

**Facts giving the lie to the deliberate and intentional
fallacious reporting in the media
on the Hilton fraud in the 1990's**

1. Evidence of shortfall of Floors in the construction of the Hotel building
2. Evidence of Accrued Interest + 30% Capital written-off, with balance re-scheduled. Write-off in June 1995 – Jap. Yen 17,586 Mn. (*US \$ 207 Mn. / SL Rs. 10,200 Mn.*) i.e. 63.3% of Claim
3. Settlement Agreements formulated and finalized by the Attorney General, executed after approval from the Special Presidential Commission
4. Answer submitted by Secretary, Ministry of Finance to Parliament, suppressed by then Deputy Minister of Finance
5. Cabinet Decision of November 1990 and Directions given by Late President R. Premadasa in December 1990, *not carried out*
6. Diplomatic lobbying for settlement of litigation
7. Controversy due to false statement knowingly made by then Deputy Minister of Finance
8. False assurances by then Deputy Minister of Finance for action by the Special Presidential Commission and also criminal action
9. Settlement implemented, *only excluding Clause*, which affected, among others, the then Deputy Minister of Finance
10. Statement made to Parliament by Dr. Rajitha Senaratne in December 1995

Whilst this matter had been extensively dealt with in the media at the relevant time, particularly in October, November, December 1995 by the very Sunday newspaper, which intriguingly published on October 4, 2009 the aforesaid fallacious report, significantly with reference to the annulment by the Supreme Court of the LMSL privatization, with the castigation of those involved, from the private and public sectors.

(For the full Documents referred to above access website : www.consultants21.com)

Extracts from Report to the Special Presidential Commission by Panel of 3
Architects on 14.11.1995

- (2) -

- (d) Quarterly progress reports submitted to the Ceylon Tourist Board by Mr. Naka for the periods upto 31.12.84 and 31.03.85 (P.258, P259), the title of the report was given as 750 roomed new hotel and the number of rooms indicated as approved by the Board was 452. Number of rooms under construction 452.

P260, P262 (A), P261 were the quarterly reports on 452 roomed new hotel project for period ending 31.12.85, 30.06.86, 30.09.86 and has indicated, that the number of rooms approved by the board as 452 and the number of rooms under construction also as 452.

First two reports were signed by Mr. Naka and the third report signed by Mr. Ogami.

However, in P 263 and P 265 under the title, Quarterly Progress Reports on 452 roomed new Hotel Project, for period ending 31.12.86 and 30.06.87 signed by Mr. Ogami, it is indicated that the number of rooms approved by the Board as 386 and the number of rooms under construction also as 386.

In the quarterly progress reports from 31.12.84, upto 30.09.86 number of approved rooms by the Tourist Board have been indicated as 452 and the number of rooms under construction as also 452. But in the two reports submitted in 1987 both numbers have been changed to 386 rooms.

- (5) -

- (g) In the original design of KKS (P4 & P4A) the intention was to have 19 guest room floors with 24 room bays per floor totaling to 456 room bays. This proposal had not taken the 22nd floor as a pent house floor. But in the hotel as constructed, there are only 16 guest room floors, because the 3rd floor is used for meeting rooms and the managers quarters. With the introduction of an additional guest room in every guest room floor in the lift lobby grid the number of room bays per floor has increased upto 25.

But the original concept of constructing a 452 room hotel had not changed upto the end 30th June 1987 (P265). The number of rooms under construction was mentioned for the first time as 386 in the quarterly progress report (P263) upto 31.12.1986 submitted to the Tourist Board by Mr. Ogami.

This change and the reduction in the number of final guest room bays from 452 to 387 in the constructed hotel can be due to two technical reasons;

- ~~(1) A reduction in the number of floors.~~
- (2) Conversion of the 3rd floor into some other function.

Extracts from Letter dated 9.3.1997 of Nihal Sri Amersekere to the Special Presidential Commission

Some of the Elevations and Floor Level denotations on the Floor Sheets of the Amended Plan [P163, P17] appeared tampered with in comparison with the style of such denotations in the other sheets of the same Plan. The 3rd and 4th Floors were shown to be at the same Elevation of 24.5 meters, whilst the 19th Floor and the Roof of the 19th Floor were shown to be at Elevations of 12.7 and 12.5 meters, respectively. The Commission observed this as an inherent, intrinsic impossibility.

As you are aware, consequently, with the permission of the Commission, I examined the Amended Plan [P163, P17] with the assistance of a Chartered Architect. The examination revealed that *Floor Elevations* shown on the Floor Sheets of the Amended Plan [P163, P17] were identical to the *Floor Elevations* depicted on the Cross-sectional Drawing of the Hotel given in the Schematic Plan [P4, P4A]. This revealed that these Floor Sheets, *with the room layout amended*, actually had belonged to the original Plans that had been filed with the UDA in October 1983 and approved in March 1984; all copies of which are subsequently missing. I attach Schedule [ANNEXURE "A"] that I had prepared, identifying the *Floor Elevations* given on the Floor Sheets of the Amended Plan [P163, P17], with the *Floor Elevations* depicted on the Cross-sectional Drawing in the Schematic Plan [P4, P4A]

This is clear evidence, that the original Architectural Plans lodged with the UDA in October 1983 and approved in March 1984, *as per the scale requirements of the UDA*, had been drawn, *as had been held out*, in strict conformity with the *Floor Elevations* of the Schematic Plan [P4, P4A]. The total height of the Hotel, including 19 Guest Room Floors and also the basement construction, as depicted in the Schematic Plan [P4, P4A], would accordingly have been provided for, as per the concept that had been agreed upon in March 1983, when the Preliminary Agreement [P41] had been entered into and the *Letter of Award for Construction issued to the Japanese, with all prices agreed upon*; as proven by the specific *Floor Elevations* given on the Floor Sheets of the Amended Plan [P163, P17], which *Floor Elevations* have now been identified with the specific *Floor Elevations* given on the Schematic Plan [P4, P4A] - vide [ANNEXURE "A"].

I also attach a Schedule [ANNEXURE "B"] giving the *amended Floor Elevations* depicted on the Cross-sectional Sheets of the Amended Plan [P163, P17], [*which appear to be new Sheets introduced*] and the *variance* of such amended *Floor Elevations*, with the *Floor Elevations* shown on the Floor Sheets of this very same Amended Plan [P163, P17], which is also a further inherent, intrinsic impossibility, observed by the Commission.

THE SPECIFIC ELEVATIONS GIVEN ON THE FLOOR SHEETS OF THE AMENDED PLAN [P163] FILED WITH THE UDA IN AUGUST 1983 ARE IDENTICAL WITH THE FLOOR ELEVATIONS GIVEN IN THE SCHEMATIC PLAN P4/P4A.

The original Architectural Plans of August 1983 filed with the UDA, but missing was to have been on the basis of P4/P4A.

	NL.		Mt.		
Middle Tower Machine Room-Roof Top Wall Height	2.0	- Total Height with Wall	+	36.5	
Machine Room on Middle Tower, [including Air Gap for Noise Control]	6.0	- Machine Room Roof Slab	+	34.5	
21st Floor Height	3.0	- 21st Floor Roof	+	78.5	
20th Floor - 21st Floor	3.0	- 21st Floor	+	75.5	
19th Floor - 20th Floor	3.0	- 20th Floor	+	72.5	- + 72.5 Elevation given in A23 as Machine Room alleged Floor level [+ 72.7 Elevation in A22 [alleged 18th Floor]
18th Floor - 19th Floor	3.0	- 19th Floor	+	69.5	- + 69.5 Elevation in A21 [alleged 15th Floor]
17th Floor - 18th Floor	3.0	- 18th Floor	+	66.5	+ 66.5 Elevation in A20 [alleged 11th Floor]
16th Floor - 17th Floor	3.0	- 17th Floor	+	63.5	}
15th Floor - 16th Floor	3.0	- 16th Floor	+	60.5	}
14th Floor - 15th Floor	3.0	- 15th Floor	+	57.5	}
13th Floor - 14th Floor	3.0	- 14th Floor	+	54.5	}
12th Floor - 13th Floor	3.0	- 13th Floor	+	51.5	}
11th Floor - 12th Floor	3.0	- 12th Floor	+	48.5	}
10th Floor - 11th Floor	3.0	- 11th Floor	+	45.5	}
9th Floor - 10th Floor	3.0	- 10th Floor	+	42.5	}
8th Floor - 9th Floor	3.0	- 9th Floor	+	39.5	}
7th Floor - 8th Floor	3.0	- 8th Floor	+	36.5	}
6th Floor - 7th Floor	3.0	- 7th Floor	+	33.5	}
5th Floor - 6th Floor	3.0	- 6th Floor	+	30.5	}
4th Floor - 5th Floor	3.0	- 5th Floor	+	27.5	}
3rd Floor - 4th Floor	3.0	- 4th Floor	+	24.50	- + 24.5 Elevation in A20
2nd Floor - 3rd Floor	5.5	- 3rd Floor	+	21.50	}
Lobby Floor- 2nd Floor	4.5	- 2nd Floor	+	16.00	}
Mez. Floor-Lobby Level	3.7	+ Lobby Level	+	11.50	}
Ground Flr - Mez. Floor	3.0	Mez. Flr.	+	7.8	}
Car Park Level-Grd Flr.	3.0	Ground Floor	+	4.0	}
		Car Park Level	+	1.0	[+ Car Park Levels + 2.8 & + 5.8 and small Mechanical Level - 0.50]

ONLY SHEETS A8 TO A31 AVAILABLE. SHEETS A1 TO A7 WHICH DEPICTED THE UNDERGROUND BASEMENTS MISSING

FLOOR ELEVATIONS AS PER CROSS-SECTIONAL SHEETS OF THE THE AMENDED PLAN [P163] ARE AT VARIANCE WITH THE ELEVATIONS GIVEN ON THE FLOOR SHEETS OF THIS VERY SAME PLAN [P163]

	<u>Mt.</u>		<u>Mt.</u>	
Machine Room on Middle Tower only - Height	5.4	i.e.	Roof Slab on Middle Tower Machine Room + <u>77.8</u>	- But in A23 Middle Tower Roof Top Elevation + <u>77.0</u>
Air-Gap Area above 19th Floor Roof for Noise Control	1.5	i.e.	Machine Room Floor + <u>72.4</u>	
19th Floor Height	3.1	i.e.	19th Floor Roof + <u>70.9</u>	
18th Floor - 19th Floor	3.1	i.e.	19th Floor + <u>67.80</u>	-But in A22 19th Floor Elevation + <u>72.7</u>
17th Floor - 18th Floor	2.9	i.e.	18th Floor + <u>64.70</u>	-But in A21 18th Floor Elevation + <u>69.5</u>
16th Floor - 17th Floor	2.9	i.e.	17th Floor + <u>61.80</u>	-But in A20 17th Floor Elevation + <u>66.5</u>
15th Floor - 16th Floor	2.9	i.e.	16th Floor + <u>58.90</u>	
14th Floor - 15th Floor	2.9	i.e.	15th Floor + <u>56.00</u>	
13th Floor - 14th Floor	2.9	i.e.	14th Floor + <u>53.10</u>	
12th Floor - 13th Floor	2.9	i.e.	13th Floor + <u>50.20</u>	
11th Floor - 12th Floor	2.9	i.e.	12th Floor + <u>47.30</u>	
10th Floor - 11th Floor	2.9	i.e.	11th Floor + <u>44.40</u>	
9th Floor - 10th Floor	2.9	i.e.	10th Floor + <u>41.50</u>	
8th Floor - 9th Floor	2.9	i.e.	9th Floor + <u>38.60</u>	
7th Floor - 8th Floor	2.9	i.e.	8th Floor + <u>35.70</u>	
6th Floor - 7th Floor	2.9	i.e.	7th Floor + <u>32.80</u>	
5th Floor - 6th Floor	2.9	i.e.	6th Floor + <u>29.90</u>	
4th Floor - 5th Floor	2.9	i.e.	5th Floor + <u>27.00</u>	
3rd Floor - 4th Floor	3.1	i.e.	4th Floor + <u>24.10</u>	-But in A20 4th Floor Elevation + <u>24.5</u>
2nd Floor - 3rd Floor	5.5	i.e.	3rd Floor + <u>21.00</u>	-But in A19 3rd Floor Elevation + <u>24.5</u>
Lobby Floor- 2nd Floor	4.5	i.e.	2nd Floor + <u>15.50</u>	
As per KKS SHEET <u>A28</u>			Lobby Level + <u>11.00</u>	

Note:

$$66.5 - 24.5 = 42 = 14.5 \text{ Floors} \\ 2.9$$

This cannot be

ONLY SHEETS A8 TO A31 AVAILABLE. SHEETS A1 TO A7 WHICH DEPICTED THE UNDERGROUND BASEMENTS MISSING

Extracts from Solicitor General's Written Submissions to the Commission

13. Much has been said about the floor area of the Hotel. Wide publicity has been given through media that the Panel of Architects appointed by the Commission has found that there is no shortage of the floor area of the building as constructed and the construction Agreement P31 but there is an excess of 203 Sq. metres.

It is only suffice to submit at this stage that the floor area of the Hotel to be constructed under the construction agreement does not include parking area, whereas in the report of the Panel of Architects, the total floor area of 39.245 Sq. metres is inclusive of covered parking area. Under the construction agreement P1 the floor area of the Hotel to be constructed exclusive of covered parking area is 39.042.3 Sq metres the floor area inclusive of covered parking area should be 42.586 Sq. Metres.

I hope this will lay to rest the much talked of square area of the Hotel.

A.R.C. Perera
Deputy Solicitor General

Douglas Premaratne P.C.
Solicitor General

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நகர அபிவிருத்தி மற்றும் நீர்வழங்கல் அமைச்சு
MINISTRY OF URBAN DEVELOPMENT & WATER SUPPLY



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Urban Development Authority

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6 හා 7 වැනි මහල, සෙත්තිරිපාය, බත්තරමුල්ල
6, 7 ஆம் மாடிகள், "செத்திரிபாய்", பத்தரமுல்லை.
6 & 7 Floors, Sethsiripaya, Battaramulla.

18th February 2005

Nihal Sri Amarasekara,
Chairman,
Hotel Development Lanka Ltd.,
C/o Hilton Hotel,
Colombo – 01.

Dear Sir,


**PREPARATION OF MEASURED DRAWING OF THE
HILTON HOTEL COLOMBO.**

This has reference to the discussion had with the Hon. Minister of Urban Development & Water Supply with regard to the above.

I wish to inform that UDA is prepared to undertake the above task as agreed at the above discussion for the purpose of regularizing the building plan.

We will be in contact with you with regard to the next course of action soon.

Yours faithfully


Prasanna Silva

Actg. Director General
URBAN DEVELOPMENT AUTHORITY

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 MINISTRY OF URBAN DEVELOPMENT & WATER SUPPLY



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 Urban Development Authority

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6 හා 7 වැනි මහල, සෙත්තිරිපාය, බත්තරමුල්ල
 6, 7 ஆம் மாடிகள், "செத்திரிபாய்", பத்தரமுல்லை.
 6 & 7 Floors, Sethsiripaya, Battaramulla.

My No. 01/86

7th September 2005

Mr. Nihal Sri Amarasekera
 Chairman
 Public Enterprises Reform Commission of
 Sri Lanka
 11-01 West Tower
 Echelon Square
 Colombo 01.



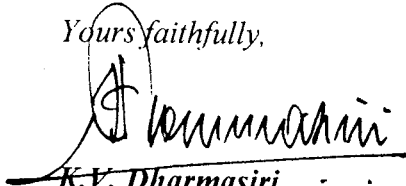
Dear Sir,

PREPARATION OF MEASURED DRAWINGS OF HILTON HOTEL – COLOMBO

I am pleased to forward herewith 13 Nos. of the Measured Drawings prepared by the Officials of this Authority of the existing Hilton Hotel Building as requested by you.

I shall be thankful if you could pay a sum of Rs. 260,000/= for the 13 Nos. of Drawings at the rate of Rs. 20,000/= + VAT for the services offered by the UDA.

Yours faithfully,



K.V. Dharmasiri

Director General

URBAN DEVELOPMENT AUTHORITY

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1978 - 2003

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இருபத்தைந்து ஆண்டுகள் சேவை (1978-2003)

Twenty Five Years of Service to the People

28/06/95

NOTE RE SETTLEMENT

1. MITSUI & TAISEI TOTAL STATED DUES TO 30.06.'95.

	Jap. Yen Mn.	US \$ Mn. @ 85 Yen./US \$	SL Rs. Mn. @0.58 Rs./Yen.
Balance Construction & FFE Costs	1,400	16	812
Long Term Loan	12,300	145	7,134
Payable in full by 1999	<u>13,700</u>	<u>161</u>	<u>7,946</u>
Interest on Balance Construction & FFE Costs	1,562	18	906
Interest on Long Term Loans	7,617	90	4,418
Overdue Interest for non-payment	4,827	57	2,800
Past Insurance Premium	87	1	50
	<u>14,093</u>	<u>166</u>	<u>8,174</u>
TOTAL STATED DUES	<u>27,793</u>	<u>327</u>	<u>16,120</u>

2. As per the settlement, Mitsui and Taisei have agreed to write-off accrued interests and 30% of the capital as shown below, whilst a concessionary simple interest of 3% p.a. on the written down capital, has been admitted for the last 2-years.

WRITE-OFF'S ON SETTLEMENT

	Jap. Yen Mn.	US \$ Mn. @ 85 Yen./US \$	SL Rs. Mn. @0.58 Rs./Yen.
30% of Balance Construction & FFE	420	5	244
30% of Long Term Loan Capitals	<u>3,690</u>	<u>43</u>	<u>2,140</u>
	4,110	48	2,384
Overdue Interest	4,827	57	2,800
Normal Interest from Commencement in 1984 upto 30th June '95 -	7,617	90	4,418
Interest on Balance Construction & FFE Costs	1,562	18	906
Past Insurance Premium - 30% write-off	26	0	15
<u>Less</u> Simple Interest @ 3% p.a. for last 2 Years - i.e. July '93- June '95 on Reduced Capital Balance of Japanese Yen Mn. (9590-312)	<u>(556)</u>	<u>(7)</u>	<u>(322)</u>
	<u>13,476</u>	<u>159</u>	<u>7,816</u>
TOTAL WRITE-OFF	<u>17,586</u>	<u>207</u>	<u>10,200</u>

The write-off amounts to 63.3% of the total claimed. Excluding overdue interest, the write-off amounts to 55.4%.

4. As a consequence of the Interim Injunctions, the accumulated funds in the Company, amount to approximately US \$ 30 Mn. including interest earned during such accumulation. Of this, US \$ 27 Mn. is to be paid as a lump-sum payment, leaving a balance as shown below.

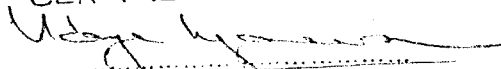
5. BALANCE DUES TO 30.06.'95 AS PER SETTLEMENT

	Jap. Yen Mn.	US \$ Mn. @ 85 Yen./US \$	SL Rs. Mn. @0.58 Rs./Yen.
Capital - Construction & FFE Costs.	980	12	568
Long Term Loans	<u>8,610</u>	<u>101</u>	<u>4,994</u>
	9,590	113	5,562
Add: Simple Interest @ 3% p.a. for last 2 Years - i.e. July '93-June '95 on Reduced Capital Balance of Japanese Yen Mn. (9590-312)	<u>556</u>	<u>7</u>	<u>322</u>
	10,146	119	5,885
Deduct - Payment made to Mitsui/ Taisei in May '90 - but suspended due to Injunctions in Sept '90	312	4	181
- From Monies accumulated in Company due to Injunctions	<u>2,000</u>	<u>24</u>	<u>1,160</u>
	2,312	27	1,341
NET REDUCED BALANCE AS AT 30.06.'95 AS PER SETTLEMENT.	<u>7,834</u>	<u>92</u>	<u>4,544</u>

After the deductions, the balance due to be rescheduled amounts to 28.2% of the total claimed and 57.2% of the capital claimed.

6. This balance is to be rescheduled over a period of 15-years at simple interest of 5.25% p.a. with repayment commencing in 1996 and completing in 2010, whereas at present, the total claim was payable fully by 1999.
7. The Company is to issue 15 Promissory Notes for the annual instalments, including interest, falling due.

CERTIFIED TRUE COPY


.....
Director

Corporate Services Limited
Secretaries.

ANSWER :

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(ගෞරවනීය ප්‍රශ්නාචාර්ය ජී. ඒ. එල්. පීරිස්)
(The Hon. Prof. G. L. Peiris)

It is rather a long answer. I would like to table it, if that is acceptable.

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Answer tabled:

- (1) No.
- (2) Show Cause Notices, setting out acts of commission and/or omission that were fraudulent and detrimental to the interests of Hotel Developers (Lanka) Ltd. and/or the Government have been served on several persons. The inquiry is proceeding.
- (3) The total claim as at 30th June 1995 was as follows:

	Jap.yen. Million
Capital	13,700
Accrued Interest	14,006
Insurance Premium	87
	<u>27,793</u>

Payments were stopped due to the derivative action filed by Mr. Nihal Sri Amersekere against Hotel Developers (Lanka) Ltd.

- (4) It is correct that an agreement has been entered into by the Government to settle the outstanding payments to the contractors. The agreement provides for the write-off of Japanese yen. 13,450 million on account of interest and 30% of the capital. A total of Japanese yen. 17,586 million is therefore written off. The Agreement provides for the settlement of the outstanding payment by an initial lump sum payment and fifteen annual instalments. The Lump Sum payments of Japanese Yen. 2,138 million was made on 29th October, 1996 and the first annual payment of Japanese Yen. 972 million on 15th November, 1996.
- (5) The Board of Hotel Developers (Lanka) Ltd. at its meeting held on 28th June, 1995 unanimously approved the settlement agreement.
- (6) Mr. Nihal Sri Amersekere is a shareholder and a Director of Hotel Developers (Lanka) Ltd. Action against Mr. Amersekere by Government in respect of matters related to his involvement as a director of Cornel Co. Ltd. were settled.
- (7) Yes. The loan obtained for the construction of the Colombo Hilton Hotel is on a Government guarantee. The long delay in the service of this loan has resulted in a contingent liability on Government. The Government re-scheduled this loan with favorable terms for the country. The write-off of interest and capital amounting to Jap. Yen. 17,586 million i.e. SL Rs. 10,624 million as at 28th June 1995, and re-scheduling of the balance over a further period of 15-years going up to 2010, is of benefit to the country.

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(ප්‍රධාන නායක අයුරු)
(Mr. Speaker)

Answer to the question raised by Mr. Sarath Gunawardene on 20.08.96.

හරු මහාචාර්ය ජී. එල්. පීරිස් මහතා
(ගෞරවනීය ප්‍රශ්නාචාර්ය ජී. ඒ. එල්. පීරිස්)
(The Hon. Prof. G. L. Peiris)

- (1) yes.
- (2) yes.
- (3) yes.
- (4) yes.

(5) No. Samurdhi Lotteries are being held under the provisions of the Section 05 F and 20 of the Samurdhi Authority Act No. 30 of 1995. Samurdhi Lottery is conducted by National Lotteries Board on behalf of the Samurdhi Authority as that institution does not have facilities to conduct lotteries. Therefore, the question of violation of Regulations under the provisions of Finance Act. No. II of 1963 or violation of National Lotteries Board regulations, does not arise.

- (6) Does not arise in view of 05 above.
- (7) Does not arise in view of 05 above.

කථානායකතුමා
(ප්‍රධාන නායක අයුරු)
(Mr. Speaker)

Mr. Vasudeva Nanayakkara's question raised on 22.11.1996 to be answered by the Hon. Deputy Minister of Finance and Planning.

හරු මහාචාර්ය ජී. එල්. පීරිස් මහතා
(ගෞරවනීය ප්‍රශ්නාචාර්ය ජී. ඒ. එල්. පීරිස්)
(The Hon. Prof. G. L. Peiris)

- 1. While the ownership of Balangoda Plantations Company remained with the Government, its management was handed over to the Uva-Sabaragamuwa Plantations Co. Ltd. This agreement is effective only for the period 11th June 1992 to 27th October 1996 (30 days after sale of 51 Percent of the shares).
- 2. 51 Percent of the share Capital of the Balangoda Plantations Company that is, 10,200,000 shares was purchased by the Sri Lanka Distilleries Corporation Ltd at a consideration of Rs. 420.75 million.
- 3. It is the policy of the Government to gift 10 Percent of the Government-owned shares of privatized institutions to the respective employees. The proper distribution of shares in this case is a tedious task as there are over 15,000 employees in the Company. Action is being taken to allocate such shares to the employees of Balangoda Plantations Company.
- 4. According to Companies law, dividends are paid only to shareholders. It was only in the latter part of September 1996 that 51 Percent of the shares of this Company were transferred to the private sector. Accordingly, the employees of the Company had no shareholding there of in 1995. They are, therefore, not entitled to receive dividends of the Company.
- 5. Does not arise in view of (4) above.
- 6. As stated in (3) above, action is being taken by the 'PERC' to duly allocate 10 Percent of the shares of privatized Plantation Companies, among the employees of such companies.

SETTLEMENT IMPLEMENTED

Our Client wishes to stress the following facts: The Settlement concluded in June 1995 had written-off all accrued interest to June 1993 and had provided 3% p.a. interest, as against the original 6% p.a., for the two years to June 1995, in effect a full interest write-off up to June 1994. The amount of interest written-off amounted to, normal interest Jap. Yen 7360 Mn., S.L. Rs. 4446 Mn. and penal interest Jap. Yen 6116 Mn., S.L. Rs. 3695 Mn., making a total interest write-off of Jap. Yen 13,476 Mn., S.L. Rs. 8141 Mn. *If, as had been asserted by interested and affected parties, that a re-scheduling was in fact possible in March 1990, then, the benefit of interest written-off for the subsequent period April 1990 to June 1995, amounting to Jap. Yen 9352 Mn., S.L. Rs. 5650 Mn. would not have been achieved.*

Furthermore, contrary to such assertions that had been made by interested and affected parties, the Japanese had never agreed to write-off any capital. In their Letter dated 25th March 1992 to Hotel Developers, the Japanese, had asserted and reiterated that they had never agreed to write-off any capital. *However, in addition, to the above interest written-off, the June 1995 Settlement, as had been negotiated previously in June 1993, provided a 30% write-off on capital, which capital write-off amounted to Jap. Yen 4110 Mn., S.L. Rs. 2483 Mn., thereby giving a total write-off of both capital and interest of Jap. Yen 17,586 Mn., S.L. Rs. 10,623 Mn.*

The terms of Settlement, in June 1995 have been essentially the same as in the Settlement Agreements that had been finalised in June 1993, *except for the issuance of Promissory Notes to the Japanese by Hotel Developers and not by the government, and further improvement in the financial terms with the Japanese i.e. one more year's interest written-off, 5.25% p.a. interest, as opposed to 5.9% p.a. negotiated previously, and the repayment rescheduled up to year 2010, as opposed to year 2006 negotiated previously.*

The several matters and issues having been examined, the Settlement Agreements had been finalised previously in June 1993 by the then Attorney General, Mr. Tilak Marapana, P. C. and had been approved in June 1995 by the then Solicitor General, Mr. Douglas Premaratne, P. C. and both of them had been assisted by Mr. A. S. M. Perera, P. C., then Deputy Solicitor General / Addl. Solicitor General. Mr. Shibly Aziz, P.C., then Attorney General, having appeared for Hotel Developers, as its Counsel in our Client's legal Action, had been precluded from participating, *in view of his questionable conduct and actions therein.*

The June 1993 Settlement Agreements that had been finalised had been produced by our Client and marked in evidence before the Special Presidential Commission in April 1995. The Settlement concluded and signed on 28th June 1995 had been placed in evidence by our Client before the Special Presidential Commission on 6th July 1995. Subsequently, upon a Motion filed by the Hon. Attorney General, the Special Presidential Commission had made its Order dated 10th May 1996, *stating that the Commission sees no objections to the implementation of the Settlement that had been concluded and signed on 28th June 1995.*

We are instructed to state, that the Japanese would never have agreed, to write-off in effect 10-years' interest and 30% of the capital, a total write-off of 63.0% of their claims made and have further agreed to re-schedule the balance, after applying the funds accumulated in Hotel Developers, in consequence of the interim injunctions obtained by our Client, essentially against the reduced Capital, *unless they could not legitimately substantiate their claims, in the face of the serious discrepancies and the unauthorised substitution of the Architectural Plan, upon which our Client had instituted legal action.*

In the preamble of the Settlement Agreements, the claims made by the Japanese have been described as - "as stated to be", and further recited therein that - "a Settlement has been reached concerning the determination of the 'balance' monies due and payable to the Japanese". It has been further, inter-alia, recited in the preamble, that *settlement discussions were initiated with our Client, by the Secretary, Ministry of Finance/Secretary to the Treasury, acting for and on behalf of the government, at the instance of the Japanese.*

On the contrary, Mr. K. N. Choksy, a then Director, Hotel Developers and also a Member of Parliament, had given a Letter dated 28th February 1990, endorsing that *Hotel Developers will be justified in making the full payment to the Japanese, specifically countermanding our Client's Memorandum dated 13th December 1989 to the Board of Directors of Hotel Developers, objecting to making any payments to the Japanese, until queries and discrepancies, that our Client had raised, had been satisfactorily clarified and confirmed by the Japanese Architects.*

The Special Presidential Commission in a post-script made on 18th March 1996, on the Written Submissions to the Commission by Mr. K. N. Choksy, a party noticed, had stated that, *the Commissioners were of the unanimous view that Mr. K. N. Choksy had stated untrue, erroneous and false facts, which necessarily has the tendency to mislead and deceive the public in general and the Members of the Commission.*

The Commission had adverted to Rules 15, 50 and 51 of the Supreme Court Rules on the Conduct of and Etiquette for Attorneys-at-Law, and drawn attention to Lord Mac Millan on Ethics of Advocates - " *in the discharge of his office, the advocate has a duty to his client, a duty to the state, and a duty to himself* ".

INACTION BY THE GOVERNMENT - RESULTED IN COSTS & EFFORTS

Our Client had pointed out to the Secretary, Ministry of Finance and the Hon. Attorney General, that considerable costs and sustained efforts on two legal actions need not have been incurred by our Client, as a shareholder, on behalf of Hotel Developers, *had the government, a 65% major shareholder and guarantor, taken prompt and effective action,*

- in 1990, when our Client had first instituted legal action, or
- in 1991, when the District Court had issued interim injunctions, *observing that there was no basis to make payments to the Japanese and as to whether, persons who had gained influence in society [implied reference to Mr. K.N. Choksy ?] were endeavouring to make payments, without causing a correct examination and preventing the raising of question; and whether this was fraudulent collusion ? , or*
- in 1992, when the Supreme Court had delivered Judgment, *observing, inter-alia, that the government, in the given circumstances, could not be indifferent and that the interim injunctions had been issued, as described by the learned District Judge, to prevent the " devious siphoning out of foreign exchange from the company and the country."*

COSTS & EFFORTS - LIABILITY OF AUDITORS

Furthermore, *had the Auditors of Hotel Developers, M/s Ford, Rhodes, Thornton & Co., Chartered Accountants, refused to certify in November 1990, the Annual Accounts of March 1990, giving a disclaimer, as they ought to have, particularly in the context of the facts, upon which, our Client had previously in September 1990, instituted a legal action on grounds of fraud, the facts pertaining to which, having been specifically notified to the said Auditors, then such considerable costs and sustained efforts on legal action need not have been incurred by our Client, as a shareholder, on behalf of Hotel Developers.*

In the given circumstances, such costs incurred and compensation for such efforts, *as damages, would be legally recoverable from such Auditors, under circumstances of negligence, whereas in this instant case, they had been put on notice and with the specific requirement by Hotel Developers at our Client's instance, to carry out certain examinations into several specific matters brought to their attention. In effecting the implementation of the Settlement in 1996, particularly moreso on the issue made on costs incurred, our Client had pointedly asserted this position to Mr. B.C. Perera, Secretary, Ministry of Finance and Mr. Sarath Silva, P.C., Attorney General; and to Director-General, Fiscal Policy & Economic Affairs/Director, Hotel Developers, Dr. P.B. Jayasundera, who handled the implementation of the Settlement, who concurred with such position.*

The said Auditors, M/s Ford, Rhodes, Thornton & Co., *who ought to have given a disclaimer, had certified the Annual Accounts, disregarding the objections thereto and the rejection thereof by our Client, also a Chartered Accountant. Our Client's objections and rejection of the said Annual Accounts had been notified to the said Auditors, prior to their such certification, and upon which certification, our Client had been compelled to institute a further legal action on behalf of Hotel Developers, to have the said Annual Accounts set aside by Court.*

The interim injunctions had been issued by Court, even after the said Auditors had certified the said Annual Accounts, which certification, our client believes, *had been a collusive endeavour, with the then Directors of Hotel Developers, to put in jeopardy, the legal action that our Client had previously instituted on behalf of Hotel Developers.*

The Special Presidential Commission, after having carried out preliminary inquiries and investigations, had issued Show Cause Notices on the then Chairman & Managing Director of Hotel Developers and two other Directors on several charges. Amongst the charges that have been made, *is the following charge in respect of the said Annual Accounts certified by the said Auditors;*

" disregard the discrepancies, shortcomings and irregularities which were brought to the notice of the Board of Directors, and wrongfully attempt to approve as authentic the Annual Accounts of the Company for the year ended 31st March 1990 and endeavour to take action to adopt the Accounts with the object of suppressing the aforesaid fraudulent acts and omissions"

**Official Answer submitted by Secretary, Ministry of Finance to Parliament suppressed
by Deputy Finance Minister, G.L. Peiris**

Hilton Settlement

When I replied the adjournment question raised by the Hon. Mahinda Samarasinghe, M.P. on 08.08.95 I based my answer on the settlement agreements that have been executed in the matters pertaining to the Hilton Hotel, not having participated in the negotiation process that had taken place at the Attorney General's Department. Subsequently, I have gone into this matter and I find that the Settlement has been reached taking into account the related and relevant issues, protecting the interest of the Government as the major Shareholder and Guarantor.

2. I wish to clarify that there has been no negotiations with the Japanese companies on the basis of any write-off, either of interest or capital, until Mr. Nihal Sri Ameresekere had raised queries in relation to the construction of the hotel. Having made representations as far back as 1990 to the Ministry of Finance and having had no positive response, Mr. Ameresekere had instituted a Derivative Action in Courts on behalf of the Company and had obtained Interim Injunctions, which subsequently have been upheld by the Supreme Court. As a result, no payments could be made to the Japanese companies, causing a strain in Sri Lanka-Japan relations.

3. In 1992, the then Secretary, Ministry of Finance & Planning had initiated the negotiation of a settlement of this matter with the Japanese companies and Mr. Ameresekere. By June 1993 the negotiations had led to the Japanese companies agreeing to write-off all accrued interest and 30 percent of the capital.

4. However, on the advice of his lawyers, Mr. Ameresekere had declined to execute the draft Settlement Agreements of June, 1993 mainly on the issue that the Japanese companies had required Promissory Notes for the balance debt from the Government, which the Ministry of Finance then had agreed to. Mr. Ameresekere had insisted, quite rightly, that the Company being the borrower, the Promissory Notes should be given by the Company. There would have been serious consequences to the Government if it had agreed to issue the Promissory notes.

5. Subsequent attempts in June, 1994 to conclude the Settlement had also not borne results, particularly because of certain compromises that had been required from Mr. Ameresekere, as evidenced by the correspondence in such regard. Evidently, to pressurise Mr. Ameresekere into so compromising, an Action has been filed against Mr. Ameresekere in August, 1994 claiming Rs.26 million, on the basis of professional negligence, along with a complaint to the Institute of Chartered Accountants, whereas it was Mr. Ameresekere, who had been one Director of the Company who had acted for the benefit of the Company, in instituting the Derivative Action. The Institute of Chartered Accountants having examined the complaint and the evidence held that there was no basis to pursue and had dropped the matter.

6. Consequent to our Government assuming office, respecting the observations made by the Supreme Court that the Government could not be indifferent in this matter and honouring the commitment that already had been given to the Japanese Companies by the former government, the Settlement was concluded, further improving upon those conditions which were being negotiated earlier.

7. As regards the People's Bank cases, wherein Mr. Ameresekere had been implicated as one of the guarantors, in circumstances that Mr. Ameresekere had given these guarantees as a nominee of Cornel & Co. Ltd. for its subsidiary in facilitating the promotion of the Hilton Hotel, Mr. Ameresekere had required, as a part of the settlement, that these cases be also settled by accounting correctly the relevant dues for the period of the guarantee. The Government was to only assist in resolving this matter. The Japanese companies have obtained an undertaking from Mr. Ameresekere that he would not pursue any action against them in such regard. These conditions had been agreed upon as a part of the overall settlement conditions at discussions had since 1992.

8. The costs reimbursed to Mr. Ameresekere has been in respect of legal and other related costs which he had incurred over the last 5 years (since 1990) on this matter and had been duly audited and verified prior to payment. Had the former Government taken prompt action on Mr. Ameresekere's complaints in the first

instance, there would not have been the necessity for Mr. Ameresekere to have taken legal action and to have incurred such costs to prosecute this matter on behalf of this Company owned by the Government, by himself over these several years.

9. The current Settlement of 28.6.1995 has resulted in a write-off of Japanese Yen 17,586 Million, i.e. Sri Lanka Rs.10,200 million at the date of settlement. This is a saving for the Company and the Government as the Shareholder and the Guarantor, which arose primarily from Mr. Ameresekere's efforts. It is generally recognised that costs incurred in such a situation be reimbursed to the person who had instituted such action and this has been agreed upon at the settlement discussions had since 1992. It is noteworthy that the costs incurred by Mr. Ameresekere of Rs.6.98 million is only a fraction of the saving of Rs.10,200 million (0.07%). Furthermore, in the current settlement, the balance debt is rescheduled to be repaid over 15 years in year 2010, whereas the original Hilton contractual commitment required full repayment by 1999. Also, the interest payable now is 5.25% as against 6% previously.

10. Contrary to misinformation by affected parties, there had never been negotiations on the basis of the US Dollar, since all contracts, including the Loan Agreement, and the Government guarantees have been in Japanese Yen. In fact, the balance debt of the Company of Japanese Yen.7834 million after the current settlement was equivalent to US.\$92 million at the date of settlement on 28.06.1995, whilst today it is equivalent to US.\$76 million in the context of the subsequent appreciation of the US Dollar against the Japanese Yen.

11. Mr. Ameresekere in his evidence before the Special Presidential Commission has submitted copies of the Draft Settlement Agreements and correspondence that had been had during the previous Government and had also placed evidence on the concluded settlement. The previous draft Settlement Agreements as well as the concluded agreements had been approved by the Attorney General's Department and handled by the Solicitor General, who is assisting the Commission. Copies of the draft Settlement Agreements had also been forwarded to

the Hon. Minister, whilst negotiations were in progress. The salient features of the current Agreements were referred to the Cabinet, which gave it's approval.

12. Cornel & Co. Ltd., had defaulted payment to the UDA on the land leases amounting to Rs.109.47 million, which had been fixed on very concessionary terms, necessitating the UDA to take appropriate action, whereas the original shareholding had been created on the capitalised value of these land leases. Cornel & Co. Ltd., had also defaulted payment of Rs.85.7 million on the public share issue that had been under-written by them. They have failed to conclude certain Agreements reached to this regard with the Ministry of Finance and the Attorney General. The current Settlement Agreements concluded had also taken these matters into account.

13. There is allegation also of foreign commission payments of Japanese Yen 340 million, i.e. Sri Lanka Rs.180 million, paid to a Bank Account in Hongkong for concessions obtained from the former government, which evidence has been placed before the Special Presidential Commission, which is inquiring into the matter of the Hilton.

14. In view of the foregoing, answers to the questions raised do not arise.

18.09.1995

අමාත්‍ය அமைச்சர் Minister	541539
ලේකම් ලේකම් Secretary	545397
පෞ. ලේකම් அ. செயலாளர் Priv. Secretary	541540
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 வெளியுத் தொழில் தொழில் அமைச்சு
 MINISTRY OF PLANTATION INDUSTRIES

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 My No. }
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 Your No. }
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 Vauxhall Lane }
 කොළඹ 7
 Colombo 7 }

15th Nov. 1990

Mr. Nihal Sri Ameresekere,
 Comindtax Management Service Ltd.,
 167/4, Sri Vipulasena Mawatha,
 Colombo 10

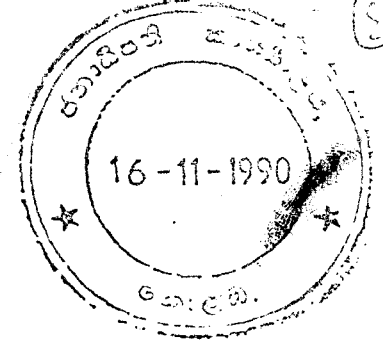
Dear Nihal,

I write to acknowledge your letter of 14th November, 1990, together with the connected documents.

I raised this matter at Cabinet on Wednesday 14th November, 1990, and sent a copy of your letter along with the documents to His Excellency the President.

Yours sincerely,

Ranjan Wijeratne
 Minister of Plantation Industries
 & Minister of State for Defence



Ranjan Wijeratne, M.P.
Minister of Plantation Industries

15th November, 1990

His Excellency R. Premadasa,
President of Sri Lanka,
Presidential Secretariat,
Colombo 1

CONFIDENTIAL

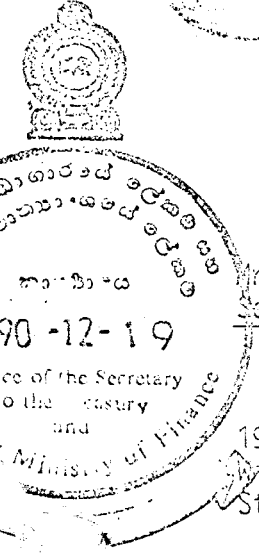
Your Excellency,

HILTON HOTEL

Further to the comments I made at the meeting of the Cabinet of Ministers on Wednesday 14th November, 1990, for your Excellency's information I am attaching a copy of a letter dated 14th November, 1990, addressed to me by Mr. Nihal Sri Ameresekere, who has filed the injunction against the Contractors/Architects, together with the attached documents.

Yours sincerely,

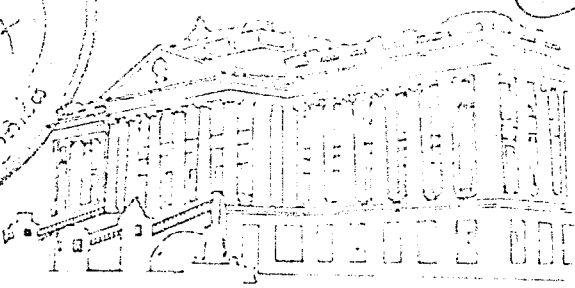
Ranjan Wijeratne
Minister of Plantation Industries
& Minister of State for Defence



Mr R Paskaralingam
Secretary/Finance

Hilton Hotel

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ஜனாதிபதி செயலகம்
THE PRESIDENTIAL SECRETARIAT



My No.

Your No.

Gampaha I.
Colombo I.

December 17, 1990.

Handwritten notes: "Add DST", "Should not consult", "EA/4/214/19/2", and a signature.

I am forwarding a copy of a letter dated November 15, 1990, sent to His Excellency the President by the Hon. Ranjan Wijeratne, Minister of Plantation-Industries, and Minister of State for Defence, on the above subject.

I am also forwarding copies of the enclosures sent by the Hon. Minister, including a letter dated November 14, 1990, sent by Mr Nihal Sri Ameresekere.

I should bring to your attention in this connection certain considerations that have been placed before His Excellency the President with regard to this matter.

One is that if public concern has not been openly expressed so far, it is because the subject has been sub judice from the outset. Another is that if the District Court action should lead to a determination that a fraud did take place, the question will be asked as to why the company in which the government has a majority stake did not take legal action itself. A further question would be why once Court action was taken, the company kept aloof although it carries primary responsibility to its shareholders and to the public to litigate the matter. Arising from this, it could be asked as to why it was left to a minority shareholder to take action to prevent public funds being utilised to pay for a fraudulent deal. This would have been the result if the Japanese companies had called in the government guarantee.

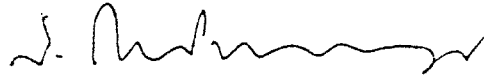
With regard to Japanese Government sensitiveness in the matter, it has been pointed out that there has been growing public concern in Japan over frauds involving Japanese companies and public personages. No Government in Japan, therefore, would like to be seen giving comfort to Japanese companies involved in frauds abroad.

In the light of these considerations, His Excellency has directed action by you to take up in Cabinet the question of the stand Government should take with regard to the Court

Handwritten notes: "Dek", "DL spk", "21/12", "Spok", and "26/12".

action now proceeding.

I would appreciate if His Excellency's direction could have your attention please.



(K H J Wijayadasa)

Secretary to the President

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MINISTRY OF FOREIGN AFFAIRS, Republic Building, Colombo 1, Sri Lanka

8 April 1994

Secretary
Cabinet Sub-Committee on Investment
BOI
Colombo 1.

Hilton Hotel

Mr. I. Hashimoto, Charge de Affaires a.i. of the Japanese Embassy in Colombo, recently called on Mr. R.C.A. Vandergert, State Secretary, Ministry of Foreign Affairs. During their discussion the Charge de Affaires made reference to the Hilton Hotel dispute.

I am sending herewith an extract of a note prepared by Mr. Vandergert, on his meeting with the Japanese Charge de Affaires. I shall be glad if this is brought to the notice of the Cabinet Sub-Committee on Investment at its next meeting.

G. Wijayasiri
Director-General/Economic Affairs

Secretary,

Last afternoon Mr I Hashimoto, C.d'A. of Japanese Embassy, called on me.

2. ... While it was predominantly a courtesy call, he referred to the following matters, which I think need a studied response from the appropriate agency of government:-

~~i. Referring to the ethnic conflict and the expressed intentions of the Government to negotiate with the LTTE, he said he was 'thinking aloud' about what the reaction of the Government would be if Japan was to offer itself as a venue for talks between the representatives of the Government and the LTTE. He thought that such a meeting away from the public glare, might provide a conducive atmosphere for such talks. I replied that he should make this proposal to AIR since these matters were being handled by the Presidential Secretariat.~~

ii. Mr Hashimoto also brought to my notice the concern of the Government of Japan and Japanese investors in regard to the Hilton Hotel dispute. He said that in view of the importance which Sri Lankan Foreign Policy attaches to attracting foreign investment, the Government should look at the overall impact which disputes like the Hilton Hotel dispute would have on Sri Lanka-Japan bilateral economic relations and, more particularly, the adverse impact it may have on Japanese investors who might feel that in situations of this nature, the government was not doing enough to help resolve such issues. Since the overall loser would be the country itself, he thought that in matters like this the Government should become more involved, without leaving it to private arbitration or even negotiations conducted by BOI etc. I said I would convey his concerns to the appropriate authorities.

SS/FA
24.3.94

copy to :DG/PA

DG/EA 8

THE SUNDAY LEADER

REGISTERED IN SRI LANKA AS A NEWSPAPER VOL. 2 NO. 16

OCTOBER 8, 1995

CITY EDITION

PRICE

EXPOSURE

Professor Peiris – the clause of his downfall

Today, the hunter has become the hunted, and the Hilton issue stands testimony to what politics and the greed to hang on to power can do to otherwise honourable people. Professor Peiris, who took high moral ground before the elections and wrote in what has today become an infamous manifesto that "the UNP and morals are far apart" now, given the background to the Hilton issue and other pledges made, appears to be further apart from political morality than that of which he accused the UNP

Finally what is most damning is the Professor's interest in the Hilton case, given the Securities and Exchange Commission involvement and continuing to be the Government's spokesman on the issue. It is also ironic that Professor Peiris, who in Parliament said one of the noble precepts of a parliamentary democracy was that Ministers take responsibility for the actions of their Secretaries, is now in fact trying to duck his responsibility

Extracts from Nihal Sri Ameresekere's Lawyer's Letter to G.L. Peiris on 27.3.1997

We are instructed to state, that thereafter, you had convened and chaired the Press Conference held at the Ministry of Finance on 30th June 1995, to announce the Settlement that had been concluded. Addressing journalists on this occasion, you had, inter-alia, stated; *"Today is a happy day. We have reached a settlement in the Hilton Hotel dispute. We have removed the constant irritant that has marred relations between Sri Lanka and Japan, which had otherwise been excellent"*. It was further reported; *"Minister G.L. Peiris said the settlement has saved the government a massive sum, equivalent to two years of the subsidy on wheat flour, which was Rs. 5 billion a year. those who had defrauded and pillaged the government will be dealt with by the commission"*.

The Foreign Minister, Mr. Lakshman Kadirgamar, who was also present at the said Press Conference had stated; *"The finalisation of this settlement has removed irritants of an otherwise cordial relationship between our two countries. This is a very happy occasion for us as we witness a close chapter, which caused much concern for all of us.... In fact, Japan has been Sri Lanka's biggest aid giver. It has been so despite this irritant. With its removal we can expect more aid"*.

Subsequently, however, having examined the signed Settlement Agreements, you had gone into a tantrum and had an agitated argument with the then Secretary, Ministry of Finance, Mr. A.S. Jayawardena, consequent to which, *Mr. A.S. Jayawardena had intimated to our Client, that such was in relation to the condition in the Settlement Agreements, that pertained to the conduct and actions of the Securities & Exchange Commission / its Members; you having been one such Member at the relevant time, being, accordingly, an affected person.*

We are instructed to state that furthermore, knowingly suppressing your such personal affectation, you under the cover of parliamentary privilege, on 8th August 1995 had spitefully and maliciously, acting deliberately and wilfully made a false statement, false to your knowledge, clearly with intent to mislead, by having quoted only the middle part, as shown underlined of a comprehensive paragraph set out hereinbelow, from the Settlement Agreements, which paragraph in its entirety had set out the true and correct facts and that, as as a learned professor of law, certainly you ought to have known much better.

"Whereas in the context of the promotion of the Colombo Hilton Hotel and/or Hotel Developers (Lanka) Ltd., Nihal Srinath Ameresekere (hereinafter referred to as "Mr. Ameresekere") of 167/4, Sri Vipulasena Mawatha, Colombo 10, having been induced by the main promoters thereof to get involved and/or concerned in the affairs of Sun-Cornel Textiles Ltd., and the Colombo Apothecaries Co. Ltd., and in consideration of the settlement initiated by the Government and the write-offs, reductions and rescheduling referred to in Agreement No. 1, the Government, as the major Shareholder and Guarantor, being a beneficiary thereof and further in the context of the conditions stipulated in Clause 9 in the Agreement No. 4, shall and will assist Mr. Ameresekere in settling D.C. Colombo Actions Numbered 334/M, 335/M and 99607/M instituted by the

Peoples Bank and M.C. Negombo Actions Numbered E 19198 and E 27746 and have him released and/or held harmless and/or indemnified therefrom and from any other proceedings and/or Actions presently instituted and/or to be instituted in the future by the Commissioner of Labour and/or others, in connection with Sun-Cornel Textiles Ltd., and/or the Colombo Apothecaries Co. Ltd., and whereas in some of the said Actions, Mr. Ameresekere had been added and/or had been moved to be added as a party and/or an accused, only after the institution of the litigations referred to in the aforesaid Agreement No. 3, to which this Annexure "Y" relates."

Extracts from Statement made to Parliament by Dr. Rajitha Senaratne on 15.12.1995

We are further instructed to state that, consequently, Dr. Rajitha Senaratne, M.P. had made a comprehensive Statement in Parliament on 15th December 1995, as reported in the Hansard at Columns 2954 - 2965, which, *inter-alia*, had included the following, that has stood unrefuted and uncontradicted by you;

"Therefore, this Government has signed Agreements committing to take action against Prof. G. L. Peiris, amongst other Members of the Securities & Exchange Commission. This has been in accordance with the considered opinion of the former Attorney-General and the present Solicitor-General, who had very correctly approved such condition. ... When Prof. G. L. Peiris discovered this, in anger and madness what did he do ? He made a false statement to mislead the Members of Parliament, diabolically and calculatedly only quoting a small part of a paragraph taken out of context from the Hilton Settlement agreements to give a completely distorted picture. He deliberately did not read the balance part of the paragraph. The full paragraph however was before him ... Quoting only part of a paragraph, that too out of context, Professor Peiris has made a false statement very knowingly and consciously to Parliament, having had the full facts before him. This is very bad. Professor Peiris did not also refer to the following Clauses in the Settlement Agreements, which was another Clause pertaining to the same subject matter;

"Mr. Ameresekere shall and will refrain from ever filing suit against Mitsui and Taisei or any of their respective Employees or other Officers in respect of any litigation involving Sun-Cornel Textiles Ltd. and/or The Colombo Apothecaries Co. Ltd"

Therefore Prof. Peiris did not give the true and full picture of the very subject matter referred to. Why did he do so ? He did this out of anger to slander and humiliate Mr. Nihal Sri Ameresekere, who he considered was a threat to him in exposing his past conduct and actions. Professor Peiris, having been a part of the very so-called system he now openly criticises, has deliberately made a false statement to Parliament fully knowing the full facts that were before him. Not only did the Professor mislead the House, but also he did not disclose that he himself was very much an affected party by the Hilton Settlement Agreements. He should have disclosed his interest to Parliament in the first instance before he made any statement. Professor Peiris stated that he had discovered a number of obligations, not one, but a number of obligations of an unacceptable nature. Having said that, he however did not disclose to the House as to what those number of obligations exactly were. He did not do so for very obvious reasons, which even a child could see through.

Prof. G. L. Peiris and Mr. Rajan Asrivatham should resign from public office immediately, so that all aspects of the Hilton scandal could be thoroughly investigated fairly and without political interference and favours. ... Has Prof. Peiris not brought to bear undue influence and pressure through Her Excellency the President, virtually blackmailing her, on Mr. Jayawardena, a person who had sworn an Affidavit in Court, whilst Prof. Peiris had made a false statement in Parliament ? Is it not contempt of Court in its most elementary form ? This is so for every layman, but as the Minister of Justice, he should keep the law and strictly conform thereto by example. He has miserably failed. Does not the conduct of the Deputy Minister of Finance and Minister of Justice amount to an implied direction, an interference with the Judge and the judiciary in violation of the Constitution, whilst being also the Minister of Justice, who recommends the promotion of Judges ? Furthermore, Prof. G. L. Peiris in addition is an affected party."



Telephones

- Minister

කාර්යාලය } 433937, 435860,
அலுவலகம் } 421251, 421254,
Office } 421255, 430051-5

සෂ්‍යලාභී
Secretary

61

எனது எனர்
My No.

ANNEXURE "H1"

සාදක ලේකම්
அந்தரங்கச் செயலாளர் } 320436
Private Secretary

உமது எனர்
Your No.

වෛද්‍ය
செலக்ஸ் } 21409 CE
Telex

புகள்
Fax

449823

இதர்த். ஐம் சமீபாடன, ப்னவார்க்கி கவஐது சஹ
சாநிக ப்னாஐத்டனா துமாதாண்டல

உஐலேகம் காரியாலம், கோலம்பு 01
செயலகம், கொழும்பு, 01
The Secretariat, Colombo 01

நிதி, திட்டமிடல், இன உறவு அலுவலர்கள்,

தேசிய நல்லிணக்க அமைச்சு

MINISTRY OF FINANCE, PLANNING, ETHNIC AFFAIRS AND
NATIONAL INTEGRATION

24th July, 1995

திகதி }
தேதி }
Date }

Mr. Masaaki Miyakage
Mitsui & Co. Ltd.
2 - 1, Ohtemachi 1-Chome
Chiyoda-Ku
Tokyo, Japan

Dear Mr. Miyakage

Hilton Hotel Agreements

With reference to the Agreements signed on 28th June, 1995 regarding the contracts for the Hilton Hotel, Colombo, I am directed by the Hon. Deputy Minister of Finance to inform you that the agreements will not be implemented until the determination on the Hilton contracts by the Special Presidential Commission of Inquiry.

I am also instructed to inform you that Sri Lanka Courts have restrained me from implementing the agreements, arising from certain cases filed in the courts.

Yours faithfully,

A.S. Jayawardena
Secretary.

Telephones	Minister	Secretary	431761	My No.	ANNEXURE "H2"
	කාර්යාලය அலுவலகம் Office	433937, 435860. 421251, 421254. 421255, 430051-5	පෞද්ගලික රජකම அந்தரங்க செயலாளர் Private Secretary	320436	
		වෛලසේ தொலைபேசி Telex	21409 CE	13455 பக்ஸ் Fax	449823

මුදල්, ක්‍රම සම්පාදන, ජනවාර්ගික කටයුතු සහ
ජාතික ඒකාබද්ධතා අමාත්‍යාංශය

මහලේකම් කාර්යාලය, කොළඹ 01
செயலகம், கொழும்பு 01
The Secretariat, Colombo 01

අති, திட்டமிடல், இன உறவு, அனுவயல்கள்,
தேசிய நல்லிணக்க அமைச்சு

MINISTRY OF FINANCE, PLANNING, ETHNIC AFFAIRS AND
NATIONAL INTEGRATION

24th July, 1995

දිනය
திகதி
Date

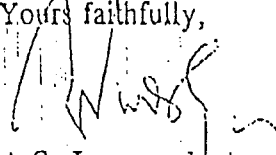
Mr. Takamitsu Nakano
Taisei Corporation
25 - 1, Nishi Shinjuku 1-Chome
Shinjuku-Ku
Tokyo, Japan

Dear Mr. Nakano,

Hilton Hotel Agreements

With reference to the Agreements signed on 28th June, 1995 regarding the contracts for the Hilton Hotel, Colombo, I am directed by the Hon. Deputy Minister of Finance to inform you that the agreements will not be implemented until the determination on the Hilton contracts by the Special Presidential Commission of Inquiry.

I am also instructed to inform you that Sri Lanka Courts have restrained me from implementing the agreements; arising from certain cases filed in the courts.

Yours faithfully,

A.S. Jayawardena
Secretary.

Extracts from Letter of Nihal Sri Ameresekere to Special Presidential Commission on 10.6.1998

Cabinet Memorandum dated 21st June '95 submitted by Her Excellency the President, as the Minister of Finance, approved by the Cabinet on 28th June '95, inter-alia stated:

"A Special Presidential Commission is carrying out an inquiry into the totality of this matter and the Government and the public would be afforded a report thereon. The Government would consider taking appropriate action, based on the findings and recommendations of the Commission. The Solicitor General has kept the Commission apprised of this settlement."

The Minister of Justice & Constitutional Affairs/Deputy Minister of Finance, Mr. G.L. Peiris,

i. at the press conference on 30th June '95, inter-alia, stated:

"however this settlement has nothing to with the punitive action which the legal machinery will take against the offenders by the Special Presidential Commission of Inquiry and the Permanent Commission on bribery and corruption"

ii. in Parliament on 8th August '95, inter-alia, stated:

"The People's Alliance promised to uncover the facts behind this episode during the election campaign and in keeping with its pledge, set up a Special Presidential Commission of Inquiry to inquire into the circumstances behind the transaction. It must be reiterated that this Commission will continue with its inquiries into this matter and that the Government will take all necessary action to ensure that the wrongdoers are dealt with under the laws of this country."

"However, it must be reiterated that there was no intention or understanding whatsoever at any stage, to either slow down or shelve the work of the Special Presidential Commission Inquiring into the circumstances relating to the alleged fraud and misdeeds behind the Hilton project and that it remained the intention of the Government, that if any wrongdoing is discovered or found by the Commission, such activity will be dealt with severely under the laws of the country."

iii. in Parliament on 19th September '95, inter-alia, stated:

"The signing of the settlement agreements by the Secretary to the Treasury will not and should not in any way affect, slow down or influence the inquiries conducted by the Special Presidential Commission into the circumstances relating to the alleged frauds and misdeeds behind the Hilton Project. It remains the intention of the Government that, if any wrongdoing is discovered or found by the Commission, the wrongdoers will be dealt with severely under the laws of the land."

iv. in Parliament on 13th December '96 tabled a Statement, inter-alia, stating:

"Show Cause Notices, setting out acts of commission and/or omission that were fraudulent and detrimental to the interests of Hotel Developers (Lanka) Ltd., and/or the Government have been served on several persons. The Inquiry is proceeding."

Extracts from Nihal Sri Ameresekere's Lawyer's Letter to G.L. Peiris on 13.9.2002

At all material times relevant to the foregoing, you held public office, *inter-alia*, as the Deputy Minister of Finance.

Nevertheless, in your Affidavit dated 29.8.1998 to the Court of Appeal at paragraph 8 thereof, you had solemnly, sincerely and truly declared and affirmed thus: (Copy annexed)

"I state the documents in files maintained or kept in the Ministry of Finance/Treasury are not documents in my possession or power, as no power or duty pertaining to the subject of finance has been delegated to me under Article 46(2) of the Constitution by Notification published in the Gazette".

Your aforesaid Affidavit had been filed in your Application to the Court of Appeal seeking to set aside the District Court Order made in favour of our Client against you, rejecting your Answer and ordering *ex-parte* trial, in terms of the Civil Procedure Code, on your refusal to give Discovery of Documents in your possession or power as the Deputy Minister of Finance.

Contradictory to the aforesaid, in the very same Case, at paragraph 39 in your Answer filed in the District Court on 31.10.1997, you had previously stated thus:

"In any event and without prejudice to the aforesaid the Defendant pleads that at all times material he acted in his capacity as the Deputy Minister of Finance".

At the very same time of your making such contradictory statements under oath to the Judiciary of this country, ironically you held public office as the Minister of Constitutional Affairs and the Minister of Justice.

In such circumstances, our Client, as per our Letter dated 17.12.1999, *inter-alia*, posed the *cogent question*, as to how, *without such constitutional fiat*, you have been functioning and holding out as the Deputy Minister of Finance of this country; both within this country, as well as in foreign countries, *dealing with foreign governments and international financial institutions* ? Notwithstanding you being an erstwhile Professor of Law and an Author of several Books on Law, you had been unable to answer such a simple and elementary question.

4. Notwithstanding socio-political pressures and obstructions, in circumstances of Mr. K.N. Choksy P.C., M.P., (*your present Cabinet Colleague, as the Minister of Finance*), having been named a *wrong-doer* Director-Defendant in our Client's said Case, our Client's sustained efforts and actions resulted in the **Foreign Collaborators writing-off US \$ 207.0 Mn. i.e. Rs. 10,200 million on the Government Guaranteed foreign claims [i.e. a write-off of 63.3 % of the stated claims]**, and the re-scheduling of the balance at a reduced rate of interest over a further period of 15-Years upto 2010, after a grace period of 1-Year [i.e. from July 1995 to June 1996], which was specifically provided for, to further strategically restructure HDL in terms of the aforesaid Conditions, to enhance HDL's debt repayment ability and to prevent any payments being made under the State Guarantees, *as per the aforesaid stipulation of the then Secretary, Ministry of Finance*; whereas if not for our Client's said conduct and actions, the totality of the said foreign claims would have had to be fully paid under the State Guarantees by **1999** by the Government, utilising public funds; *causing grave detriment to the then financial position of the Government and the public*.
5. Upon learning at the Cabinet Meeting on 28.6.1995 of the signing at the Ministry of Finance of the said Settlement Agreements, no sooner you arrived at the Ministry of Finance after such Cabinet Meeting, you promptly initiated action to convene a Press Conference for 30.6.1995, *to make public pronouncement of the said Settlement*. You chaired the said Press Conference and *seeking to bask in glory*, endeavoured to take credit for the said Settlement, *as though you had brought it about*, euphorically pronouncing, *inter-alia*, that - "*it was a happy day*".
6. Subsequently on or about 24.7.1995, upon you learning that there was a Condition included in the public interest in the signed Settlement Agreements, which Condition had personally affected you, notwithstanding your such personal affectation and interest and *suppressing the same*, you, precipitating a *perverse controversy* and deliberately *making knowingly false statements* in the public domain, *intervened and interfered* to cause the wrongful and unlawful suspension of the signed Settlement Agreements and directed the then Secretary, Ministry of Finance, Mr. A.S. Jayawardene to so inform the Foreign Collaborators, which he did by Letter dated 24.7.1995, specifically stating therein, *that such suspension was on your direction as the Deputy Minister of Finance*.

7. In complete contradiction of your pronouncements at the previous press conference, you so intervened and interfered, *purely and solely* only because of the following Condition (*which is self-explanatory*), which was included, at our Client's instance in the public interest in the signed Settlement Agreements; which said Condition had personally affected you as a former Member of the Securities & Exchange Commission of Sri Lanka.

"5. The Government shall and will take appropriate independent actions on the conduct and actions of the Securities and Exchange Commission of Sri Lanka and/or Members of its Commission and the Colombo Stock Exchange and/or of its Directors, in relation to the representations made by Mr. Ameresekere to the said institutions on matters pertaining to HDL, which matters Mr. Ameresekere also reserves the right to pursue"

8. Consequently, in the midst of such *perverse controversy* precipitated by you, *including* that of humiliating and intimidating the then Secretary Ministry of Finance, Mr. A.S. Jayawardene *regarding an Affidavit he had filed in Court on behalf of the Government*, and unjustly demanding and forcing his resignation therefor, the then Hon. Attorney General, Mr. Sarath N. Silva P.C. (*present Chief Justice*) and the then Secretary, Ministry of Finance, Mr. B.C. Perera, having re-examined the said Settlement Agreements, *conceded that all the conditions contained therein had been based on certain principles.*

9. Accordingly, all the Conditions in the said signed Settlement Agreements were re-endorsed and ratified by an Addendum signed thereto in October 1996, and *the only condition excluded therefrom was the aforesaid condition, which had personally affected you*, amongst others. Our Client acquiesced to such exclusion at the behest of the then Hon. Attorney General and the then Secretary Ministry of Finance, who being two public officers under your then direct supervision and control, *making implorations in such regard in your interest, as their Minister, to avoid the humiliation and embarrassment caused to you.*

Consequently, the said Settlement Agreements were implemented with effect from October 1996 in the context of concerns that had been expressed by the Ministry of Finance, that the Japanese governmental authorities may not commit the aid component of about US \$ 245 Mn. at the Paris Aid-Group Meeting, which was then scheduled to be held in November 1996, *as a consequence of the wrongful and unlawful suspension caused by you of Agreements signed by the Government on the approval of the Hon. Attorney General.*

10. The aforesaid Condition had personally affected you, in that, you had held public office as a Member of the Securities & Exchange Commission of Sri Lanka at the relevant times from 1990 to 1994 and, amongst others, had willfully and deliberately *failed and neglected to discharge your statutory duties, responsibilities and obligations*, as a Member of such Commission to regulate the functioning of listed public Companies, in this instance HDL. Several complaints made by our Client and by us on his behalf to you and the other Members of the said Commission went unheeded; *our Client verily believes, due to socio-political influences and/or subservience.*

The said Condition had been included in the original Settlement Agreements, which had been formulated in June 1993 by the then Hon. Attorney General, Mr. Tilak Marapana P.C., in agreement with the then Deputy Solicitor General, Mr. Srinath Perera P.C., *determining that the Members of the said Commission, including you, had deliberately failed and neglected in the discharge of the statutory duties, responsibilities and obligations by not taking actions, as warranted, on the complaints that had been made by our Client.*

Endorsing the foregoing by Letter dated 22.9.1994, the then Secretary, Ministry of Finance, as directed by the then Hon. Minister of Finance, *who having reviewed the matter had required the said Commission to take remedial action to investigate this matter, with a view to taking appropriate actions.*

11. As a consequence of the foregoing, HDL and the Government had lost the opportunity of further *strategically restructuring HDL*, as had been provided for in the signed Settlement Agreements referred to at paragraph 3 above, to facilitate and ensure the re-payment of the balance unwritten-off debt to the Foreign Collaborators by HDL and *not by the Government under the State Guarantees*, since the grace period of 1-Year from July 1995 to June 1996 provided for the implementation of such strategic restructuring of HDL had already lapsed *due to your wrongful and unlawful intervention and suspension.*
12. As you had been put on notice, your *perverse conduct and actions* had caused grave prejudice to HDL and our Client, in that, in a Judgment by the Court of Appeal, your said *perverse conduct and actions* had *misleadingly and essentially been relied upon* and your said *deliberate and knowingly made false statements specifically quoted therein*, with the Supreme Court *subsequently granting Special Leave to Appeal against the said perverse Judgment of the Court of Appeal.*

Having gone thus far, incurring considerable costs and efforts, *for some unknown reason not made known public*, the Special Presidential Commission, *which you had caused to be appointed*, did not conclude the aforesaid Inquiry, contrary to the articulated solemn public assurances, which you had given, *more so particularly, as the then Minister of Justice*.

You would recall that at the Press Conference on 30th June 1995, announcing the signed Settlement Agreements, you stated thus:

"The settlement signed with the Japanese contractors, also conforms to the major planks of the People's Alliance Government's Election Manifesto of combating the pillage and plunder of national resources and the government's commitment, which has brought about the large scale saving. However, this settlement has nothing to do with the punitive action which the legal machinery will take against the offenders by the Special Presidential Commission on Bribery and Corruption."

Subsequently, addressing Parliament on 8th August 1995 on the same matter - *vide Hansard Columns 705 and 706*, you reiterated as follows:

"The People's Alliance promised to uncover the facts behind this episode during the election campaign and in keeping with this pledge, set up a Special Presidential Commission of Inquiry to inquire into the circumstances behind the transaction. It must be reiterated that this Commission will continue with its inquiries into this matter and that the Government will take all necessary action to ensure that the wrong-doers are dealt with under the laws of this country."

"However, it must be reiterated that there was no intention or understanding whatsoever at any stage, to either slow down or shelve the work of the Special Presidential Commission inquiring into the circumstances relating to the alleged fraud and misdeeds behind the Hilton Project and that it remained the intention of the Government, that if any wrong-doing is discovered or found by the Commission, such activity will be dealt with severely under the laws of this country"

The aforesaid Show Cause Notices setting out several charges, *on grounds of fraud, corruption, misuse and abuse of power* served by the said Special Presidential Commission in December 1995, *inter-alia*, had stated;

"The aforesaid acts of commission and/or omission on your part were fraudulent and were detrimental to the interests of the said Company [HDL] and/or the Government of Sri Lanka, in its capacity as the major Shareholder, causing financial loss and damage to the said Company [HDL] and/or the Government of Sri Lanka"

"Having regard to the matters set out hereinabove, you are hereby required to show cause as to why you should not be found guilty of misuse or abuse of power and/or corruption and/or commission of fraudulent acts in terms of Section 9 of the Special Presidential Commission of Inquiry Law No. 7 of 1978, as amended "

Subsequently in Parliament on 4th July 2000 - *vide Hansard Column 102*, concerning another subject, you had stated as follows;

"I would like, Mr. Deputy Speaker, to give the House a categorical assurance that we will do what is right. The Government has nothing to hide. The Government will apply the laws of this country in their full rigour. Mr. Deputy Speaker, whoever the personalities may be, it is not the intention of the Government to bend the laws relating to this matter in any way. We will apply the laws of this country in a manner that is fair, just and equitable, without fear and without favour, whoever may be the personalities involved."

Extracts of Minutes of HDL Board Meeting on 25.10.19963. CIRCULATION OF AGENDA

The Chairman, Dr. P.B. Jayasundera, tabled and circulated the Agenda for the Board Meeting that he had convened.

5. PROTEST OVER CONVENING THE MEETING AT SHORT NOTICE

Mr. J.R. De Silva P.C. requested that his protest over convening this Board Meeting at such short notice and without an Agenda be recorded. He further suggested that the Board Meeting be adjourned and convened next week so that the Directors will have sufficient time to consider the matters set out in the Agenda.

The Chairman, Dr. P.B. Jayasundera, informed that this Board Meeting was convened as a matter of national importance in the interest of Sri Lanka Japan relationship and that he was acting at the request of the Government and urged the Directors to proceed with the Meeting on the Agenda placed before them. All others agreed.

8. D.C. COLOMBO CASE NO.15322/MR

Mr. Ameresekera brought to the notice of the Board that proxy of the company had been given to Mr. Hussain Ahamed, Attorney-at-Law to institute this Action without a Board Decision. He referred to the letter sent to him by Mr. J.R. De Silva, P.C. who had denied that he had caused this Action to be instituted and to the letters sent by former Directors, Mr. Asoka Gunasekera, Attorney-at-Law and Mrs. Monica Fernando confirming that there was no Board Decision to institute this Action.

Mr. Ameresekere also brought to the attention of the Board that he had made a Claim in Reconvencion by his Answer dated 18th November 1994 and that Mr. Hussain Ahamed, Attorney-at-Law had filed the Replication of the company on 15th December 1994, without the Board of Directors of the company having considered the matter or authoring Mr. Hussain Ahamed to file the said Replication of the company.

Letters to the Institute of Chartered Accountants of Sri Lanka, the Chartered Institute of Management Accountants of UK, the Secretary, Ministry of Finance & Planning and 2 Letters to Mr. N.S. Ameresekere, dated 21st October 1996, signed by Dr. P.B. Jayasundera and Mr. T. Ishibashi issued by the Company as per the said Settlement Agreement were tabled.

- c) Dr. P. B. Jayasundera informed the Board that the payment due to Mitsui & Co. Ltd., and Taisei Corporation is contingent liability on the government and that the payments due to Mitsui & Co. Ltd and Taisei Corporation should now be made as per the Settlement Agreements, since legal actions have now been settled and withdrawn and that the company should authorise the Deputy Secretary to the Treasury to make the payments due to Mitsui & Co., Ltd and Taisei Corporation from the funds of the company held by him and/or by transferring from funds of the company as may be required.

Dr. Jayasundera proposed that the Board authorise the payments to Mitsui & Co. Ltd. and Taisei Corporation due as per the Settlement Agreements and it was seconded by Mr. K. Kanag-Isvaran P.C. The following resolutions were passed by the Board of Directors, whilst Mr. J.R. De Silva P.C. abstained from voting thereon since he had not seen the Settlement Agreements.

- (I) IT IS HEREBY RESOLVED that consequent to the Settlement Agreement entered into on the 28th day of June 1995 the Secretary to the Treasury be and is hereby requested to effect prompt payment to Mitsui & Taisei Corporations from the company's funds in the custody of the Secretary to the Treasury.
- (II) IT IS HEREBY FURTHER RESOLVED that the fifteen promissory notes required to be given to Mitsui & Taisei Corporations consequent to the said Settlement Agreement, be executed on behalf of the company by two Government Nominee Directors namely Dr. P.B. Jayasundra and Mr. A.S.M. Perera P.C. under the common seal of the company after the payment of Stamp Duty due on the said promissory notes at the cost of the company.
- (III) IT IS HEREBY ALSO RESOLVED that the Secretaries be and are hereby directed to send certified copies of the above two Resolutions to the Secretary to the Treasury.

TAX ON INTEREST ON MITSUI/TAISEI LOAN

Letter dated 22nd October 1996 signed by the Commissioner General of Inland Revenue confirming that the interest on the Loans from Mitsui & Co. Ltd., & Taisei Corporation are exempt from income tax and that any Assessments issued charging tax on any interest accrued would be canceled, was tabled. The Board noted it.

HOTEL DEVELOPERS (LANKA) LTD.

C/o Colombo Hilton, Colombo 1, Sri Lanka. Tel : 446552, 433435 Fax : 446545

October 21st, 1996

The Secretary,
Ministry of Finance & Planning,
The Secretariat,
Colombo 1.

Dear Sir,

We, Hotel Developers (Lanka) Ltd. (the "Company"), wish to bring to your notice that the Board of Directors of the Company had not authorised Mr. Cornel L Perera, the then Chairman and Managing Director, to address to you and others, under his hand any communication regarding D.C. Colombo Case No. 15322/MR, which appears to have been instituted against Mr. Nihal Sri Ameresekere without an express Board Resolution to do so, and as well as on several other matters.

The Company by a Settlement Agreement entered into dated June 28th, 1995 has agreed and undertaken to withdraw D.C. Colombo Case No. 15322/MR and has expressed an apology to Mr. Nihal Sri Ameresekere in this connection.

Yours faithfully,

T. Ishibashi

Director
Hotel Developers (Lanka) Ltd.

Dr. P.B. Jayasundera

Director 
Hotel Developers (Lanka) Ltd.

cc: Mr. Nihal Sri Ameresekere, F.C.A., F.C.M.A.



OWNERS OF COLOMBO HILTON

HOTEL DEVELOPERS (LANKA) LTD.

C/o Colombo Hilton, Colombo 1, Sri Lanka. Tel: 446552, 433435 Fax: 446545

October 21st, 1996

Mr. Nihal Sri Ameresekere, F.C.A., F.C.M.A.,
Comindtax Management Service Ltd.,
167/4, Sri Vipulasena Mawatha,
Colombo 10.

Dear Sir,

RE-D.C. COLOMBO ACTION NO. 15322/MR

In accordance with the Settlement Agreement dated June 28th, 1995, we hereby tender an apology for the abovenumbered Action, that had been instituted against you in 1994, purportedly on behalf of Hotel Developers (Lanka) Ltd., by Mr. Cornel L Perera, the then Chairman and Managing Director, and Corporate Advisory Services (Pvt) Ltd., the then Secretaries, jointly granting Proxy to an Attorney-at-Law, without an express Board Resolution to do so.

We also hereby regret the pain of mind, humiliation and embarrassment caused to you, and for any affectation caused to your name, reputation and standing, moreso particularly as a reputed professional.

Yours faithfully,

T. Ishibashi

Director
Hotel Developers (Lanka) Ltd.

Dr. P.B. Jayasundera

Director
Hotel Developers (Lanka) Ltd.

HILTON

HOTEL DEVELOPERS (LANKA) LTD.

C/o Colombo Hilton, Colombo 1, Sri Lanka. Tel : 446552, 433435 Fax : 446545

October 21st, 1996

Mr. Nihal Sri Ameresekere, F.C.A., F.C.M.A.,
Comindtax Management Service Ltd.,
167/4, Sri Vipulasena Mawatha,
Colombo 10.

Dear Sir,

RE - COMPLAINT TO

- (i) THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA AND
(ii) THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS OF U.K.

In accordance with the Settlement Agreement dated June 28th, 1995, we hereby tender an apology for the Complaints caused to have been made against you in 1994, to the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of U.K., purportedly on behalf of Hotel Developers (Lanka) Ltd., by Mr. John Wilson, Attorney-at-law, without an express Board Resolution to do so.

We also hereby regret the pain of mind, humiliation and embarrassment caused to you, and for any affectation caused to your name, reputation and standing, moreso particularly as a reputed professional.

Yours faithfully,

T. Ishibashi

Director
Hotel Developers (Lanka) Ltd.

Dr. P.B. Jayasundera

Director
Hotel Developers (Lanka) Ltd.



HOTEL DEVELOPERS (LANKA) LTD.

C/o Colombo Hilton, Colombo 1, Sri Lanka. Tel : 446552, 433435 Fax : 446545

REGISTERED POST

October 21st, 1996

The President,
The Institute of Chartered Accountants of Sri Lanka,
30 A, Malalasekere Mawatha,
Colombo 7.

Dear Sir,

Re: COMPLAINT MADE AGAINST MR. NIHAL SRI AMERESEKERE FCA., FCMA.

We refer to the abovementioned Complaint made to you in or about July 1994, purportedly on behalf of Hotel Developers (Lanka) Ltd. (the "Company") by Mr. John Wilson, Attorney-at-law, against Mr. Nihal Sri Ameresekere, a Fellow Member of your Institute.

We wish to inform you, that the Board of Directors of the Company had not expressly resolved and/or authorised Mr. John Wilson, Attorney-at-law, to make such a Complaint, and that the Company has tendered an apology to Mr. Ameresekere and has expressed regret for the pain of mind, humiliation and embarrassment caused to him and for any affectation caused to his name, reputation and standing, moreso particularly, as a reputed professional.

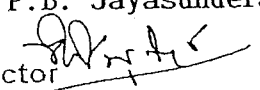
Yours faithfully,

T. Ishibashi

Director

Hotel Developers (Lanka) Ltd.

Dr. P.B. Jayasundera

Director

Hotel Developers (Lanka) Ltd.

cc: Mr. Nihal Sri Ameresekere, F.C.A., F.C.M.A.



HOTEL DEVELOPERS (LANKA) LTD.

C/o Colombo Hilton, Colombo 1, Sri Lanka. Tel: 446552, 433435 Fax: 446545

REGISTERED POST

October 21st, 1996

The President,
The Chartered Institute of Management
Accountants of United Kingdom,
63, Portland Place,
London W1N 4AB
U.K.

Dear Sir,

RE-COMPLAINT MADE AGAINST MR. NIHAL SRI AMERESEKERE

We refer to the abovementioned Complaint made to you in 1994, purportedly on behalf of Hotel Developers (Lanka) Ltd. (the "Company") by Mr. John Wilson, Attorney-at-law, against Mr. Nihal Sri Ameresekere, a Fellow Member of your Institute.

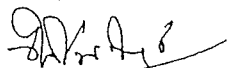
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Yours faithfully,

T. Ishibashi

Director 
Hotel Developers (Lanka) Ltd.

Dr. P.B. Jayasundera

Director 
Hotel Developers (Lanka) Ltd.

cc: Mr. Nihal Sri Ameresekere, F.C.A., F.C.M.A.



සාලින්ද දිසානායක මහතා
(ශ්‍රී. ජාතික නිලධාරීන්ගේ සංගමය)
(Mr. Salinda Dissanayake)

මේ අමාත්‍යාංශය පිළිබඳව කථා කිරීමේදී ජනවාර්ගික ප්‍රශ්නය ගැනත් කථා කළ යුතුවය කිබෙනවා. මට කියන්නට අවශ්‍ය වෙන්නේ, එදා බලය පවත්වාගෙන යෑම සඳහා එල්ටීටීඊ එක පාවිච්චි කරන්නට උත්සාහ කළාට, එල්ටීටීඊ එක පාවිච්චි කරන්නට බැරි වුණා. අවසානයේ එල්ටීටීඊ එක විසින් රාජ්‍ය නායකයා මරා දැමීම. ඉතාමත් අවාසනාවන්ත විධියට මේ රටේ එම සිදුවීම් සිදු වුණා. මේ ප්‍රශ්නය ඇතිවු අවස්ථාවේදී ඉන්දියාවෙන් පරිපූර්ණ දැමීමට පසුව හිටපු ජනාධිපති ජේ. ආර්. ජයවර්ධන මහතා මේ ප්‍රශ්නය විසඳන්නට පළාත් සභා දුන්නා. නමුත් ප්‍රේමදාස හිටපු ජනාධිපතිතුමා උතුරේ පළාත් සභා විනාශ කර දැමුවා. එම නිසා දිගින් දිගටම අප කෙරෙහි අවිශ්වාස තත්වයක් ද්‍රවිඩ ජනයා තුළ ඇති වී තිබෙනවා. ඒ නිසාම මේ රටේ ජාතිවාදී ගිනිදැල් දිගින් දිගටම ඇවිලුණා. අවුරුදු 12ක් කිසිසේ මේ රටේ මේ යුද්ධය වවාගෙන කන්නට පුළුවන්කම ලැබුණේ ඒ විධියට මේ රට විශාල පරිහානියකට පත්කළ නිසයි. [බාධා කිරීම්]

සභාපතිතුමා
(ශ්‍රී ජාතික නිලධාරීන්ගේ සංගමය)
(The Chairman)

ගරු මන්ත්‍රීතුමා, ඔබතුමා දැන් කථා කරන්නට මිනෑ, මේ අයවැය ගැනයි. ජාතිවාදය ගැන භනාවෙයි. එම නිසා අයවැය ගැන කථා කරන්න.

සාලින්ද දිසානායක මහතා
(ශ්‍රී. ජාතික නිලධාරීන්ගේ සංගමය)
(Mr. Salinda Dissanayake)

මේ මාතෘකාව හරහා මම එතැනට එනවා. මේ රටේ දේපොළ විනාශ කර තිබෙනවා; සම්පත් විනාශ කර තිබෙනවා; මේ රටේ අනාථයන් ඇති කර තිබෙනවා. මුළු රටම යුද්ධයෙන් විනාශකර තිබෙනවා. එහෙම කරන ගමන් ජනතාවගේ පැත්තට හැරී, 'බෝටි පුජා පවත්වන්න' යැයි කිව්වා. නමුත් ඒ බෝටි පුජා පැවැත්වූ බෝගස් වලට පසුවදාම කොටි ඇවිත් ගැහුවා. පසුගිය කාලයේ ඉතිහාසය පුරාම එවැනි තත්වයක් මේ රටේ නිර්මාණය කර තිබෙන බව මතක් කරන්නට මිනෑ.

එවැනි තත්වයක් ඇති වී තිබූ අවස්ථාවක තමයි, මේ ප්‍රශ්නය විසඳන්නට ගරු ජනාධිපතිතුමාට ජන වරමක් ලැබුණේ. එතුමාගේ අවංකභාවයත්, දුරදර්ශීභාවයත්, ප්‍රජාතන්ත්‍රවාදී රාජ්‍ය නීතිමයත්වයත් නිසා මේ ප්‍රශ්නය ඉතා සාර්ථක ලෙස විසඳන්නට එතුමාට පුළුවන්කම ලැබී තිබෙනවා. අවස්ථාවාදීව සලකා මේ ප්‍රශ්නය විසඳන්නට බැහැ; ජාතිවාදී ඇසකින් බලා මේ ප්‍රශ්නය විසඳන්නට බැහැ; බල ලෝභීව සිතා මේ ප්‍රශ්නය විසඳන්නට බැහැ; පාර්ලිමේන්තුවේ ආසන දිග බලාගෙන මේ ප්‍රශ්නය විසඳන්නට බැහැ; කතරගම දෙවියන්ට පුද පවුරු පූජා කිරීමෙන් මේ ප්‍රශ්නය විසඳන්නට බැහැ. රටේ ජන වර්ගයේ මූලික මිනිස් අයිතිය පිළිබඳ ප්‍රශ්නයක් නිසා ඒ විධියට කල්පනා කළොත් තමයි, මේ ප්‍රශ්නය විසඳන්නට පුළුවන්කම ලැබෙන්නේ. එම නිසා ගරු ජනාධිපතිතුමා ඉතාමත් පැහැදිලි ලෙස මෙය මූලික මිනිස් අයිතිය පිළිබඳ ප්‍රශ්නයක් හැටියට සලකා එය විසඳන්නට උත්සාහ කර තිබෙනවා. විශේෂයෙන්ම මේ ප්‍රශ්නයේදී ජාත්‍යන්තර පුජාවගේ විශ්වාසය දිගා ගන්නට අපට පුළුවන්කම ලැබී තිබෙනවා; අද මේ රටේ ප්‍රජාතන්ත්‍රවාදය තහවුරු කරන්නට පුළුවන්කම ලැබී තිබෙනවා; මූලික මිනිස් අයිතිය තහවුරු කරන්නට පුළුවන්කම ලැබී තිබෙනවා. මාතව ගිම්කම් තහවුරු කරන්නට පුළුවන්කම ලැබී තිබෙනවා. රුපියල් කෝටි ප්‍රකෝටි ගණනක මුදලක් අපගේ යෑම තතර කර මේ රටේ මේ විධියේ සාර්ථක අයවැයක් ඉදිරිපත් කරන්නට අද පුළුවන්කම ලැබී තිබෙන්නේ ඒ හේතූන් නිසාය නිසා එක මම මේ ගරු සභාවට දඹුළු දෙන්නට මිනෑ.

ගරු සභාපතිතුමනි, කාලයක් තිස්සේ මේ රටේ සංවර්ධනය සඳහා මුදල් යොදවන්නට බැරි වන ලෙසට මේ රටේ අතවශ්‍ය යුද්ධයක් ඇති කර, ජාතීන් අතර ප්‍රශ්න ඇති කර, ඒ ප්‍රශ්න තුළින් මේ රටේ රාජ්‍ය බලය දිගටම පවත්වා ගෙන යන්නට කළ උත්සාහය අද මේ රටින් අවසන් කර, මේ ප්‍රශ්නය විසඳ මේ රටේ ජනතාව සංවර්ධනය කිරීම සඳහාත්, සාමය හා සමෘද්ධිය ගොඩනැගීම සඳහාත් මෙම අමාත්‍යාංශය ගෙන ඇති පියවර අප ඉතාම ප්‍රශංසනීය ලෙස අගය කරනවා. මේ ප්‍රශ්නය විසඳමින් රටේ තත්වය වර්ධනය කර ගොදුරු තත්වයකට ගෙන එන්නට හටපු කළ ගරු ජනාධිපතිතුමාටත්, ගරු නියෝජ්‍ය මුදල් අමාත්‍යතුමාටත්, ගරු

රාජ්‍ය ආරක්ෂක නියෝජ්‍ය අමාත්‍යතුමාටත්, උතුරේ සටන් කර දව් පිදු රණ විද්වන්ටත්, රාජ්‍ය ආරක්ෂක අමාත්‍යාංශයේ නිලධාරීන්ටත් අපේ ගෞරව ප්‍රණමය පුද කරන්නට මම මෙය අවස්ථාවක් කර ගත්තවා. ස්තූතියි.

වෛද්‍ය රාජිත සේනාරත්න මහතා
(ශ්‍රී ජාතික නිලධාරීන්ගේ සංගමය)
(Dr. Rajitha Senarathne)

Hon. Chairman, I am glad to speak on the Votes of the Ministry of Finance for the second year. I must remind the Minister that last year, on the 22nd of March, I raised some matters regarding the Adviser to the Ministry of Finance, Mr. Nihal Ameresekere. I tabled two documents about two complaints. The Hon. Minister replied to me last time. It is in Column 2950 of the HANSARD of 22nd March 1995. It says:

"I think, it is also correct to refer to what was said about Mr. Nihal Sri Ameresekere because these are officers who do not have the right of reply in this House. There would consequently be a violation of the rules of natural justice, if I said nothing about that matter. Now, my view is that an allegation made to the Institute of Chartered Accountants or any other Body is not proof of guilt. That is self-evident. If there was a charge which had been proved. That is a different matter. If action had been taken by a professional body, if there had been a conviction by a criminal Court, that is a different matter. But here the mere allegation which has not been found to be correct, and, I think, it is wrong to use an allegation of that nature on the Floor of this House."

අ. හ. 2.00
This is how you defended Mr. Nihal Ameresekere last time. Now what happened after that? The "Sunday Leader" headline of 1st October 1995. says:

"New Turn in Hilton Dispute - Ameresekere to sue G.L."
The same Nihal Sri Ameresekere is to sue Professor G. L. Peiris, the man who defended him a few months before. Not only that; there was an adjournment question raised by my Friend Mr. Mahinda Samarasinghe. That was on the 19th of September. He asked a question from the Hon. Minister of Constitutional Affairs and Deputy Minister of Finance, and the learned Professor replied. It is on 19th September, 1995. At Column 141 of HANSARD he says:

"The contract of Mr. Nihal Sri Ameresekera, Adviser to the Ministry of Finance will expire on 21st September, 1995.

Her Excellency the President is considering what steps are appropriate with regard to the Secretary to the Treasury."

Now I have a letter from Mr. Nihal Ameresekere, the same person I criticised last time. He had written a letter to Mr. Mahinda Samarasinghe, Member of Parliament from our side. He says:

"Dear Sir,

ADJOURNMENT QUESTION & ANSWER ON 19TH SEPTEMBER '95

I refer to the answer given by the Dep. Minister of Finance, Prof. G. L. Peiris to the Adjournment Question raised by you on 19th September '95, particularly, to the following paragraphs therein;

"The contract of Mr. Nihal Sri Ameresekere, Advisor to the Ministry of Finance, will expire on 21st September, 1995.

[බෞද්ධාධාරණ රාජීත සේනාරත්න මහතා]

The President is considering what steps are appropriate with regard to the Secretary to the Treasury."

I enclose a copy of my Letter addressed to Mr. A. S. Jayawardena, Secretary, Ministry to Finance, Planning, Ethnic Affairs & National Integration, dated 13th September '95, the contents of which are self-explanator"

By the time you replied to this he had already resigned. So this is well proved by Mr. A. S. Jayawardena's letter.

He further says:

"Mr. Jayawardena, by his reply dated 19th September '95, intimated as follows:

"I wish to inform you that the Hon. Minister of Finance, Planning, Ethnic Affairs & National Integretion has noted that you do not wish to renew your contract, which is due to expire on 21.09.95."

"I wish to thank you for the valuable services rendered by you to the Ministry during your tenure of office."

I do not think that the Hon. Minister was not aware of this letter about Mr. Nihal Sri Amerasekera's resignation. Mr. Amerasekera goes on to say -

"Having considered the matter, I decided to write to you, to set out the facts as referred to hereinabove.

Long prior to the contract coming up for renewal, I have intimated to the Secretary, that I did not wish to renew the same. I believe that, accordingly, it had been so recorded by him.

Yours faithfully,
(Sgd.) Nihal Sri Amerasekera.

cc : Ranil Wickremasinghe Esqr., Leader of the Opposition
Ratnasiri Wickramanayake Esqr., Leader of the House
K. B. Ratnayake Esqr., Speaker"

I do not know why my friend Mr. Mahinda Samarasinghe did not take up this matter again in this House for further clarification from the Minister. But, anyway, now this is the fact. You criticised me for presenting a complaint in writing signed by a person called Vishvanandan giving reference of the three Cabinet Ministers of your Government. That you said was incorrect and you came and made a statement which is totally untrue, against the same Nihal Amarasekera. And what do you say today about that allegation? After that, I will come to the Hilton Affair, the famous and infamous Hilton Affair.

Today I must say there are so many affairs. The first one is about the computerization of the Bank of Ceylon, where the Commission accused Mrs. Rohini Nanayakkara. You are still keeping Mrs. Rohini Nanayakkara there. Mr. Rajan Asirwathan says, "If Rohini goes I also will go". So Rohini is kept. The second affair you talked about is the Airbus deal. The Commission said that that was the best deal.

The third one is the famous Hilton Affair. Now what has happened to that? You pointed the gun at Mr. Chosky and others who were in the Government. Now the same guns are

today pointed at you all. I will be proving this. Professor G. L. Peiris, during the UNP government, was a Council Member of the Securities and Exchange Commission appointed by Hon. Premadasa, the then President. If there was a fraud the Members of this Commission had tried to cover up by not heeding and taking any action, on the many written complaints that had been made by a shareholder of the Hilton Hotel Company, Mr. Nihal Sri Amerasekera, and his Lawyers. It is not I who say this, but your very own Hon. Lakshman B. Kiriella. My good Friend is a Deputy Minister today. The Deputy Minister of Finance who was a Member of the Securities Exchange Commission is a Minister of the same Government.

Mr. Kiriella strongly condemned and criticised the conduct and actions of the Members of the Securities & Exchange Commission at that time, particularly on their conduct and actions on the Hilton Hotel alleged fraud and other connected matters. I quote Hon. Lakshman Kiriella from the HANSARD of 18th May 1994 on the matter of the Hilton scandal. This is what Hon. Lakshman Kiriella said, at Column 754.

"Then, I would like to remind the Hon. Minister about the SEC, the Securities Exchange Commission. There are various allegations about this Securities Exchange Commission."

And he goes on to say at Column 755 :

"That is correct. But as regards this entire affair this is what I say. The auditors, the directors of LB Finance, the Securities Exchange Commission, all had vested interests."

That means, Prof. G. L. Peiris, a Member of that Commission, also had vested interests.

"This is my argument and when this matter was brought upto the Chairman by one of the directors of Hilton, that the annual report is rigged, it does not show the actual position of the hotel, the SEC did not take any action. Several letters were written to the Chairman of the SEC saying that this annual report is wrong, that it is a fictitious report, this hotel is running at a loss. Despite the fact that a rigged up annual report was put forward, shares were put out for sale, the shares went up to Rs. 40 and mind you after these people sold their shares they withdraw the rigged annual report."

That is what he says!

"So, that shows the attitude of the people working in the SEC."

This is one of your Deputy Ministers telling about you at that time. That was how Hon. Lakshman Kiriella condemned and criticised the Members of the Securities & Exchange Commission, which then included Prof. G. L. Peiris. Hon. Kiriella had referred to them as persons who were indifferent to fraud, having vested interests. What has Hon. Lakshman Kiriella got to say now about Prof. G. L. Peiris and such conduct?

In view of the above circumstances, the former Attorney-General, Mr. Tilak Marapana had very correctly included a Clause in the Hilton Settlement Agreements that had been finalised by him in June 1993, stating that the Government should quite rightly take

action against the Members of the Securities & Exchange Commission in regard to their conduct and inaction on the several complaints that had been made by Mr. Amarsekera in regard to the Hilton. This very same Clause has been included in the Hilton Settlement Agreements that have been executed in June 1995 by this Government, approved by the Solicitor-General.

It was accepted by the then Attorney-General as well as the present Solicitor-General.

Therefore, this Government has signed Agreements committing to take action against Prof. G. L. Peiris, amongst other Members of the Securities & Exchange Commission. This has been in accordance with the considered opinion of the former Attorney-General and the present Solicitor-General, who had very correctly approved such condition. Can Hon. Kiriella state otherwise?

When Prof. G. L. Peiris discovered this, in anger and madness what did he do? He made a false statement to mislead the Members of Parliament, diabolically and calculatedly only quoting a small part of a paragraph taken out of context from the Hilton Settlement Agreements to give a completely distorted picture. He deliberately did not read the balance parts of the paragraph. The full paragraph however was before him.

This is what Prof. G. L. Peiris stated on the 8th August, 1995, I quote from Column 707 of the Hansard:

"The Government of Sri Lanka shall and will assist Mr. Amarsekera in settling three cases filed against him by the People's Bank and two cases filed in the Magistrates Court of Negombo by the Commissioner of Labour and to have him released and/or held harmless and or indemnified therefrom and from any other proceedings and/or actions presently instituted and/or to be instituted in the future by the Commissioner of Labour and/or others, in connection with, Sun Cornel Textiles Limited and/or the Colombo Apothecaries Company Limited."

But this is only a part of the statement. What was the complete statement? Professor Peiris however deliberately suppressed from this House the following balance parts of the very same paragraph, which explain the part he read:

"Whereas in the context of the promotion of the Colombo Hilton Hotel and or Hotel Developers (Lanka) Limited Nihal Srinath Amarsekera (hereinafter referred to as "Mr. Amarsekera") of 167/4, Sri Vipulasena Mawatha, Colombo 10, having been induced by the main promoters thereof to get involved and or concerned in the affairs of Sun-Cornel Textiles Ltd., and the Colombo Apothecaries Co. Ltd., and in consideration of the settlement initiated by the Government and the write-offs, reductions and rescheduling referred to in Agreement No. 1, the Government, as the major Shareholder and Guarantor, being a beneficiary thereof and further in the context of the conditions stipulated in Clause 9 in the Agreement No. 4....."

And the part which I read from the HANSARD as stated by the Professor must come into this, and again it must continue from there to say—

".....and whereas in some of the said Actions, Mr. Amarsekera had been added and or had been moved to be added as a party and or an accused, only after the institution of the litigations referred to in the aforesaid Agreement No. 3, to which this Annexure "Y" relates."

So, only a part was stated in that.

Quoting only part of a paragraph, that too out of context, Professor Peiris has made a false statement very knowingly and consciously to Parliament, having had the full facts before him. This is very bad.

Professor Peiris did not also refer to the following Clauses in the Settlement Agreements, which was another Clause pertaining to the same subject matter :

"Mr. Amarsekera shall and will refrain from ever filing suit against Mitsui and Taisei or any of their respective Employees or other Officers in respect of any litigation involving Sun-Cornel Textiles Ltd. and/or The Colombo Apothecaries Co. Ltd."

Therefore Prof. Peiris did not give the true and full picture of the very subject matter referred to. Why did he do so.

He did this out of anger to slander and humiliate Mr. Nihal Sri Amarsekera, who he considered was a threat to him in exposing his past conduct and actions. Professor Peiris, having been a part of the very so-called system he now openly criticises, has deliberately made a false statement to Parliament fully knowing the full facts that were before him.

Not only did Professor Peiris mislead the House, but also he did not disclose that he himself was very much and affected party by the Hilton Settlement Agreements. He should have disclosed his interest to Parliament in the first instance before he made any statement.

Professor Peiris stated that he had discovered a number of obligations, not one, but a number of obligations of an unacceptable nature. Having said that, he however did not disclose to the House as to what those number of obligations exactly were. He did not do so for very obvious reasons, which even a child could see through.

I will disclose what those unacceptable obligations to Professor Peiris were.

This is where the Professor Peiris - A. S. Jayawardene fight started. These were the things. However, they have been found acceptable to the former Attorney-General and the present Solicitor-General as very necessary and appropriate in reaching proper settlement in the context of all the facts and issues involved. One such unacceptable conditions is obviously the following -

this is part of the Agreement :

"The Government shall and will take appropriate independent actions on the conduct and actions of the Securities and Exchange Commission of Sri Lanka and or members of its Commission and the Colombo Stock Exchange and or of its Directors."

2.15 p.m.

After signing the same agreement, Professor Peiris came on the TV with Hon. Kadirgamar, A learned lawyer, and said, "Today is one of my happiest days in life." That was how he

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Obviously, having been an affected person as a then Member of the Securities and Exchange Commission Professor G. L. Peiris now finds that such Clause is of an unacceptable nature. He only wants to prosecute others but does not want himself to be prosecuted. Professor G. L. Peiris has gone on record saying that all wrong doers on the Hilton would be very severely dealt with and punished. He should accordingly himself resign and offer to be prosecuted for his conduct in accordance with the opinion of the Attorney-General. Mind you, Professor G. L. Peiris is the Minister of Justice & Constitutional Affairs!

Another Clause in the Hilton Settlement Agreement quite clearly unacceptable to Professor G. L. Peiris would be the following Clause pertaining to the Auditors of the Hilton Hotel Company.

This is the other clause -

"The government shall and will requisition and hold meetings of the Board of Directors of Hotel Developers Ltd. and/or Shareholders of HDL and pass requisite Resolutions to, have the present Auditors of HDL removed and have another firm of Auditors appointed and have the Annual Accounts of March 1990 finalised in the context of this Agreement and the settlement and withdrawal of D. C. Colombo Action No. 3231/Spl."

This is the other recommendation in the Agreement. The Auditors referred to are Ford, Rhodes, Thornton & Co. Chartered Accountants. Mr. Rajan Asirwatham is the Senior Partner of this Audit firm, Ford, Rhodes, Thornton & Co. It is Mr. Asirwatham who had, people say, brokered Prof. G. L. Peiris to the Peoples Alliance from the UNP.

On the day this agreement was finalised, we saw on the TV Prof. Peiris cheerfully making an announcement to the entire Nation. "It is one of my best days, one of my happiest days in my life for concluding this agreement." So the same agreement dictates to charge Prof. G. L. Peiris and Mr. Rajan Asirwatham and to take action against them.

It is this Audit firm that had certified the Accounts of the Hilton Hotel Company. The District Court had issued Enjoining orders previously on the premise of fraud that had been alleged by shareholder Amersekere. To these Auditors this had not mattered. They had failed to investigate and report as had been required of them. Not only that, I also find that Mr. Amersekere had filed another legal Action after these Auditors certified the Annual Accounts of Hotel Developers (Lanka) Ltd. The Company owning the Hilton Hotel. These Accounts certified by these Auditors, including Mr. Rajan Asirwatham, have been enjoined by Court as far back as January 1991. Upto date these Accounts stand enjoined. Neither the Company nor the Auditors have been able to do anything about this. This is a tragedy in a public listed Company, show shares are still quoted and traded in the Colombo Stock Exchange.

What had Hon. Kiriella said about this? He had said that these Annual Accounts of Hilton are fictitious and had been rigged up? That is what Mr. Kiriella said at that time.

Subsequently, the Court has issued notice on all the partners of this Audit firm, including Mr. Asirwatham, to show cause as to why they should not be added as defendants in the matter of the certification of these Annual Accounts. It is none other than Mr. Rajan Asirwatham himself who had signed the Affidavit in Court in deference. I have a copy of his Affidavit.

Mr. Chairman, this is the copy of the Affidavit filed by Mr. Rajan Asirwatham in Court. Two main names appear in this Affidavit. One is, Mr. Gamini Christopher Bernard Wijeyesinghe of 8A, Gregory's Road, Colombo 7 - Mr. G. C. B. Wijeyesinghe, Gamini Wijeyesinghe. He is again appointed by Her Excellency the President as a Member of the Securities Exchange Commission after it was accepted that he had made a wrong thing by approving the accounts. Mr. G. C. B. Wijeyesinghe is the President Partner of Ford, Rhodes Thornton & Co. The other person is, Mr. Rajanayagam Nalliah Asirwatham of 27/1, Unity Place, Colombo 3.

Now, what does he say? This is his affidavit.

"I RAJANAYAGAM NALLIAH ASIRWATHAM of 27/1, Unity Place, Colombo 3 being a Christian do hereby make oath and state as follows:

1. I am a Partner of Messrs Ford Rhodes Thornton & Co. and the 3rd Respondent in the above case."

And he goes on to say at page 3 -

"I have duly audited the accounts of the Company and issued the necessary endorsements (details contained in the pleadings of this action)."

And he concludes the Affidavit by stating:

"Signed and Sworn to by the declarant abovenamed at Colombo on this 24 day of March 1994."

Signed Rajan Asirwatham.

So, these are the people who called the UNP Government the cronies. Now, they themselves have become the cronies of the UNP Government. If there is a fraud, they have to be charged. Why is it only Mr. Choksy is to be charged? Why is it only Mr. Cornel Perera is to be charged? Why is that? Is it because they are in the Opposition? Why is it that the people in the Government are not to be charged?

I appeal to the Presidential Commission. If you are independent, if you are a neutral legal body appointed to discharge justice to everybody equally before the law, why is that you do not charge Prof. Peiris? Why do you not charge Mr. Rajan Asirwatham also for the Hilton fraud? Why? If there is a fraud in the Hilton Hotel what has Mr. Choksy done? He has only given an opinion. But what has Mr. Rajan Asirwatham done? He has given a certificate. Which is worse? Giving an opinion or giving

certificate? Hon. Chairman, you are a lawyer. You will agree with me that a certificate is worse than an opinion. But the man who has given the opinion is being charged while the man who had certified the fraud has been appointed as the Chairman, Bank of Ceylon and also Chairman of PERC. Next Tuesday you are going to bring a Bill to give Draconian powers to Mr. Rajan Asirwathan to sell our property to anybody he wishes without coming under any Minister, the Cabinet or Parliament. On that I will speak in detail on Tuesday.

This case also has been covered by the Hilton Settlement with the Auditors having to be removed. Having gone into the matter, I find that these Auditors had also been the Auditors of Mitsui. Now, they say they have done a fraud. They have done their accounts also. They have done the SDL accounts also. How did they certify such Accounts? Prof. G. L. Peiris himself in the famous happy day Press Conference referred to this as the misdeed of the former Government.

Who were the partners of the former government? Professor G. L. Pieris and Mr. Rajan Asirwathan. It is a very nice story. He says it is a misdeed of the former government. The last government also had the same Prof. G. L. Pieris and Mr. Rajan Asirwathan. They are the people. Why has he not dealt with these auditors? Is it not because they are cronies.

Not only that, the Hon. L. B. Kiriella in his statement in Parliament on 18th May 1994 referred to these Auditors, the Directors of L. B. Finance and Members of the Securities & Exchange Commission as people all having vested interests. Hon. L. B. Kiriella stated the Annual Accounts and Report of the Hilton Hotel Company was rigged and shares sold to unsuspecting innocent public at Rs. 40 when actually the price should have been well below Rs. 10. What does Hon. L. B. Kiriella say today on this very same matter?

Let us see as to who these persons are? Mr. Rajan Asirwathan, a Senior partner of the Audit firm and a party directly affected as a defendant in a fraud case. Mr. G. C. B. Wijeyesinghe, President Partner, Ford, Rhodes, Thornton & Co., who, Her Excellency the President, as the Minister of Finance, has once again appointed to the Securities & Exchange Commission. Mr. G. C. B. Wijeyesinghe together with Mr. Asirwathan are the Auditors of the Hilton enabling the sale of its Shares at Rs. 40 as stated by Hon. Kiriella. This is not what I say. This is what the Hon. L. B. Kiriella says.

Not forgetting that Prof. G. L. Peiris himself was a Member of the Securities & Exchange Commission at that time when this fiasco took place and no action was taken even when a complaint had been lodged. The Deputy Minister of Finance is a professor of law. So, he cannot say that he did not see the agreement properly. That is why he announced that it was one of the happiest days in his life.

Then, this is the other letter dated 22nd, September 1992. The Lawyers sent a letter to: "Members, Securities and Exchange Commission of Sri Lanka.", under the heading, "Hotel Developers Lanka Limited." The Attorneys are, Mr. De Silva and Mr. Perera. What do they say?

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We refer to the Letter dated 26.08.'92 from your Commission. In this connection we wish to invite your attention to our Letter dated 04.08.92 and the enclosure thereto, and our Letters dated 17.08.'92, 20.08.'92 and 02.09.92 addressed to your Commission.

We regret, that the Commission has deliberately continued to be negligent and have failed to take any action whatsoever, whilst the said Company, Hotel Developers (Lanka) Ltd., has been permitted to continue regardlessly as a listed Public Company and have its shares traded in the Colombo Stock Exchange, in violation of relevant statutes, regulations and rules.

Whilst clear and cogent submissions had been made to you as far back as August '91 of the full facts pertaining to matters under reference, your very belated decision now to seek the opinion of the Hon. Attorney-General and the advice of the Ministry of Finance is a mere eye-wash to cover up your aforesaid omissions and commissions and your deliberate failure and neglect to discharge your duties and responsibilities as Members of the Commission, under the Securities & Exchange Commission Act No. 36 of 1987, and the duties, responsibilities and objectives of the Commission.

"Had the Ministry of Finance ever prevented you from taking any action whatsoever in this regard and under what provisions of the aforesaid Act was the matter referred to them for advice? Consequent to your said communication, what advice, if at all, have you now received from them?"

To whom was this letter sent? Mr. L. S. Jayawardena, Chairman. Mr. J. C. de Alwis, Director-General/Member Mr. H. A. Abhayagunawardhana, Member, Mr. Nivard A. L. Cabraal, Member, Dr. S. T. G. Fernando, Member, Mr. Baku Mahadeva, Member, Mr. P. Pasupati, Member, Prof. G. L. Peiris, Member, S. K. Wickramasinghe, Member, Mr. G. C. B. Wijeyesinghe, Member. The letter was sent to their names and personally handed over. So, nobody can say that they have not seen this letter. They have been asked to take action. If there was a fraud the Securities and Exchange Commission could have taken action. They cleared it. Now, they come to the Government and say that the UNP had done a fraud. They were sitting in the same place where they could have taken action. They said, 'there is no fraud.' and they certified all those things.

Hon. Lakshman Kiriella exposed this in the House when he was in the Opposition. Today, this PA Government is talking about cleansing the society having these very persons in key and important positions. Prof. Peiris is appointed National List MP and the Deputy Minister of Finance and the Minister of Justice and Constitutional affairs, and Mr. Rajan Asirwathan is appointed the Chairman of the Bank of Ceylon and the Chairman of the PERC which is in charge of selling this country under the guise of privatization. However, can 'people with vested interests', as Hon. Kiriella has alleged be entrusted with such positions and tasks?

2.30 p.m.

The Special Presidential Commission has now issued charge sheets on a number of persons including senior Ministers of the UNP Government and a number of other officials. This Presidential Commission wanted a report from the architects. This is the report on the investigations carried out by the panel of architects appointed by the Special Presidential Commission of

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Inquiry on the Colombo Hilton International Hotel dated 14th November 1995. I have this report with me. What does this report say in page six, Clause 4, about the total floor area, and in Clause 'C' part (c)? The Construction Agreement P31 dated 30.11.1984 had given the construction area as 39,042 sq. metres. That is the contractual area. (b) - The total floor area of the hotel construction inclusive of the covered parking is about 39,245 sq. metres. This does not include newly added floor area of the Chinese Restaurant and the 'Curry Leaf Restaurant.' These are the new buildings. Now, according to the contract, the Hilton Hotel must have 39,042 sq. metres. But, actually now they have measured and found that there is a floor area of 39,245 sq. metres. Over 200 odd more sq. metres are available. But the architects say, "The total area of the hotel building constructed is more or less the same as indicated in the construction agreement". That is 39,042 sq. metres. So, what does this report indicate? Why are they scared to tell the truth? It is said that on the contract they have to give a floor area of 39,042 sq. metres. Now they have said that they have found a floor area of 39,245 sq. meters. So, it is more. There is nothing like 'more or less'. What is this? They are architects, not draftsmen who have been asked to do this. Why? They are scared? They are scared because Her Excellency the President said that five floors are missing? On the TV she said five floors are missing and a Senior Cabinet Minister of the UNP Government is involved. Then Mr. Nihal Amerasekera said two floors are missing. Her Excellency has gone further than Mr. Nihal Amerasekera also. Mr. Nihal Amerasekera is the one who had filed action against this. He says two floors are missing and she says five floors are missing. And Suren Wickramasinghe, the Chairman of the UDA, says that the basement is missing. Now they say there is more floor area. But still the people are being charged. Even the accused do not know what the charges are. Let the Commission take necessary action. We are not going to talk about the Commission and what action it is going to take.

Hon. Chairman, my argument is, if there is a fraud, there is no harm taking action against anybody. Let it be UNP or PA, we must get rid of corruption from this country. There is no problem. We will support you to bring anybody who has done a fraud. Do that! Clean the society. Clean our parties also. But, if they are going to bring Mr. Choksy, if they are going to bring Mr. Cornel Perera, if they are going to bring Mr. Mendis to Court, they must bring Prof. G. L. Peiris and Rajan Asirwatham also before the Presidential Commission. Otherwise, openly I will name this Presidential Commission as a kangaroo court - not a Presidential Commission, not as a Judicial body, but a kangaroo court. Do that and show that the judiciary is independent. That they can stand up above political power. They can prove that now. This is the best chance for those learned judges in that Commission to prove. Now, why were no charge sheets being issued on Mr. Rajan Asirwatham or the auditors who had tried to cover up the fraud and Prof. G. L. Peiris as a Member of the Security Exchange Commission who had stood a blind eye and permitted a number of commercial crimes? Why is this selective prosecution? Is it a political witch hunt? Is that what you want? Then you can do that. Business people will do business.

Business people will do business in so many ways and if they break the law, then they must be definitely dealt with. But how much more serious it would be when auditors who are engaged to detect fraud to protect the innocent shareholders, chiefly accounts try to cover up fraud. Prof. G. L. Peiris and Mr. Rajan Asirwatham should resign from public office immediately, so that all aspects of the Hilton scandal could be thoroughly investigated fairly and without political interference and favours.

Another interesting development is Prof. G. L. Peiris' recent conduct about the Hilton affairs. Sir, I draw your attention to Article 116 of the Constitution. Mr. Chairman, Article 116 of the Constitution says interference with the judiciary is an offence. I quote Article 116 of the Constitution.

"(1) Every judge, presiding officer, public officer or other person entrusted by law with judicial powers or functions or with functions under this Chapter or with similar functions under any law enacted by Parliament shall exercise and perform such powers and functions without being subject to any direction or other interference proceeding from any other person except a superior court, tribunal, institution or other person entitled under law to direct or supervise such judge, presiding officer, public officer or such other person in the exercise or performance of such powers or functions."

And the sub section (2) says:

"(2) Every person who, without legal authority, interferes or attempts to interfere with the exercise or performance of the judicial powers or functions of any judge, presiding officer, public officer or such other person as is referred to in paragraph (1) of this Article, shall be guilty of an offence punishable by the High Court on conviction after trial without a jury with imprisonment of either description for a term which may extend to a period of one year or with fine or with both such imprisonment and fine and may, in addition, be disqualified for a period not exceeding seven years from the date of such conviction from being an elector and from voting at a Referendum or at any election of the President of the Republic or at any election of a Member of Parliament or any local authority or from holding any public office and from being employed as a public officer."

So, this is the punishment. Why I do say this and why I quote Article 116 of the Constitution is this. Because his conduct and reserved statement amounted to the giving or an implied direction to the judiciary whose career, promotions and destinies, depended on him as Minister of Justice. He is the Minister of Justice. As Prof. G. L. Peiris being the very Minister of Justice and as an interested party on the Hilton affair abused and misused power and violated Article 116 of the Constitution. Being the very Minister of Constitutional Affairs, I suggest that the recent conduct of Prof. Peiris be inquired. The Commission should investigate as to whether the Prof. G. L. Peiris' conduct tantamounts to the abuse and misuse of power.

The Affidavit sworn by Mr. A. S. Jayawardena, then Secretary to the Treasury, was a matter before Court. The Deputy Minister of Finance and Minister of Justice wanted Mr. Jayawardena removed just for that - Mr. Jayawardena's Affidavit. Is this not clearly the interference with the Judiciary and the whole judicial process in a matter which was sub-judice?

Has Prof. Peiris not brought to bear undue influence and pressure through Her Excellency the President, virtually blackmailing her, on Mr. Jayawardena, a person who had sworn

an Affidavit in Court, whilst Prof. Peiris had made a false statement in Parliament? Is it not contempt of Court in its most elementary form? This is so for every layman, but as the Minister of Justice, he should keep the law and strictly conform thereto by example. He has miserably failed. Does not the conduct of the Deputy Minister of Finance and Minister of Justice amount to an implied direction, an interference with the Judge and the Judiciary in violation of the Constitution, whilst being also the Minister of Justice, who recommends the promotion of Judges. Furthermore, Prof. G. L. Peiris in addition is an affected party.

The other thing is this. Now the same Professor, the same Hon. Minister who has interfered with the Judiciary fought saying that Mr. A. S. Jayawardena must be removed. Why? Now the "Sunday Leader" of November 26th says:

"Legal action against GL"

and the same paper of October 29th says:

"Prof. Peiris - A. S., in open conflict"

There, it very well refers to Mr. A. S. Jayawardena's affidavit in Court. Because of that only Professor Pieris had demanded Mr. A. S. Jayawardena to be removed, and another article in the "Sunday Leader" of November 1st says:

"G. L. refuses to present Budget"

There also they say that he demands Mr. A. S. Jayawardena to be removed because he had filed an affidavit. That is an interference with the Judiciary. This is why I think the same document had gone to Her Excellency. She investigated it very well. That is why she defended Mr. A. S. Jayawardena. All those Hon. Ministers went and demanded and because of that demand their decisions were changed. But they saw the document. So they knew that Mr. A. S. Jayawardena was not at fault. That is why he was supported by the highest person in this country.

Therefore Mr. Chairman, my last appeal is this. Now I have presented all the documents on this case. I have proved that Professor G. L. Pieris and Mr. Rajan Asirwatham are parties to the Hilton affair, and if it is a fraud, both these people are part and parcel of this fraud. So for the fraud, for this scandal if they take action against Mr. Choksy, take Professor Pieris, take Mr. Rajan Asirwatham, and let all the people stand up and bring them before the Presidential Commission. Then we will say the Special Presidential Commission is the correct Judiciary. Otherwise we will have to accept, though with all honour to those Judges, that it is only a Kangaroo Court. Thank you very much.

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(திரு. ம. சித்தார்த்தன்)

(Mr. D. Sithadthan)

කෙනෙරව තව්සානර් අවර්කනේ, நிதி, திட்டமிடல், இன விவகார, தேசிய ஒருமைப்பாட்டு அமைச்சின் மீதான குழுநிலை விவாதத்தில் பேசுவதற்கு சந்தர்ப்பம் தந்ததற்காக உங்களுக்கு எனது நன்றியைத் தெரிவித்துக்கொள்கிறேன். நிதி, திட்டமிடல், இன விவகார, தேசிய ஒருமைப்பாட்டு அமைச்சரான கெளரவ ஜனாதிபதி அவர்கள், ஆற்றலும் அறிவும் மிக்க பேராசிரியர் பீரில் அவர்களையும் ஆற்றலும் செயல் திறனும் மிக்க கெளரவ ஜெயராஜ் பெர்னாந்துபுள்ளே அவர்களையும் உதவி அமைச்சர்களாகக் கொண்டு இந்த அமைச்சின் செயற்பாடுகளைத் திறம்பட நடத்தி வருகிறார். அவர்களுக்கு எனது பாராட்டை முதற்கண் தெரிவித்துக்கொள்ள விரும்புகிறேன்.

இன்று யுத்தத்தினால் வடக்கு — கிழக்கு முழுவதுமே அழிக்கப்பட்ட ஒரு நிலைமையில் இருக்கின்றது. வடக்கு — கிழக்குக்கு முழுமையான ஓர் அபிவிருத்தித் திட்டத்தை இப்பொழுது தயாரிக்க வேண்டும். இத்திட்டத்தைப் பகுதி பகுதியாக, முதலில் மக்கள் தங்களுடைய அன்றாட வாழ்க்கையை இயல்பாக நடத்துகின்ற அந்த இடங்களில், ஆரம்பித்து பின்பு விடுவிக்கப்பட்ட பகுதிகளுக்கும் அல்லது படிப்படியாக இயல்பான நிலைமைக்கு வந்து கொண்டிருக்கின்ற பகுதிகளுக்கும் எடுத்துச் செல்லலாம். ஆகவே, திட்டமிடல் அமைச்சர் உடனடியாக ஒருங்கிணைந்த கிராம அபிவிருத்தித் திட்டமொன்றைத் தயாரித்து, அத்திட்டத்தைப் படிப்படியாக, பகுதிபகுதியாக, மாவட்டம் மாவட்டமாக எடுத்துச் செல்ல முடியும். ஆகவே, உடனடியாக அத்திட்டத்தை ஆரம்பிக்க வேண்டுமென்று கேட்டுக்கொள்கிறோம்.

அடுத்ததாக, இந்த பன்முகப்படுத்தப்பட்ட வரவுசெலவுத் திட்ட நிதிக்கு 15 வருட காலமாக ஏறக்குறைய 2.5 மில்லியன் ரூபா தான் கொடுக்கப்பட்டு வருகிறது. இன்றிருக்கும் செலாவணி நிலைமையைப் பார்க்கும்போது, இந்த 2.5 மில்லியன் ரூபா என்பது 'யானைப் பசிக்குச் சோழப்பொரி போட்டது போல்' மிகமிகக் குறைவாகவே இருக்கிறது. நேற்றுக்கூட எமது தேர்தல் தொகுதியின் பன்முகப்படுத்தப்பட்ட வரவு செலவுத் திட்டம் சம்பந்தமான கூட்டத்தை நடத்தி ஆராய்ந்தோம். அங்கு ஒதுக்கப்பட்ட நிதியைப் பங்கிட்டுப்போது எதைச் செய்வது, எதை விடுவது என்று தெரியவில்லை. ஒரு சீரான அபிவிருத்தித் திட்டத்தைக்கூட எடுத்துச் செல்ல முடியாத நிலைமையுள்ளது. ஏனென்றால், தரப்படும் நிதி மிகமிகக் குறைவாகவே இருக்கிறது. ஒரு பிரதேச செயலகப் பிரிவுக்கு இந்த 2.5 மில்லியன் ரூபாவைத் தந்தால் கூட ஓரளவு சில அபிவிருத்தி வேலைகளை நாம் செய்வதற்கு உதவியாக இருக்கும்.

வள்ளி தேர்தல் மாவட்டத்தைப் பொறுத்தவரையில் அங்குள்ள வவுனியா, மன்னார், முல்லைத்தீவு போன்ற மூன்று தீர்வாக மாவட்டங்களில் 14 பிரதேச செயலாளர் பிரிவுகள் இருக்கின்றன. இந்தப் பெரிய மாவட்டத்துக்கு 2.5 மில்லியன் ரூபா எந்த விதத்திலே போதுமென்று எங்களுக்கு விளங்கவில்லை. அது ஒரு பிரயோசனமும் அற்ற நிலையில்தான் இருக்கிறது. ஆகவே, அபிவிருத்தியடைந்த கொழும்பு போன்ற பகுதிகளுடன் வன்னியையோ அல்லது தெற்கில் இருக்கும் தேர்தல் தொகுதிகளையோ நாம் ஒப்பிட்டுப் பார்க்க முடியாது. அங்கு அபிவிருத்தி வேலைகள் பல இருக்கின்றன. ஆகவே, இதற்கொரு வழிமுறை வைத்து இந்த மாவட்டங்களுக்குப் பன்முகப்படுத்தப்பட்ட வரவு செலவுத் திட்ட நிதி மூலம் கூடிய தொகையைக் கொடுக்கக்கூடிய ஒரு நிலைமையை உருவாக்க வேண்டும் என்று நான் அமைச்சர் அவர்களைக் கேட்டுக்கொள்கிறேன்.

இன அலுவல்கள், தேசிய ஒருமைப்பாட்டு அமைச்சர் உருவாக்கப்பட்ட போது பலர் மத்தியில் பலத்த எதிர்பார்ப்பு இருந்தது. இந்த நாட்டிலே இருக்கக்கூடிய இனப்பிரச்சினைக்கு — இனங்களுக்கிடையே இருக்கக்கூடிய முரண்பாடுகளுக்கு — தீர்வு காணும்பொருட்டு சரியான, ஒருங்கிணைந்த ஒரு திட்டம் தயாரிக்கப்பட்டு, இனங்களுக்கிடையே புரிந்துணர்வையும் நல்லுறவையும் கொண்டுவருவதற்கு இந்த அமைச்சர் பெருமளவில் செயற்படும் என்ற ஓர் எதிர்பார்ப்பு இருந்தது. அந்த எதிர்பார்ப்பானது நானடைவிலே செத்துவிட்டது. இந்த எதிர்பார்ப்புகளை நிவர்த்தி செய்வதற்கு இந்த அமைச்சர் எந்தவிதத்திலும் செயற்பட்டதாக நாங்கள் அறியவில்லை. இந்த அமைச்சின் செயற்பாடுகள் என்னவென்பதுகூட எமக்குச் சரியாகத் தெரியவில்லை. எமக்கே தெரியாதென்றால் பொது மக்களுக்கும் தெரியவில்லை என்பதுதான்.

வடக்கிலே, பிரத்தியேகமாக யாழ் குடாநாட்டிலே விடுவிக்கப்பட்ட பகுதிகளின் புனரூபீகாரண வேலைகளுக்காக இந்த அமைச்சரின் திரு. சேனரத்னை இத்த அமைச்சர் நியமித்திருக்கின்றது. இதைவிட வேறு எதனை இந்த அமைச்சர் செய்கின்றது என்பது எங்களுக்குத் தெரியாது. தேசிய ஒருமைப்பாட்டை எப்படியான முறையிலே வளர்த்தெடுக்கலாம். எப்படியான திட்டங்களை அமுல் நடத்தி இனங்களுக்கிடையே ஒற்றுமைகளைக் கொண்டுவரலாம் என்பது குறித்து ஒரு சரியான செயல்பிட்ட மொன்றை உருவாக்கி, அத்திட்டத்தைச் சரியான முறையிலே அமுல் நடத்துவதன் மூலம்தான் இந்த நாட்டிலேயுள்ள இனங்களுக்கிடையே ஒற்றுமையையும் ஒருமைப்பாட்டையும் உண்டாக்க முடியும். அதற்கு இந்த அமைச்சர் எவ்வளவோ பெரிய அளவில், பல வழிமுறைகளில் சேவைகளைச் செய்ய முடியும். எனவே, அவற்றை இந்த அமைச்சர் முன்னெடுத்துச் செல்ல வேண்டுமென்று நான் கேட்டுக்கொள்ளுகின்றேன்.