

TRIBUNE

CEYLON NEWS REVIEW

Vol I No. 11

COLOMBO, JULY 10, 1954

15 Cents.

PREMIER ERRORS - ON LONDON LOAN

The Prime Minister of Ceylon, Sir John Kotelawela, did "Tribune" the honour of making a statement on the floor of the House of Representatives on Monday July 5th to meet criticisms we have raised about the London Loan. He did not think it necessary to name us, but everybody was aware that "Tribune" was the only paper that had raised this question of the London Loan in a comprehensive and systematic manner.

The Prime Minister declared that the criticisms against the London Loan arose from the "grossest ignorance on the part of those who make it." We are sorry that the Prime Minister should resort to such language and arguments to meet honest criticism. In the light of what we are about to reveal we can justifiably characterise some of the statements made by the Prime Minister in harsher terms, but we shall not do so.

We shall, however, analyse the statement he made on the floor of the House and show that it has little relation to the facts (as available to the public) and that it is no more than an endeavour to mislead the country. We shall not lay the blame at the door of the Prime Minister but accuse those who prepared this "historic" statement for him of a deliberate attempt to dupe the Prime Minister, the Members of Parliament and the people of Ceylon.

Price

Let us first take the question of price fluctuations. With a grandiloquence worthy of a better cause he said in the course of his statement: "At no time since our loan was raised has its price in the London Market approached anything near par. Indeed it has never touched even 98. The highest price it has ever attained is 97 $\frac{23}{32}$, and the price on June 9th, 1954 and June 16th 1954 were 97 $\frac{1}{4}$ and 97 respectively".



Facsimile of news item about the London Loan on the front page of the "Ceylon Daily News" of March 27, 1954.

On July 3, that is the latest figure available to us, the price quoted in the *London Times* was 98 $\frac{1}{4}$, that is £98. 5s. It is hard to believe that the gentlemen who prepared the statement for Sir John were unaware of the price in London two days before the statement was made.

The *Times* of June 10th reporting the transactions of June 9th gives the quotations as follows: 97 $\frac{3}{8}$ $\frac{1}{4}$ and the *Times* of June 17th in respect of transaction on June 16 states: Ceylon 4%, 97 $\frac{5}{16}$ $\frac{3}{16}$ 9/32 3/8. This means that on June 9th the price fluctuated between 97 $\frac{3}{8}$ to 97 $\frac{1}{4}$, that is £97. 7s. 6d. to £97. 5s. and on June 16th between 97 $\frac{3}{16}$ to 97 $\frac{3}{8}$, that is between £97. 3s. 9d. to £97. 7s. 6d. It was certainly not merely 97 on the 16th, and on the 9th, 97 $\frac{1}{4}$ was only the lower end of the range.

Readers can verify these quotations and others we refer to from back numbers of the *London Times* available at the Colombo Public Library, the U. K. High Commissioner's Office.

A few more quotations of the transactions in London will be interesting. The *London Times* of

Continued on page 2

PREMIER ERRS ON LONDON LOAN

Continued from page 1

June 1st states that on May 31, the Ceylon 4% was at 97 3/8 (fully-paid) and 64 1/4 for the £ 65 paid. It must be remembered that the loan was fully paid only on June 9th.

To layman to whom these figures may seem a little baffling we will say this in explanation. All these quotations are about the Ceylon 4% loan which was floated on March 25 (the other loan to which Sir John referred to we will deal with next week). The figures quoted are the prices (and 1/8 would stand for one-eighth of a pound, that is 2s. 6d.) at which transactions were done on any particular day.

So much for Sir John's statement that the price has never touched 98!

Cornering

But it was not about these transactions that we had doubts. It was the transactions both recorded and *unrecorded* (into which only a commission of inquiry can go into fully) that took place in the few days after the loan was closed.

To understand how the rigging took place, it is necessary to understand that on application on March 25, only £10 had to be paid. On April 13th, the second instalment of £20 was due, on May 21st, the third of £35 and on June 9th, the last of £32.

The loan, it must be remembered, was over-subscribed in about four minutes. This was what the *Financial Times* of March 26, 1954 stated:

"Allotment letters in connection with the issue of £5 million Ceylon Government 4% stock 1973-75 were posted last night, states the Bank of England.

"Applications for amount of stock upto and including £1000 have been allotted in full; applications for larger amounts received 60% of the amounts applied for.

"Dealings are expected to start this morning, on the basis of *par to 1/8 premium on the issue price of 97.*"

The *London Times* of March 26, 1954 reported as follows:

"Meanwhile, the list for the £5 million Ceylon Government 4% Loan 1973-75, offered at 97, closed within five minutes of being opened yesterday; and after business hours the Bank of England announced that applications for amounts of stock up to and including £1000 had been allotted in full and applications for larger amounts had received 60% of the amounts applied for. The allotment letters were being posted last night. Dealings will begin to-day at, *it is expected, par to 1/8 premium.*"

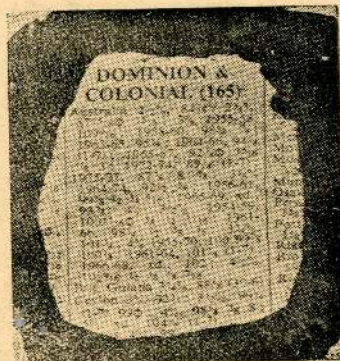
The two leading financial papers expected transactions on the day after the loan was closed at *par to 1/8 premium.*

The *Financial Times* of March 27, 1954 reported:

"Feature of high class investment stock was the start of dealings in Ceylon 4% 1973-75 at *1/8 premium.* A good demand was experienced and the scrip appreciated to a close at *3/8 premium.*"

Bright Spot

Further confirmation is found in the *Ceylon Daily News* of March 27, 1954. A report entitled CEYLON £ LOAN BRIGHT SPOT stated:



Facsimile of the "*London Times*" of July 3, 1954 with stock market quotations to show that shares in the Ceylon 4% 1973-75 Loan who transacted at 98 1/4 on July 2. Sir John declared in Parliament on July 5th that it had never touched 98.

"London, Friday. (26th) The start of dealings in Ceylon's new £5 million loan was described by observers as the bright spot in today's transactions in the City.

"The opening quote was 2/6 over the selling price of £97. Then, buyers moved in and then it rose in seven penny half stages to 7/6 premium."

The *Times of Ceylon* had a similar report the same day, but thereafter there was a complete blackout. "*Tribune*" learns on good authority that in the week following there were transactions at premiums ranging from 10s to a £1. But the speculators took care to record through the Stock Exchanges a few transactions at much lower prices particularly after all the horse-trading was done.

The real point in all this rigging comes in only when we realise that between March 25 and April 13, only £10 had been paid up. So a 5s, or 7s. 6d, 10s or a 15s premium sale means that it is a profit on £10. If the average profit is placed at 10s on £10, the profit is 5%. The investment for £5 million stock between March 25 and April 13 was only £500,000 and an average profit of 5% on that is a goodly sum.

Investigation

It was as a result of the calculation of £5 per cent—10s on £10—that our Financial Correspondent ventured to suggest that the shares had moved to £101 to £102.

The percentage of increase is correct, although the transactions would have been effected at a lower figure.

So, if an investigation is to be conducted on the cornering, it must be on transactions between March 26 and April 13. Sir John in his statement declared that it was totally untrue that the price rose almost overnight and that a number of gentlemen made easy money. If he reads the reports we have published of what the *Times*, the *Financial Times* and the *Ceylon Daily News* stated on March 26 and 27 he would see another aspect of the matter.

Continued on page 15

THE STRANGE CASE OF Dr. Wickremasinghe

We publish below an article by a Correspondent on the "sacking" of Dr. Wickremasinghe. We invite comments and views from our readers on this matter which has important political and constitutional implications.

In the general uproar and hullabaloo about the N. U. Jayawardena affair, an incident which should have stolen the headlines otherwise has been pushed into the background. The strange case of Dr. Wickremasinghe, the C. W. E. investigator, is a matter that deserves the greatest public attention and notice.

The treatment meted out to Dr. Wickremasinghe by a section of the press and a Minister of State is a violation of the elementary principles of decency and fair play. It is also an instance of a slanderous campaign against an individual, entrusted with a responsible piece of work, to "liquidate" him because he did not behave in a manner to assure certain gentlemen of the Fourth Estate that his report would lend support to a vendetta that they were carrying on.

Facts

It is worthwhile recalling the facts. In the middle of May, Dr. Wickremasinghe was appointed as a one-man Commissioner to investigate and report on the working and finances of the C. W. E. This appointment was under section 33 of the C.W.E. Act. It would appear that Dr. Wickremasinghe undertook the work on the strict understanding that he would be released on June 30 to enable him to go abroad. In fact, he postponed his departure from June 17 to July 8 to meet the wishes of the Prime Minister.

Dr. Wickremasinghe started his inquiry on May 20. By the 26th of June, he had completed his report and it was being made ready for despatch to the Minister.

Car Ride

In the meantime, the *Ceylon Observer*, on June 25, in what

appeared to be a top scoop published a picture of Dr. Wickremasinghe in a C.W.E. car and also a picture of a job card, showing that Dr. Wickremasinghe's car had been repaired in the C.W.E. garage.

This was followed up by a comment in the Political Correspondent's column in the *Daily News* on the 26th June, a comment so full of innuendo that would make even the most hard boiled journalist blush.

The Minister, it would appear, called for a report from the Permanent Secretary. On the night of the 29th June, the Minister "removed" the Commissioner and told him that he did not want his report. The Minister is reported as having stated that he had taken the action on the report of the Permanent Secretary.

The Lake House played up this removal and hailed it as a "SACK" for the Commissioner and declared that his "impartiality" was in doubt owing to this car ride.

Hits Back

Dr. Wickremasinghe did not take this lying down. He fought back with the biggest newspaper group in the country solidly against him. He called a press conference on July 1, and set out his side of the story.

He declared that he was appointed on specific terms of reference and he mentioned that one of the high officials in the Ministry had roughly outlined how he should set about the matter and had made a point to emphasise that the inquiry should not lead to a situation where the commercial credit of the institution would be impaired.

It was in circumstances such as these that Dr. Wickremasinghe started his inquiry. There is no doubt that the terms of reference were not comprehensive enough to include all that the public and the press wanted in the matter of an investigation into the C. W. E., but

Dr. Wickremasinghe cannot be blamed for this.

Dr. Wickremasinghe also stressed that the Permanent Secretary had told him that the C. W. E. would provide him with facilities, paper, typist, peon and even the remuneration for his services. As such, he stated, an occasional car ride was no heinous crime. He had paid by cheque for the small repairs effected on his car.

Who Lied?

In the course of his press conference he said that the Minister had not asked him to explain his car ride. Even the Permanent Secretary who had been asked to report had told that he should not worry about the matter. Therefore, when the Minister stated that he had acted on the Permanent Secretary's report he was speaking an untruth.

This was confirmed at an unexpected press conference held by the Permanent Secretary, Mr. Alvappillai, where he tabled all the relevant papers he had. It would appear that he had reported that no action need be taken.

This makes it crystal clear that the Minister acted independently, going contrary to the recommendation of his Permanent Secretary. It is inconceivable how Mr. J. R. Jayawardena, an eminent lawyer before he took to politics, should have removed Dr. Wickremasinghe without asking him for an explanation. To condemn a man who has not been heard in defence is a travesty of elementary justice.

Implications

Dr. Wickremasinghe has sent the report he had completed before his removal to the Food Minister. From press reports, it would appear that the C.W.E. Commissioner's report would be scrapped and treated as a "piece of paper".

Continued on page 14



CEYLON & INDIAN LOANS

DEVELOPMENT PROGRAMME

Immediately after the War the Ceylon Government embarked on an accelerated programme of capital development. When Ceylon became an independent country within the British Commonwealth, a six-year development programme to cover the years 1947-48 to 1952-53 was formulated. By the end of this six-year period approximately Rs. 1,300 million had been expended on development financed almost entirely from domestic borrowing (50 per Cent.) and revenue (45 per Cent.). The Ceylon Government's objective is to make the best use of the country's natural resources by bringing into production some 3½ million acres of potentially productive agricultural land and harnessing where practicable, for electric power and irrigation purposes, the abundant water resources of a country with a high annual rainfall. A significant proportion of this programme has been devoted to agricultural development aimed at increasing domestic food production so as to lessen Ceylon's dependence on imported foodstuffs. This six year programme has included the first stages of the Gal Oya irrigation project, amongst many irrigation and land development schemes, the first stage of the Laksapana hydro-electric project and, in the field of transport and communications, improvements at the Port of Colombo.

Capital expenditure on development during the current financial year ending September, 1954, will, it is estimated, amount to nearly Rs. 320 million.

A further long-term development programme, including for the most part projects recommended by the recent World Bank mission to Ceylon, is now in preparation and the Ceylon Government are presently assessing priorities to determine which projects should be included

in a plan to utilise the first Rs 1,500 million becoming available for investment. Capital projects already authorised by Parliament to be financed from loan funds, but not yet completed, will be included in the plan and will cost, on present estimates, approximately Rs 750 million of the first Rs. 1,500 million available.

In broad outline this Rs. 750 million will be allocated as follows:—

	Rs. millions (1 Ceylon Rupee—1s. 6d)
Economic Services.	
Agriculture, Irrigation, etc ...	424
Public Utilities ...	176
Manufacture ...	17
	—
	617

Social Services.

Health, Housing,
Education, etc 101

Other Services.

Defence, Administration, etc ... 32
—
750
—

The proceeds of the present issue of stock will be appropriated to the continuation or completion of projects included in the programme outlined above. During 1954-55 the Ceylon Government intend to devote approximately Rs.350 million (inclusive of the proceeds of the present issue) to capital development.

NEHRU'S APPEAL: NATIONAL PLAN LOAN

Prime Minister Nehru has issued the following appeal to the Nation for subscribing to the 3½% National Plan Loan, 1964, announced in April this year,

“The Government of India have today announced an issue of the National Plan Loan, for which subscriptions will be received all over the country from the 19th April and until further notice.

“Both the Central and State Governments issue loans from time to time. The present issue of the National Plan Loan, however, is something different and very special. It is a national loan and it covers both the Central Government and the States. It is a loan especially meant for develop-

ment purposes and for the fulfilment of the National Plan.

“This Loan is addressed to everyone in India. It is an invitation to all of us to join in this mighty adventure of building up New India. It is a way of showing that we shall stand on our own feet and not allow ourselves to be uprooted by the strong winds that might blow in upon us from any quarter. The strength of a Nation ultimately depends on its economic and industrial development bringing not only greater production, but greater employment. All else flow from this. We are firmly resolved to build up our Nation and make India united, strong and prosperous, with friendship to all and malice to none.

“The institutional investors, like banks and insurance companies

Continued on page 13

GUATEMALA

While the metropolitan powers of Europe carved out for exploitation most of Asia and Africa the United States tightened its economic grip on the Latin American States in the south. There was, however, one characteristic feature which distinguished "Dollar Imperialism" or "Neo-Imperialism" as Nehru calls it, from the traditional form under which countless millions throughout the world have for long suffered. Big Business interests in the United States found it more profitable to carry out their exploitation through the agency of puppet regimes maintained in power by a reign of terror and for this operation the South American continent provided an almost limitless field.

Reservoir

To the United States, South America is a reservoir of raw materials and a market for manufactured goods. It is stated that in the year 1950, Latin America supplied 83% of the oil entering the United States; 97% of antimony; 63% of copper; 53% of tin; 95% of coffee; and 85% of sugar. At the same time "58% of the machinery, 37% of the chemical products, 40% of the textiles, 30% of the iron and steel, 36% of the wheat and 46 of every 100 automobiles exported by the United States was destined for Latin America" (*New York Times* 1-4-51).

The history of Latin America is the story of the heroic struggle for political freedom and economic independence of the oppressed starving millions against feudal barons, petty tyrants and fascist dictators. In the course of this long drawn-out struggle, again and again we find, the United States in order to preserve the interests of a few monopoly groups at home, throwing its whole weight on the side of the dictators against the people. At present, nowhere else is this more evident than in the democratic republic of Guatemala which has incurred the wrath of the the United States for daring to challenge the United Fruit Company which has hitherto held undisputed sway over the economic and political life of Central America.

Octopus

The United Fruit Company is associated with one of the eight financial oligarchies that rule the United States, the Boston Group, whose assets total \$ 6,045,000,000. "At the end of 1945," states Victor Perlo in (*American Imperialism*), "the United Fruit Company owned in Central America 558,965 acres of improved and cultivated land, 1474 miles of railway, 209 miles of tramways, 72,082 head of livestock and 66 ocean going vessels of which 50 were refrigerated fruit vessels. It owned the telegraph system linking the Caribbean countries with the United States telephone lines, radio stations, a large sugar refinery near Boston and a sales company with 45 branches in the United States.."

The United Fruit Company, which began its operations in Guatemala in the first decade of the present century, very soon attained a position dominating the economic and political life of the country. To day the Company owns a considerable portion of Guatemala's territory and all the three sea-ports. It employs 37,000 workers in its plantations and an annual profit of \$100,000,000 accrues from its operations in Guatemala.

The Company, besides enjoying special privileges in Guatemala, had the active support of the dictators who ruled the country. It is reported (*Times* 28th June 1954) that " in the '30s Dictator Ubico who, as a great and good friend of the United States—owned United Fruit Company, once marched troops into Guatemala's Congress to force the Deputies to pass a bill giving the firm a concession to its present Tiquisate banana plantation...".

Democratic

The popular bloody uprising of 1944, which ended the dictatorship of Jorge Ubico, may be said to mark the emergence of Guatemala as a democratic state. It was also the beginning of a long and bitter struggle between the forces of democracy on the one hand and of

* Although the democratic *
* Republic of Guatemala is no *
* more, we publish this inform- *
* ative article by a special corres- *
* pondent for the light it throws *
* on the recent happenings in that *
* country. John Foster Dulles *
* unashamedly gloats over the end *
* of the democratic regime in *
* this small Latin American *
* country. Guatemala is a warning *
* to Asian peoples about American *
* methods of subjugation and *
* control, particularly at this time *
* when U. S. is attempting to *
* subvert peace in Asia. *

reaction as represented by the United Fruit Company and the feudal oligarchs on the other. Guatemala's subsequent history is a continuous record of the attempts by the United Fruit Company, backed by the United States Government, to overthrow the lawfully elected democratic Government and set up a regime acceptable to the Company.

In the first popularly held elections, a few months after the 1944 revolution, President Juan Jose Arevalo, then just returned from his exile in Argentine, received 85% of the votes. "In this isolated country," records the *Economist* (21-3-53), "where the Indian majority for centuries exploited more or less ruthlessly by a small caste of white and Mestizo land-owners, the revolution of 1944.. set in motion a train of social, political and economic change that has gone forward throughout the terms of office of Presidents Arevalo (and his successor) Arbenz."

The democratic regime of Arevalo immediately set about the task of improving the lot of the majority of Guatemalans who were chronically poverty-stricken. Several reforms were introduced particularly in the field of education and health. In a country, whose population is barely 3,000,000, no less than 135 schools and 17 hospitals were built during Arevalo's term of office. The new labour code conferred all trade union rights including the right to strike.

Continued on page 11

PACT NO SOLUTION

The issue is what is going to happen. Pandit Nehru says quite a different thing as to what he imagines is going to happen. Whilst these gentlemen opposite have quite different views—poles apart—of what is going to happen. Let us know in heaven's name before we are asked to approve of your agreement, of these joint proposals, what the position actually is. Let us know that as we do not know it. I am only pointing out that there is a wide divergence of views.

Begum Para

I was dealing with this case of consultation. Do you think that the Prime Minister of India is going to agree to these things? No. I told you that this consultation here really means approval. You go and consult India on these things. I know she will say, "Certainly not". She will strongly disapprove of them. What are you going to do then? Are you then going to say, "Whether you like it or not we are going to do this and that"? Where are those friendly relations that you hope to establish then? Will Begum Para be then in this Agreement of the seed of greater dissension than ever? Far from the friendly relations which all of us desire to establish with the great country of India, inherent in these terms are the very seeds of disagreement, or else, it is the continuance of friendship on the condition of surrender. These very steps that you say you intend to take are the very steps that they will not agree to. We know it. We know that they will not agree. Either you will have to give in to them and keep quiet or run the risk of further embittering the relations between India and Ceylon.

Mr. E. W. MATHEW (Second Balangoda): What is your solution?

Ma'or T. F. JAYEWARDENE: What would you have done?

Mr. S. W. R. D. BANDARANAIKE: I have not yet converted myself

 * This is the fourth and *
 * concluding instalment of *
 * the statement made in the *
 * House of Representatives *
 * on March 2nd, 1954. *

into the position of supplying brains to those who do not possess any, who, even if the brains are supplied to them, have not got enough of their own to make use of them intelligently.

Why pact was signed

Of course, these are the main points. Other hon. Members will deal with other points and I do not want to take up time on points they will deal with. I personally do not think that visit to New Delhi was desirable in that way at all. I give all credit to my very good Friend the High Commissioner for India in this matter: for his tact, his knowledge of human nature, his acumen and his astuteness. When my hon. Friend the Prime Minister took that journey in circumstances of pomp and eclat, how could he have refused to enter into this Agreement? Could he go there and come back here with his tail between his legs? He had to have his tail up.

Indeed, he had to put his signature to something and this is the thing to which he put his signature, because it is a matter of prestige. One can understand it. Having gone there with all that pomp and so on, for him to return and say, "Well, I could not come to an agreement", was hardly the thing to do. It was taken for granted that he had gone on this exploratory talk and it really became a *fait accompli*. Of course, he had to accept the position and could not turn it down.

When he was at Delhi this is what he said. I am reading from the "Ceylon Observer" of 18. 1. 54.

"I am anxious that whatever is decided upon at New Delhi should not be finalized until all interests in Ceylon are consulted and Cabinet approval obtained."

Who were Consulted?

That is what, in headlines, appeared in the "Ceylon Observer." Where have all interests been consulted? Even this House was not consulted. The Hon. Prime Minister might have consulted his Party, but that does not mean that he consulted all parties. One of the interests to be consulted is the representatives of the people in this House. That is the initial mistake he made.

I pointed out that that journey was not necessary; that, on the question of illicit immigration, you did not want to do that. It was far better to have considered the question here, made up your minds, and on any points that arose, where the consultation of the Government of India was necessary, at that point and only at that point should consultations have taken place and not by giving up the right of any sovereign people to determine the position. That is the principle of international law. In this case it has been a surrender of that position. That is the first mistake that was made.

No Solution

With regard to your agreement, in what way has it solved the problem? What do you want to do? If it is to preserve friendly relations with India, of course, we all like that. Far from this Agreement promoting those friendly relations, it is likely, if your purpose is to take any of the steps you have indicated, to worsen the friendly relations between India and this country, and, if you do not propose to do that, you are, in effect, surrendering the position unless it be with the approval of the Government of India. The Hon. Prime Minister says, "It is a human problem, you

Continued on page 12

U. S. Reactions



Notes from
New Delhi

TO CHOU'S VISIT

Chou En Lai's visit to India and Burma has earned Jawaharlal Nehru the vilest of press attacks in the United States of America where Senator Knowland has declared that if the United Nations dared recognize China he would devote all his future time lobbying for US's withdrawal from the United Nations Organization. Churchill must have been a hard nut to crack and Eden surely proved an obdurate statesman to tackle with in their insistence that U.S. give up her dog in the manger policy on China.

Dulles

The Washington meeting proves but one thing that Dulles will no longer have a free field in Asia, nor is his place in Western Europe assured to be undisputed. If a great many US Senators were shocked at Eden's Locarno idea for South East Asia there were many more vocal leaders in the dollar land who were prepared to vote withdrawal of aid to any but who toed the Dulles line. These people unfortunately happen to hold power today in the US against saner lone elements like William O. Douglas, U.S. Supreme Court Justice who maintain, "The world is different than we in America have thought. The plain fact is that the world is in a revolution that cannot be bought off with dollars. If we continue our present foreign policy, especially in Asia, we are doomed to disaster."

Depression

The dollar aid to all and sundry is not to aid any country nor a well-meant charity but it is actually a sop to stem depression in the United States itself where 'free enterprise' including the authority of manufacturing of even the Hydrogen Bomb is

entrusted to big corporations. But the US 'big-fist' policy is clearly failing. Even Big Capital's mouthpiece like *U.S. News & World Report* had woefully to comment :

"Resistance to US ideas is growing. Irritation with US power and behaviour is mounting. US popularity overseas is fading. New US idea, all-out 'cold war,' is unpopular even with people who have most to fear from Russia..... Average person on the Continent, or around the rim of Asia, is backing away from war. He wants no part of it. And he's beginning to blame the US, rightly or wrongly, for pushing the world towards World War III."

Bowles

The American aid business reminds me of ex-US Ambassador of India Chester Bowles' account of ambassadorship in his book: *Ambassador's Report*. Quoting instances of a scramble among small nations for American dollar and other aids he narrates a true story which brings us at once laughter and tears and a lesson too. Having heard of the Marshall Aid to small countries the Prime Minister of a tiny European state, Monaco, dashed down to Washington.

"How is the Communist problem in your country?" asked him a State Department official just casually during the negotiations for aid.

"Our people are so reasonable and understanding that we have no Communist even for a sample", was the proud but simple Monacan Prime Minister's reply.

"If you have no Communist problem" the State Department official gravely replied, "it would be almost impossible to secure

Congress approval for any aid to your country".

Just Enough

That broke the Monacan. On his way back he stopped over at Paris. While meeting the French Prime Minister he said, "In case you have a surplus of Communists would you mind sending a few of them over to our country? Not many..... just enough for a couple of demonstrations. It would suffice if we are able to send reports to America about some broken window panes".

The French Foreign Minister sadly shook his head and said, "I appreciate your need of Communists, *mon ami*, and would have been too glad to be of help. But alas! Our production of communists is just enough for our livelihood. No charity exports are possible."

Small Fish

Readers of this column will remember my reference some time ago to the Public Relations Officer attached to the Ceylon High Commission in the Indian capital. I am now reliably informed that the Ceylon Government had a plan to investigate charges against the said PRO. The Permanent Secretary to the Ministry of Foreign Affairs was reported to be coming here to make a personal appraisal of the case.

Something suddenly has gone wrong somewhere and my informant (in whom I have complete faith) tells me this small fish (PRO Yogendra Doraiswamy) is moving heaven and earth to have the official enquiry against him stayed. I have with me the name of a senior official (close to Sir John)

Continued on page 15

Comment

N. U. JAYAWARDENA INQUIRY

SCAPEGOAT?

There seems to be a great deal of confusion in the matter of the action being taken against Mr. N. U. Jayawardena. It is admitted that the investigations against him were conducted under the Bribery Act and that a *prima facie* case was drawn up as a result of this.

The Bribery Act gives very wide powers of investigation and under its provisions alone is it possible to examine income tax returns, bank accounts and the like. The Bribery Act also provides a machinery by which offenders under the Act can be charged and punished.

Monetary Law Act

In the case of Mr. Jayawardena, it has been reported that action is being taken under the Monetary Law Act, 58 of 1949, and that a Commission would be appointed to inquire into the charges.

Action has undoubtedly to be taken under the Monetary Law Act. Section 16 (c) provides that the Governor-General may, on the recommendation of the Prime Minister, remove the Governor from office "if he has done any act or thing which, in the opinion of the Prime Minister, is of a fraudulent or illegal character or is manifestly opposed to the objects and interests of the Central Bank."

There is no provision in the Monetary Act for "suspension" pending an inquiry. The correct position would be "removal" and thereafter, if the person has been proved innocent, "re-appointment." Otherwise the "removal" would stand.

There is no provision in the Monetary Act for any kind of inquiry. If in the opinion of the Prime Minister, the Governor, or Deputy Governor or a member of the Board has been "guilty" of a breach of section 16 (c), they can be removed forthwith.

Commissions of Inquiry Act

Secondly, as there is no provision

in the Monetary Act for a Commission of Inquiry, it is to be presumed that if the inquiry is not under the Bribery Act it will be under the Commissions of Inquiry Act, 17 of 1948.

It must be remembered that, however wide the powers the terms of reference may confer, a Commission under the Commissions of Inquiry Act will not have the powers a Commission under the Bribery Act will have in regard to a number of matters particularly the punishment to be imposed and the powers to compel production of certain documents.

Apart from this, there is the question whether it is fair or advisable that a matter that has been investigated under the sweeping powers conferred on the Attorney-General under the Bribery Act should be inquired into under the provisions of another enactment. If this were permitted then persons may be investigated under the Bribery Act and charged before some other tribunal. This does not seem a satisfactory procedure.

Bribery Act

If Mr. N. U. Jayawardena or any other person has been investigated under the Bribery Act, then it is only proper that he be charged under it even if it means that some of the charges against that person may be ineffective because of the fact that the Bribery Act is not retrospective. The plea that a Commission under Act 17 of 1948 may be able to look into offences before the "appointed date" in the Bribery Act is not convincing nor is it fair.

Section 29 and other sections of the Bribery Act lay down the penalties. In addition to a fine and/or a gaol sentence, a person found guilty under the Act is deprived of civic rights for seven years; he is disqualified for all time of being employed as a

public servant or being an employee of any scheduled institution, and above all of being compelled to forfeit assets which he has come by unlawfully.

Defence Prejudiced

There is yet another aspect of the N. U. Jayawardena matter which deserves the attention of the public. Although, "Tribune" has been pressing for action against Mr. Jayawardena, we are of the opinion that it was grossly unfair and unjust to him to have published the report containing the charges drawn up by the Attorney-General before a meeting of the Government Parliamentary Party Meeting. Nothing can be more calculated to prejudice Mr. Jayawardena in his defence than this act of premature announcement of charges before a meeting of a political party. The charges are now public knowledge and the names of various firms and individuals have been drawn in. The proper place where these charges should have been made was before an appropriate tribunal.

When "Tribune" first made public the news about a *prima facie* case against Mr. Jayawardena, we emphasised that Mr. Jayawardena must be given every opportunity to defend himself. Such defence would be greatly prejudiced if charges against him are made public before he is ready to meet them before the proper tribunal. It is one thing to press for action and a full inquiry, it is another to deny an accused person elementary rights to defend himself.

"Tribune" has a fear that a climate of hostility is being consciously or unwittingly built up against Mr. N. U. Jayawardena by a certain section of the Press which has never so far been interested in action against him. The Prime Minister should be careful that he is not jockeyed into a position so that Mr. Jayawardena is made a scapegoat and by this means a probe into others either connected with him or close to him is not side-tracked. This is a danger against which the public must be on guard.

JUST BRIEFLY
by
SERENDIB

THE BITER BIT

Many people are wondering whether the *furor* that has suddenly been let loose about the N. U. Jayawardena affair is not really intended as a sop of the popular uneasiness about the corruption in high places. Is N. U. J. being made a scape-goat, is the question on many people's lips.

The way in which the whole matter is proceeding lends support to this view. The vigour with which the Premier has been promising a "full inquiry" makes one feel that he doth protest too much.

But the public cannot be cheated. Any attempt to do so will prove fatal to the U. N. P. The public is not interested in finding scapegoats. It wants corruption in high places (as well as low) rooted out.

Decoys

It is known that a very large number of persons now being brought up under the Bribery Act have been caught through the use of decoys and marked notes. Peons have been tempted with Rs 1 (marked), doctors with Rs 10 (also marked) and so on. This is all very good and clever on the part of the Bribery Squad.

But the question people are asking everywhere is whether the Bribery Squad has made any attempt to trap persons in high places with decoys and marked currency notes. Since no one in high places has been, so far, caught by this technique, people believe that the decoy-marked note technique is reserved for the lower orders.

This is another reason why the Government is losing so much in the way of popular support and enthusiasm.

Uncle Flybynight

I understand on good authority that the great and redoubtable

Uncle Flybynight has applied for membership to the super-duper Eighty Club in Colombo 7. At the time of writing, I am not certain whether the Grand Committee has sat on judgment in regard to this application, but at the time I got the information there was animated discussions among committee members whether this stormy petrel of Ceylon journalism should be granted rights of membership.

What the members feared was that if Uncle Flybynight became a member, the "secrets" of the Club may become topics for his Sunday morning musings. But they seem to fear that if they turned down his application the Club would be denying a distinguished citizen of Ceylon his rights to be a member of the most fashionable club in Colombo.

However, I think Uncle Flybynight will soon be a member (unless he is already one by the time this appears in print). He is being backed by some big guns of the Club.

Police Horse

For no apparent reason the *Daily News* published a photograph of the American Ambassador astride a police horse. The caption was a clumsy effort at humour. It is public knowledge that anybody who cares to ride and knows how to handle a horse can get a police horse for a little exercise in the evenings. To take a picture in the gathering dusk and claim it as a scoop is easy enough, but nobody sees any point to it. Lake House is openly and unashamedly pro-American in matters where the Washington State Department should be opposed, but seems to find delight in little matters of no consequence like the Ambassador taking a ride. Or is this an attempt to show that Lake House can be "anti American"

an"? Or was it an effort to offset the public disgust at the car-ride-job-card "scoop" against Dr. W. G. Wickremasinghe, the one-man C. W. E. Commissioner?

Biter Bit

The Lake House Press has started to whine. They complain that it has become a national pastime to gossip, and that such "gossipers" take the sting out of "slander" by using the phrases "it appears it seems" etc. The Political Correspondent of the *Daily News* spent a goodly portion of last Saturday's column to lecture to his readers that they should not gossip. This was followed up this week by similar sermons in editorials in the *Daily News* and the *Observer*.

The latter distinguished itself by making innuendos against a whole host of persons it doesn't seem to like. But what the *Observer* and the Lake House papers fail to remember is that for a long long time they were the sole purveyors of such gossip, and that the great founder of the technique of gossiping with the prefix "it appears, it seems, it comes over the grapevine" etc was no less a person than the great political Correspondent of the *Daily News*.

Lake House had no complaints as long as its own publications did the gossiping about persons it did approve of. But as soon as a few other papers, following in its footsteps, use the same technique to gossip about persons Lake House is fond of, it begins to whine piteously. Gossiping is bad for the nation, it complains. Even responsible persons, who should know better are gossiping, it bemoans.

The biter has been bit, but he is unable to hold his head high, stick his chin out and bear it with a grin.

Trine, Tribune & Guardian

Steal The Thunder

The hard-hitting weekly *Trine* created a sensation last week by putting down in print what a few spoke in hushed whispers so that the multitude might know. It was an open challenge to a number of people to defend themselves, but so far they have been silent. Not one of those against whom allegations have been made have so far come forward to refute them.

That issue of the *Trine* sold out in a few hours and to meet the universal demand the publishers put out a reprint of the first page containing the blood-curdling article. Several thousand sheets of this was sold. It is said that several embassies bought a number of copies and air-mailed the same to their respective countries.

N. U. Story Breaks

The *Trine* was on the newstands on Thursday morning, July the First. By afternoon, the two evening dailies were screaming their tops off about the action being taken against Mr. N. U. Jayawardena. Thus the N. U. Jayawardena story broke into big print. *Trine* had named him in the morning, and by afternoon the dailies which had sat tight on this story for three weeks decided that they no longer could keep their readers in the dark.

It was the *Tribune* which had first appeared with the news about Jayawardena calling him the BIG FISH on June 12. *Guardian* followed up on June 14 referring to him as a high-ranking official. *Tribune* persisted with this story in its issues of June 19 and June 26 calling for action against the BIG FISH and giving details of attempts to suppress action against him. *Guardian* made references to investigations being conducted against the high ranking official with guarded comments about attempts to save him until the story burst wide open. Thereafter *Guardian* lashed out.

Governor-General Designate

The *Trine* in its issue of July 1 declared that Viscount Soulbury should not be permitted to return to England until the N. U. Jayawardena inquiry was over. The *Guardian* took this matter up with a great deal of vigour in its issue of July 5th which contained an editorial which stated in no uncertain terms that Sir Oliver Goonetilleke was found wanting to fill the high post of Governor-General.

This issue of the *Guardian* immediately sold like hot cakes which is indeed a measure of what popular feeling is on the matter. At the Government Parliamentary Party Meeting that day, it would appear that Sir John threatened action against the *Guardian* and also the weekly papers. What action he contemplated is not known, but the *Guardian* reported that the Premier had stated that he had recommended to the Attorney-General that *Guardian* should be charged for criminal defamation.

Libel?

One would have thought that Sir John would have asked the Attorney-General whether there was anything criminally defamatory in the *Guardian* editorial. Instead of that we have the Premier telling the Attorney-General what he should do. Anyway, with my layman's knowledge of what libel means I cannot see anything defamatory or libellous in the *Guardian* editorial. On the next day *Guardian* challenged the Pre-

mier to take action and reprinted the editorial comment. At the time of writing other developments are expected, but one does not know just what they will be.

Tribune has been endeavouring to pour oil over these troubled waters by suggesting that Sir Oliver should disclose his assets to refute these allegations.

On the Floor

Tribune was paid a great compliment when the Premier made a special announcement on the floor of the House of Representatives refuting certain allegations it had made concerning the London Loan. He did not name the paper but it was the *Tribune* that had called forth the statement.

It is not often a Prime Minister thinks it necessary to refute a charge by a weekly paper, but in this instance Sir John thought it essential to do so.

The *Tribune's* answer to Sir John would probably merit a fresh statement in the House.

Gutter Press

It was reported in the *Guardian* that the Premier had referred to allegations made against the Governor-General as coming from the "gutter press".

When Lake House makes similar allegations against Dr. W. G. Wickremesinghe, the Government immediately "sacks" Dr. Wickremesinghe and orders him to cease being Commissioner. But if any other press makes similar allegations, they are branded as "gutter press".

This is doing neither the Government nor Lake House much good.

YOU BUY WITH CONFIDENCE
WHEN YOU BUY GOODS
ADVERTISED IN "TRIBUNE"

GUATEMALA

Continued from page 5

Banana Barons.

These progressive reforms were at every turn fiercely resisted by the feudal oligarchs and the United Fruit Company. Twenty-seven attempts were made to overthrow President Arevalo; but he defeated all these and when handing over his office at the end of his six-year constitutional term of office, Arevalo, in a memorable speech, summed up the struggle between the contending forces of democracy and fascism in South America as follows:

"...in Guatemala we came into conflict with the peculiar economic and social structure of the country, where the culture and the political and economic control were in the hands of three-hundred families who were heirs of colonial privileges, or employees of foreign overlords, or members of an administrative caste. Creole feudalism... reacted in an outraged manner against the way my Government understood democracy and emphasised freedom. The banana barons, Roosevelt's fellow citizens, rose against the insolence of a Central American President who dared to put his compatriots on a footing of equality with the honourable families of the exporters. Hitlerism has not died... After the gruelling, enlightening experience of the past six years... what I can say is that contemporary democracy is losing ground at a dizzying speed to the Punic doctrines of Hitlerism."

Arbenz

In the elections held in 1951, Arbenz succeeded Arevalo. The reforms introduced by Arevalo were carried a step forward with the introduction of land reforms. No impartial observer examining the pattern of land ownership in Guatemala at that time will fail to be impressed by the urgent necessity for land reform. "The 1950 census revealed that small farmers with holdings of less than 3.5 hectares (the majority of them simple tenants) made up 72 per cent of the agricultural producers but held only 9 per cent of the total land area. At the other extreme, 2 per cent of the farm owners held 78 per cent

of the land, and among them 22 owners of estates containing more than 9,000 hectares each held 13 per cent of all the land." (*The Nation*, 27-3-54)

The United Fruit Company and the big landlords enlisted every medium of propaganda in their bitter campaign against land reforms. In the clash between Guatemala and the Company, the U. S. Government sided unequivocally with the Company and brought very heavy pressure to bear on its opponents. The activities of these reactionaries were not confined to propaganda and verbal threats only. An attempt was made to blow up the two largest power stations in the country, the explosion being timed to coincide with the opening of the parliamentary debate on land reform. From the ensuing confusion they calculated to stir up disorder, but, fortunately for Guatemala, the plot was discovered and defeated in time. A plot, led by Col. Armas, to overthrow the Government was also nipped in the bud.

Popular

The popular enthusiasm for land reform evinced by the Guatemalans is best illustrated by an eye-witness account of the passage of the land reform bill in parliament:

"It was the people that got the bill passed. When it came before parliament, peasants' and workers' delegates arrived in the capital from all parts of the country. They filled the visitors galleries and actively demonstrated their support of the Government bill... The peoples representatives were present throughout the two days the bill was debated, and when at last it was enacted, parliament was the scene of wild jubilation, which then spread to the whole country."

"The main provisions of the Bill were that all uncultivated holdings of over 250 acres, whether belonging to private persons or companies, and Government lands, were to be divided up and distributed among landless peasants, the latter being charged a relatively small tax for the use of the land. A National Bank of Agriculture was founded to render financial assistance to the peasantry."

A special correspondent of the *Manchester Guardian*, recently returned from Guatemala, states that, "612,150 acres (of expropriated land) have so far been distributed to a total of 55,734 peasant families. Another 16,200 families and 6,634 members of farm co-operatives have been settled on State-owned land and are now engaged in the production of coffee, cane, fibres, corn and cotton." (*Manchester Guardian* 24-6-54). With the introduction of land reforms, the same correspondent points out, agricultural production and productivity have risen appreciably and at the same time there has been a general reduction in the cost of living.

Compensation

As compensation for the land seized from the United Fruit Company, the Government has deposited in the Bank of Guatemala \$1,185,115 worth of agrarian bonds. "Compensation has been paid on the basis of tax evaluation of property filed with the Government by the Company some years back." (*New York Times* 25-5-54). *The State Department, however, had presented a claim of \$16,000,000 on behalf of United Fruit. It is not surprising that the final rejection of the State Department's claim by Guatemala on May 25th should mark the beginning of the present armed intervention against that republic.*

The United States, realising that the acquisition of the United Fruit Company's properties in Guatemala and the introduction of progressive reforms would create a precedence which the other Latin American States will quickly follow, intensified its activities against Guatemala. Dissident reactionaries within the country were encouraged to rise in revolt against the Government. Guatemala was accused of being the spearhead of international communism in Latin America. Mr. Braden, a former Secretary for Latin American Affairs and now Public Relations Director of United Fruit, is reported to have said in a speech at Dartmouth College on March, 12th, 1953, that the removal of "international communism" from Guatemala "even by force" would not constitute intervention.

Intervention

The Pan-American conference recently held at Caracas was

Continued on page 12

GUATEMALA

Continued from page 11

inaugurated by the United States with the avowed object of organising joint action against Guatemala. But the Latin American States, though pledging joint action against communism, were more interested in securing economic assistance than in any anti-communist crusades. It is reported that when "Toriello (the Guatemalan representative), in the third plenary session, accused the U.S. of interfering with the internal affairs of Guatemala and using the pretext of crusading against international communism to defend the monopolistic interests of the United Fruit Company, members of the other Latin American delegations applauded wildly and hugged him as he went back to his seat. (*The Nation* 27-3-54).

When the United States raised a cry of alarm that the recent importation of 2,000 tons of arms into Guatemala constituted a grave threat to the whole of Central America and in particular to the Panama Canal (700 miles from Guatemala!), this fear was not shared by the other Latin American states. "The first reaction of many Latin American countries to the arms transaction was that Guatemala had acted normally, especially, since the U.S. refused to sell arms and had used its influence to bar purchases in other non-communist countries" (*New York Times* 7-6-54). Nevertheless, the U.S. stepped up its propaganda and tension continued to mount.

Invasion

On May 27th Guatemala proposed to neighbouring Honduras (from where the present attack has been launched) that they immediately sign a pact of friendship and non-aggression and thereby create an atmosphere of peace. But Honduras, ruled by a dictator, who is maintained in power by the United States and under its complete control, turned down this offer.

Realising that the democratic administration of President Arbenz is far too firmly entrenched to be shaken by resolutions " (*New York Times* 6-6-54), verbal threats or diplomatic manoeuvres, the United States has finally resorted to armed intervention. Newspapers in U.S. have made no pretences as to the real nature of the present war in Guatemala. They openly admit that aggression has taken place". Colonel Armas has been massing forces in Honduras since early this year in preparation for an "invasion" (*New York Times* 19-6-54).

PACT NO SOLUTION

Continued from page 6

"must deal with it on that footing." Yes, certainly. It is a human problem for whom? It is a human problem for the Indians resident in this country. That is granted. It

is also a human problem for our people.

Seeds of trouble

This is a case where justice to two peoples, sometimes with conflicting interests, is concerned. When you are defining it in that way, it is not possible to think of justice in absolute terms. Certainly give all the justice to the Indian population here, but let it be subject to overriding justice to our own people. I do not see how that is going to come about. If it is so, we will be very happy to learn from you precisely and clearly what steps, if any, you propose to take. That is the position in the circumstances we have explained. I think we are absolutely justified in having that information. I am sure a certain point of view may be put forward with regard to other interests concerned in this matter, but this agreement is most unsatisfactory. I am perfectly sure that a case can be made out on those lines. In every way the Agreement is unsatisfactory. With all the strength I can command, and the sincerity I possess, I say that in this Agreement are seeds which will lead to future dissension, future trouble, future difficulties rather than it being one step, as Pandit Jawaharlal Nehru says, towards a solution. It is not a step towards a solution; it is a step that would lead to future dissension and trouble.

THE INDIAN BANK LIMITED

(Incorporated in the Republic of India-Liability of Members is Limited).

AUTHORISED CAPITAL	..	Rs. 1,00,00,000
SUBSCRIBED CAPITAL	..	72,00,000
CALLED AND PAID UP CAPITAL	..	57,55,865
RESERVE FUNDS	..	64,50,000
DEPOSITS AS ON 30-6-53	..	22,15,00,878

HEAD OFFICE :

NORTH BEACH ROAD, MADRAS

Over 80 Branches throughout Madras Presidency, Bombay and Delhi.

OVERSEAS BRANCHES :

SINGAPORE - KUALA LUMPUR - PENANG - MALACCA - COLOMBO

Agents & Correspondents in all the important centres of the World -

London Agents - WESTMINSTER BANK LTD.

New York Agents - NATIONAL CITY BANK OF NEW YORK

Foreign Bills negotiated and Letters of Credit opened in all centres for approved constituents.

Current and Savings Accounts are opened and Fixed Deposits received.

BANKING BUSINESS OF EVERY DESCRIPTION IS CONDUCTED

Swarna Silajit

An excellent yurvedic combination of Gomutra Silajit, Sidha-Makaradh-waja, gold, and other potent drugs, for the successful treatment of

DIABETES,

restores the system to normal vigour and rejuvenates the individual.

30 days' course Rs. 20/-

Postage extra.

Rao Saheb

M. APPALANARSIAN,

Asst. Engineer P. W. D. (retired)

Sree Ramayogy Ashramam,

Maharanyapeta P. O. Visakhapatnam-2

ATTACK ON GUATEMALA

Why have the US ruling circles adopted such a position in relation to Guatemala?

The point is that with the coming to power of the Government of President Arbenz, which has carried out a number of democratic and progressive reforms, one of the biggest American monopolists, the United Fruit Company, was deprived of the opportunity of bossing the country at will. The Arbenz Government confiscated land which belonged to this company and which was not cultivated, divided it amongst labourers and peasants with small plots and compelled the United Fruit Company to respect the laws of the country. This circumstance started a rumpus among the American monopolists and ruling circles of the USA. They saw a dangerous precedent in the fact that the people of one of the Latin American countries have dared to live by their own brains without regard to the interests and plans of the American monopolies.

At the tenth Pan American Conference in Caracas the US dictated their notorious anti-Communist resolution spear-headed against Guatemala. The "New York Times", letting the cat out of the bag about the impatience of the American imperialists, stated soon after the Caracas Conference that the trouble was that although the resolution had been adopted and the conference was over, the situation in Guatemala remained unchanged.

The present attempts to accuse Guatemala of "aggressive action against her neighbours" in order that an open military intervention can be started against her are absolutely transparent. The whole of this undertaking too obviously bears the stamp "Made in USA".

from *National Guardian*.
New York

Nehru's Appeal : National Plan Loan

Continued from page 4

and others, must, of course, give their massive support to this loan. But this is essentially a popular loan going down to the humblest amongst us, who should be as much a sharer in this great adventure as any one else.

"The world is full of talk and preparation for war and the latest symbol of this world of ours has become the Hydrogen Bomb. Do we succumb to this tremendously powerful symbol of evil and destruction? Or do we decide to stand on our own feet and be true to our own principles and cultural inheritance? That is the question which each one of us has to put to himself and find an answer.

"The answer is clear, but that answer has no meaning unless it is translated into terms of action, of building up India with all the resources that we possess, of money, of human intelligence and labour,

and of the will for a great, united and co-operative effort.

"We have much to do. But here, in this National Plan Loan, there is an opportunity for all of us to do something. I trust therefore, that our people, whoever and whatever they might be, in State or District or Thesil (Taluk) or village, officials or non-officials, and to whatever group or creed or party they might belong, will associate themselves in this loan and thus give their answer to the challenge of the time".

WHEN-IN-DISTRESS

Consult us free of charge



Your Evil Planets leave no hopes for you and no one is ready to hear your grievances when you are in distress. Even your own shadow disappears at once when you are in the dark. "How long I have to suffer and is there any future luck in store for me sooner or later?" This is what makes you puzzled and depressed & then you approach the Astrologer to be consoled and put to the right path.

FREE: Consult us free of charge any of the 3 problems regarding Health, Wealth, Business, Marriage Employment, Promotion, Transfer, Court-Affairs, Examination, Child-birth, and so on, through our age-old Hindu Science-based on Astra-Forces provided you enclose Ans. 8/- in stamps (Foreigners Shs. 3/- for Air Postage in B. P. O. or International Reply Coupons) towards Postage and Stationery expenses and 5 Names & Addresses of your Friends. Mention your Birth-date always. This free consultation costs you nothing.

ANNUAL READING :-

Rs. 3/- will bring you detailed Annual-Reading given month by month and with all directions (Foreigners Shs. 8/- including Air Postage). No V. Ps or C. O. D. Send B. P. O's or I. P. O's in Registered Covers. (Always register your letters for safe and sure delivery). M. O's or International Air Money Orders may be sent to the Director:-

HINDU

ASTROLOGICAL SOCIETY,

POONA-4, (India)

(Raos)

FOR GOOD

BOOKS

and

MAGAZINES

BASIC ENGLISH

BOOKSTALL

99, CHATHAM STREET,

COLOMBO

Phone: **3451**

THE STRANGE CASE OF DR. WICKREMASINGHE

Continued from page 3

Public opinion, especially enlightened public opinion, are convinced that Dr. Wickremasinghe has been treated by Lake House and the Minister in a shabby and an totally unjustified manner.

In the first instance, a car ride is not a serious affair. If Lake House were sincere in its efforts it should launch a campaign against the myriad of persons who use "staff" cars for "private" purposes.

Furthermore, Dr. Wickremasinghe was being paid by the C.W.E. and this more than a car ride should have affected his "impartiality" if Lake House logic has any validity.

The Test

But the test of impartiality or otherwise of Dr. Wickremasinghe

rests squarely on the report he has drawn up. To refuse to publish the report is to do Dr. Wickremasinghe a further injustice and thus deprive the public an opportunity of judging whether the "Commissioner's impartiality" had been impaired by the car ride.

It was open to Lake House, on the June 25, when it came into possession of the car-ride and job card pictures, to hold its hand until the report was published. Then, it could have torn the report to bits and collected evidence of "partiality". If such evidence were available, then the pictures would have been valuable as additional proof.

To damn a report in advance because of a car ride is unbelievable. And the technique adopted to effect this is well-known in witch-hunting U.S.A. and it

has been vividly described in Owen Lattimore's classic ORDEAL BY SLANDER.

Minister to Blame

If the Minister and Lake House wanted a different kind of investigation, they should have taken steps to see that the terms of reference and the facilities provided for the Commissioner were different.

The question is whether Dr. Wickremasinghe is to blame for not conducting the kind of inquiry which Lake House, perhaps with good reasons, wanted into the affairs of the C.W.E. It was for the Minister in the first instance to have drawn up the proper terms of reference.

In the absence of such terms, the Minister should not have rushed into "sacking" the Commissioner in the way he did.



ROBIA
A TOOTAL FABRIC
marked *TEBILIZED*
for tested crease-resistance

**TERANTULE
LY STAV**

Your favourite fabrics, Robia Voiles, Tobralco, a wonderful choice of rich glowing colours and delightful designs. Also newest nursery patterns which will capture the heart of your kiddies. But why not come and see for yourself?

Ladies and Gents hankies, White, coloured, white with borders and with initials.



For endurance...



PYRAMID
HANDKERCHIEFS

A TOOTAL PRODUCT

**SCARVES
TIES**

PREMIER ERRS ON LONDON LOAN

Continued from page 2

Persons who buy gilt-edge trustee stock (high class investment) do not sell in a hurry. We should like to ask Sir John to find out if the Bank of Ceylon through its

U. S. REACTIONS TO CHOU'S VISIT

Continued from page 7

belonging to the Ceylon Civil Service who is said to be helping out the PRO in this respect.

Here is some more light on Yogendra Doraiswamy :

From late 1951 to late 1953 Yogendra had sublet his official flat in Kotah House to various persons including the First Secretary to the Royal Thai Embassy (as mentioned before) and Dr. C. T. Williams of W. H. O. Mr. Williams is the father of Miss Williams, the famous Ceylon sports woman Irene Williams.



Chou

En

Lai

During the period of subletting Yogendra stayed at the High Commissioner's official residence but is said to have continued drawing his monthly house rent allowance. Yogendra also has by his actions violated rules framed by the Estate Office of the Government of India who are also most likely to take up his case with the Ceylon Government.

July 3, 1954

Shibdas Banerji

London Office attempted to purchase some shares in the Ceylon Government Loan, and what the result of this effort was. Was not the Bank of Ceylon shut out by clever manipulation?

Share-List

This is why the question of the share list becomes important. It is the share list as on the night of March 25 that is important: the list of persons to whom the Bank of England sent letters of allotments.

We expect the speculators to have hidden their identities under a number of nominees but even so the list should throw much valuable light.

The reluctance to publish this list is touching, but it is unbelievable that this information has been kept away from the Premier himself for him to say that it has been denied to our Central Bank and that he would ask the Bank of England for the same. The Bank of England has a duty to disclose the list to the principals, the Government of Ceylon, but it can request that the list be not published. If the list has been withheld even from the Premier it makes things look intriguing, for it is known that certain persons in the Central Bank had the list.

What the Prime Minister must table in the House as he has promised is not the list of registered stock-holders as on June 9th, but the list of persons to whom letters of allotment were sent out on March 25. In fact, if both lists are tabled it may throw some light, but even then unless a commission probes the mystery, the truth may lie hidden in a mass of nominees.

Bearer Bonds

Sir John says it is "banking practice" to issue such stock in bearer bonds. We have as yet no information on whether or not it is "banking practice," but we went on the footing that no Ceylon Loan issued in Ceylon was ever in bearer bonds even

for a few days. We are going into this matter of bearer bonds and as soon as we have more information, even if it supports Sir John's contention, we shall make the same available to our readers.

But the statement in the House that it is the practice to issue bearer bonds would have been more convincing if he had mentioned a few other Government Loans issued in London which were in bearer bonds. Surely, Sir John's financial experts should have this information!

Why £ 97

Sir John also made a hue and cry that it was crass ignorance of the London market to suggest that the loan should not have been offered at £97. He says that it was done on the advice of the Bank of England. All we can say is that it was bad advice, and that our financial experts must be held responsible for accepting such bad advice. *If Sir John will only ponder over the reports in the "Financial Times" and the "London Times" that on the day after the loan was opened transactions were expected at par and 1/8 premium he will realise that the advice tendered by the Bank of England was not in the true interests of Ceylon.*

A Commission is needed to probe into this; as to why this atrociously bad advice on the part of the Bank of England was accepted by the representatives of the Ceylon Government. It would be interesting to know what the Bank of England has to say on this.

The Premier also mentioned that a Ceylon Loan floated in August 1953 was issued at 99. That was a discount of Rs. 1 on Rs 100 but this is a discount of £ 3 on £ 100 : Rs 40 to Rs. 1300 (approx). But the Ceylon Loan issued last month in Colombo was at par.

Unanswered

These are the points touched on by the Premier in his statement. There are, however, still a very large number of other questions

Continued on page 16.

PREMIER ERRS ON LONDON LOAN

Continued from page 15

we raised that remains unanswered by Sir John. We trust that they will not go down to history unanswered like some historic audit queries.

The first question is why the loan was raised in London at such high rates of interest with other charges and expenses, all of which have not yet been fully disclosed. And also why such terms have never been offered to investors in Ceylon?

The interest is 4%, but the issue having been at £ 97 the interest works out, at very nearly 4½%. Then there is a trustees' charges of 1½%. Then 5s on every £ 100 was given away as stock-brokers commission. And what of the underwriting charges?

Further, it must be mentioned, and this is a matter that had escaped our attention earlier that the investment was free of Ceylon income tax. The Ceylon tax payer loses further in this way. If the loan was floated locally investors would have had to pay income tax. Why not offer Ceylon investors income tax-free loan investments?

The other question that we raised was as to why no mention was ever made in advance about the terms and conditions of the loan in Ceylon. It is for this reason that the President of the L. C. P. A. stated that everything was clouded in hush-hush and secrecy.

A question that was raised in Parliament was whether any money was transmitted from Ceylon to enable certain persons to invest in this London Loan. Has the Prime Minister satisfied himself that no money was released under whatever pretexts for this purpose?

It would be impossible, humanly impossible, for the Premier to go into all this himself. That is why we suggested in our last issue that a Commission consisting of Government and Opposition M. P.'s be appointed to investigate and report into the matter of the London Loan. We repeat this request with all the earnestness we can summon. We have published on page 4, the statement issued by the Government of Ceylon in connection with the London Loan.

We will comment on this next week.

And as for Sir John, we will kindly request him to see that he is not led up the garden path by his financial experts. If they wish to yet make a fresh statement, let him satisfy himself that all the criticisms raised are met in the statement. It does not reflect well on the Premier to leave unanswered the most important and relevant criticisms, and to

endeavour to throw a smokescreen around a mysterious transaction by stringing together a series of half-truths and over-simplified explanations mixed with assertions about the crass ignorance of the critics.

We repeat once again that it is those who pretend to advise Sir John are primarily to be blamed. Sir John must bear responsibility for allowing himself to be advised by such persons.

EXQUISITE GEMS

JEWELLERY OF DISTINCTION & QUALITY

U. A. SIMON De SILVA & SONS

WHOLESALE & RETAIL JEWELLERS & GEM MERCHANTS

Specialists in Ceylon Stone Jewellery

SAVOY BUILDING

WELLAWATTE, COLOMBO, CEYLON

For All Your Jewellery

- * for up-to-date designs always in ready stock
- * for guaranteed Sovereign Gold
- * for precious stones, diamonds and brilliants

O. A. O. K. RM. AR.
ARUNACHALAM CHETTIAR

62, SEA STREET, COLOMBO.

Telegrams: "VISWESAR"