

No. 2 of 1898.

An Ordinance to appropriate a percentage of Nine and a half per centum of the Colonial Revenues as a Contribution for the Defence of the Island.

(As amended by No. 19 of 1904.)

Preamble.

WHEREAS it is expedient to appropriate a percentage of nine and a half per centum of the colonial revenues as a contribution for the defence of the Island: Be it therefore enacted by the Governor of Ceylon, by and with the advice and consent of the Legislative Council thereof, as follows:

* An error for "sub-section."—*Edd.*

Military Contribution.

1 This Ordinance may be cited as "The Defence Contribution Ordinance, 1898."

Short title.

2 "The Military Expenditure Ordinance, 1867," and the Ordinance No. 4 of 1869, intituled "An Ordinance to amend the Ordinance No. 12 of 1867," are hereby repealed.

Repeal of Ordinances 12 of 1867 and 4 of 1869.

3 A sum equivalent to nine and a half per centum of the Colonial revenues shall be appropriated yearly to the Imperial Government as a contribution for the defence of the Island.

Yearly appropriation for defence of the Island.

4 *The colonial revenues for the purposes of this Ordinance shall include the nett receipts of the Ceylon Government Railway; that is to say, the gross receipts of the Ceylon Government Railway less the following charges:*

Definition of "Colonial revenues."

[§ 2, 19 of 1904.]

- (a) *Charges for the maintenance of the Ceylon Government Railway;*
- (b) *The interest and sinking fund on loans borrowed for railway construction and extension;*
- (c) *An amount equal to four per cent. on any capital which shall have been heretofore or may be hereafter contributed from current revenue or surplus balances, and which shall have been or shall hereafter be expended upon railway construction and extension; provided however that upon past contributions from revenue and surplus balances the deduction of four per cent. per annum shall take effect as and from the First day of January, 1904, and upon all future contributions from the date of each of such contributions respectively, and provided further that every such deduction of four per cent. per annum shall cease after the same shall have been deducted for fifty consecutive years from the First day of January, 1904, in respect of past contributions and from the date that each contribution shall respectively be made in respect of future contributions;*

and the gross receipts by the Ceylon Government from all other sources of revenue, but shall not include the proceeds of land sales and premia on leases or land grants.*

5 In the first instance the said percentage shall be calculated on the estimated revenue of the year, and shall be paid at that rate, subject, however, to revision and adjustment in the manner following; that is to say:

Percentage how calculated.

(1) After the close of any year for which payment shall have been made according to this Ordinance, when the actual revenue shall have been ascertained, if there shall prove to have been an excess of receipts over the estimate, a further payment of nine and a half per centum of such excess receipts shall be made.

* Exclusive of abatements for widows and orphans under No. 13 of 1906, of which see section 6.—*Edd.*

(2) If there shall prove to have been a deficiency of receipts compared with the estimate, a deduction equivalent to nine and a half per centum of such deficiency shall be made from the next payment or payments due for the defence contribution.

What expenses
are included in
percentage.

6 The said percentage shall be deemed to be a fixed contribution payable by the Ceylon Government in full return for the annual cost of the Imperial garrison, including the cost of maintenance of all military works and buildings, but not including any capital expenditure required for military lands and buildings outside Trincomalee, which shall be provided for by vote of the Legislative Council in the usual way, provided that in no year shall the sum paid by way of percentage exceed three-fourths of the cost of the garrison for that year.

Percentage
payable
quarterly.

7 The said percentage shall be paid quarterly on or about the fifteenth day of March, June, September, and December in each year into the Imperial treasury chest in the Island on account of Her Majesty's Government.

24th January, 1898.
