 3, of the word "hospital"; and (c) by the substitution for the word "asylums" wherever that word occurs in the principal Ordinance, of the word "hospitals".
Substitution of "leprosy hospital" for "leper asylum" or "asylum" in other written law.	3. The expression "leprosy hospital" shall be substituted for the expression "leper asylum" or the expression "asylum" wherever either the second or the third mentioned expression occurs in any written law (other than the principal Ordinance) relating to leprosy or to the segregation, support or treatment of lepers.

Objects and Reasons.

The object of this Bill is to give effect to the decision of the Executive Committee of Health that "leper asylums" should hereafter be called and known as "leprosy hospitals".

W. A. DE SILVA,
Minister for Health.

Colombo, November 18, 1940.