



# THE CEYLON GOVERNMENT GAZETTE

EXTRAORDINARY

No. 10,694 — FRIDAY, JULY 16, 1954

(Published by Authority)

## PART I: SECTION (I) — GENERAL

### Government Notifications

G. G. O. No. N. 69/54.

By His Excellency The Right Honourable The Viscount SOULBURY, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Officer of the Most Excellent Order of the British Empire, upon whom has been conferred the Decoration of the Military Cross, Governor-General and Commander-in-Chief of the Island of Ceylon and its Dependencies

Seal.

SOULBURY

To: ARTHUR REGINALD HENRY CANEKERATNE, Esquire, one of Her Majesty's Counsel learned in the law,  
HETHUMUNI AYADORIS DE SILVA, Esquire, Companion of the Most Distinguished Order of Saint Michael and Saint George,  
Sir HERBERT ERIC JANSZ, Knight Bachelor, Companion of the Most Distinguished Order of Saint Michael and Saint George.

GREETINGS :

WHEREAS it appears to me to be necessary that an inquiry should be held into the affairs and general conduct of Neville Ubesinghe Jayawardena, Governor of the Central Bank of Ceylon, and his wife Gertrude Mildred Jayawardena :

Now Know Ye that I, Herwald, Viscount Soulbury, Governor-General, reposing great trust and confidence in your prudence, ability, and fidelity, do under the provisions of section 2 of the Commissions of Inquiry Act, No 17 of 1948, by these Presents authorize and appoint you the said Arthur Reginald Henry Canekeratne, Hethumuni Ayadoris de Silva, and Sir Herbert Eric Jansz to be my Commissioners for the following purpose, that is to say, to inquire into and report upon the affairs and general conduct of Neville Ubesinghe Jayawardena, Governor of the Central Bank of Ceylon, (hereinafter referred to as Mr. Jayawardena), and his wife Gertrude Mildred Jayawardena (hereinafter referred to as Mrs Jayawardena), and the financial and other dealings with banks, corporations, and individuals of Mr. Jayawardena and Mrs Jayawardena, both before and after Mr. Jayawardena's appointment as Governor of the Central Bank, and in particular upon the following matters :—

- (1) Whether about the end of January, 1954, while holding the office of Governor of the Central Bank, Mr. Jayawardena negotiated with the Chartered Bank of India, Australia and China, and obtained an overdraft of Rs. 50,000 for Mrs. Jayawardena on their joint account with that Bank.
- (2) Whether any security was given for such overdraft.
- (3) Whether the overdraft referred to in paragraph (1) above has been settled, and if so when.
- (4) Whether on June 24, 1954, while Mr. Jayawardena was holding the office of Governor of the Central Bank, Mrs. Jayawardena borrowed from the State Mortgage Bank a sum of Rs. 90,000 on the mortgage of premises No. 30, Park Road, Havelock Town.
- (5) Whether on June 25, 1954, while holding the office of Governor of the Central Bank, Mr. Jayawardena was indebted to Messrs. De Silva & Mendis, Proctors and Notaries, Colombo, in a sum amounting to Rs. 17,776.48 in respect of professional fees and other debts.
- (6) Whether the debts referred to in paragraph (5) above have been paid, and if so when.
- (7) Whether on December 3, 1953, while holding the office of Governor of the Central Bank, Mr. Jayawardena introduced to the Indian Bank Limited one Mr. J. P. Quirke who purchased his car on an overdraft obtained from that Bank.

- (8) Whether, while holding the office of Governor of the Central Bank, Mr. Jayawardena recommended to the Bank of Ceylon the grant of loans to the following persons :—
- (a) D. U. Jayawardena (Mr. Jayawardena's brother),
  - (b) Mrs. J. P. Quirke (the lady whose husband bought Mr. Jayawardena's Studebaker car),
  - (c) M. C. G. Fernando (Mr. Jayawardena's building contractor).
- (9) Whether Mr. Jayawardena in his capacity as Governor of the Central Bank was in a position of authority over the State Mortgage Bank.
- (10) Whether the Governor of the Central Bank is in a position of authority over Commercial Banks.
- (11) Whether on September 11, 1950, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena obtained from the Chartered Bank an overdraft amounting to Rs. 37,000.
- (12) Whether on December 8, 1950, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena obtained from the Chartered Bank a further overdraft of Rs. 30,000.
- (13) Whether the overdrafts referred to in paragraphs (11) and (12) above were not repaid till March 11, 1952.
- (14) Whether between October 23, 1950, and March 6, 1951, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed from time to time various sums of money amounting to Rs. 10,000 through Mr. Felix de Silva of Colombo.
- (15) Whether any security was given for the loans referred to in paragraph (14) above.
- (16) Whether on January 20, 1951, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena acquired approximately 78 perches of land in Park Road, Havelock Town from the Bank of Chettinad, for a sum of Rs. 28,897.50.
- (17) Whether the price paid for the land referred to in paragraph (16) above was below the ruling price of land in that locality at that time.
- (18) Whether on August 13, 1951, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed through Mr. Felix de Silva of Colombo a sum of Rs. 15,000 from Miss Ethel Mack.
- (19) Whether any security was given for the loan referred to in paragraph (18) above.
- (20) Whether on December 16, 1951, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed through Mr. Felix de Silva of Colombo a sum of Rs. 30,000 from Mrs. J. C. Dias.
- (21) Whether any security was given for the loan referred to in paragraph (20) above.
- (22) Whether on March 7, 1952, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed through Messrs. De Silva & Mendis, Proctors and Notaries, Colombo, a sum of Rs. 71,000 from M. S. Hebtulabhoy.
- (23) Whether any security was given or interest paid on the loan referred to in paragraph (22) above.
- (24) Whether on September 8, 1952, while Mr. Jayawardena was holding the office of Deputy Governor of the Central Bank, Mrs. Jayawardena borrowed from the State Mortgage Bank Rs. 70,000 on the mortgage of premises No. 30, Park Road, Havelock Town.
- (25) Whether on September 30, 1952, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed through Mr. Felix de Silva a sum of Rs. 3,000 from Mrs. J. C. Dias.
- (26) Whether on December 23, 1952, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed Rs. 40,000 from M. S. Hebtulabhoy.
- (27) Whether any security was given or interest paid on the loan referred to in paragraph (26) above.
- (28) Whether on February 19, 1953, while Mr. Jayawardena was holding the office of Deputy Governor of the Central Bank, Mrs. Jayawardena borrowed from the State Mortgage Bank Rs. 50,000 on an additional mortgage of No. 30, Park Road, Havelock Town.
- (29) Whether on April 3, 1953, while holding the office of Deputy Governor of the Central Bank, Mr. Jayawardena borrowed through Mr. Felix de Silva a sum of Rs. 7,500 from Mrs. J. C. Dias.
- (30) Whether any security was given for any of the loans referred to in paragraphs (25) and (29) above.
- (31) Whether on May 8, 1953, while Mr. Jayawardena was holding the office of Deputy Governor of the Central Bank, Mrs. Jayawardena obtained a loan of Rs. 20,000 from Mrs. Fazal Huzzein Mohamed Ali.
- (32) Whether any security was given or interest paid on the loan referred to in paragraph (31) above.
- (33) Whether, while holding the respective offices of Deputy Governor and Governor of the Central Bank, Mr. Jayawardena derived any profit, benefit, or advantage from Walker Sons & Co. Ltd.
- (34) Whether, while Mr. Jayawardena was holding the respective offices of Deputy Governor and Governor of the Central Bank, Mrs. Jayawardena derived any profit, benefit, or advantage from Walker Sons & Co. Ltd.
- (35) Whether, while holding the respective offices of Deputy Governor and Governor of the Central Bank, Mr. Jayawardena derived any profit, benefit, or advantage from the Chettinad Corporation.
- (36) Whether, while Mr. Jayawardena was holding the respective offices of Deputy Governor and Governor of the Central Bank, Mrs. Jayawardena derived any profit, benefit, or advantage from the Chettinad Corporation.
- (37) Whether, while holding the respective offices of Deputy Governor and Governor of the Central Bank, Mr. Jayawardena derived any profit, benefit, or advantage from Ibrahim Jafferjee.
- (38) Whether, while Mr. Jayawardena was holding the respective offices of Deputy Governor and Governor of the Central Bank, Mrs. Jayawardena derived any profit, benefit, or advantage from Ibrahim Jafferjee.

- (39) Whether between February, 1952, and May 1954, while Mr. Jayawardena was holding the respective offices of Deputy Governor and Governor of the Central Bank, his building contractor M. C. G. Fernando was paid a sum of Rs. 35,000 by Walker Sons & Co. Ltd.
- (40) Whether Mr. Jayawardena in his capacity as Deputy Governor of the Central Bank was in a position of authority over the State Mortgage Bank.
- (41) Whether the Deputy Governor of the Central Bank is in a position of authority over Commercial Banks.
- (42) Whether on December 15, 1949, while Mr. Jayawardena was holding the office of Controller of Exchange and acting in a consultative capacity to Mr. John Exter, Mrs. Jayawardena obtained from the Bank of Ceylon a loan of Rs. 29,000 on a pledge of the following jewellery:—

	<i>Rs. c.</i>
(a) On 18k. gold cigarette case 14.7 oz. (46.79 sovereigns 22k. gold approx.)..	5,194 17
(b) One 18k. gold compact case 6.78 oz. (21.58 sovereigns 22k. gold approx.)..	2,395 68
(c) One 18k. gold trinket box 1.98 oz. (6.30 sovereigns 22k. gold approx.) ..	699 62
(d) One 18k. gold necklace [18.93 oz. 60.25 ] .. ..	3,217 77
One 18k. gold necklace [22k. gold approx.] .. ..	3,217 77
(e) Four 18k. gold bracelets 28.63 oz. (91.12 sovereigns 22k. gold approx.) ..	10,116 27
(f) One 18k. gold belt 15.63 oz (49.75 sovereigns 22k. gold approx.) ..	5,522 78
	30,364 6

- (43) Whether on July 14, 1950, while holding the office of Controller of Exchange and acting in a consultative capacity to Mr. John Exter, Mr. Jayawardena guaranteed an overdraft of Rs. 10,000 to Mrs. Jayawardena from the Bank of Ceylon.
- (44) Whether on July 14, 1950, while Mr. Jayawardena was holding the office of Controller of Exchange and acting in a consultative capacity to Mr. John Exter, Mrs. Jayawardena obtained a loan of Rs. 20,000 from the Bank of Ceylon on a pledge of jewellery.
- (45) Whether between the years 1947 and 1954, while Mr. Jayawardena was holding the respective offices of Controller of Exchange, Deputy Governor, and Governor of the Central Bank, the financial transactions of Mr. Jayawardena and Mrs. Jayawardena with their Banks and other persons were on a scale quite out of proportion to their income.
- (46) Whether between the years 1949 and 1954, while holding the respective offices of Controller of Exchange, Deputy Governor, and Governor of the Central Bank, Mr. Jayawardena had financial dealings with the following persons—
- (a) Charles Victor Dhanapala,
- (b) A. R. M. Mukthar of Colombo.
- (47) Whether the jewellery referred to in paragraph (42) above was imported to Ceylon and, if so, whether Customs Duty has been paid thereon.
- (48) Whether Mr. Jayawardena as Controller of Exchange has shown favour to any person or persons.
- (49) Whether Mr. Jayawardena was between the years 1946 and 1951, engaged in a special capacity in making a report on the affairs of the State Mortgage Bank.

And I do hereby appoint you, the said Arthur Reginald Henry Canekeratne, to be the Chairman of the said Commission.

And I do hereby authorise and empower you, the said Commissioners, to hold all such inquiries and make all such investigations into the aforesaid matters as may appear to you to be necessary, and require you to transmit to me, with as little delay as possible, a report thereon under your hands.

And I do hereby direct that the inquiry shall be held in public.

And I do hereby require and direct all public officers and other persons to whom you may apply for assistance or information for the purposes of your inquiries and investigations to render all such assistance and furnish all such information as may properly be rendered and furnished in that behalf.

Given at Colombo under the Seal of this Island, this fourteenth day of July, One thousand Nine hundred and Fifty-four.

By His Excellency's command,

N. W. ATUKORALA,  
Secretary to the Governor-General.