

CONFIDENTIAL

28



Sri Lanka

10 DOWNING STREET

From the Private Secretary

13 August 1979

Sri Lanka : Victoria Dam Scheme

Modev telegram number 351 to Lusaka asked me to inform the Prime Minister that the way was clear for her to tell the Prime Minister of Sri Lanka, Mr. Premadasa, that final approval has been given to a UK contribution of up to £100 million, as a grant payable over six years, to the Victoria Dam Scheme.

I am now writing to confirm that, at a lunch given by Mr. Premadasa in Lusaka on 6 August (at which no officials were present), the Prime Minister passed a short note to her host based on the first three sentences of your telegram. As Mrs. Thatcher had to leave Mr. Premadasa's lunch early in order to carry out another engagement, there was no discussion of the UK offer on that occasion.

I am sending copies of this letter to Stephen Wall (Foreign and Commonwealth Office), Martin Hall (HM Treasury) and Barry Hilton (Cabinet Office).

B. G. CARTLEDGE

NHJ

Miss S.E. Unsworth,
Office of the Minister of State for Overseas Development.

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P.A.

Prime Minister

You are working
with Mr. Premadasa
on Monday, 6 August
and could tell him
Mrs. Gled.
2/8

LQY 817

FDW G123/30

OO LUSAKA

GPS 72/2

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FM ODA LONDON 39/// 3011615Z

HYLY 79

TO IMMEDIATE LUSAKA

MODEV 351 OF 30 JULY

INFO COLOMBO

PLEASE PASS FOLLOWING TO MRS THATCHER'S PRIVATE SECRETARY.

BEGINS.

VICTORIA DAM SCHEME SRI LANKA. GRATEFUL YOU INFORM MRS THATCHER
THAT WE ARE NOW IN A POSITION TO OFFER A UK CONTRIBUTION TO
THIS SCHEME. THIS WOULD BE IN THE FORM OF A GRANT OF UP TO
POUNDS STERLING ONE HUNDRED MILLION OVER SIX YEARS TOWARDS THE
COSTS OF THE DESIGN AND CONSTRUCTION OF THE DAM AND POWER
STATION. IT WOULD BE SUBJECT TO NORMAL UK GRANT CONDITIONS.
IF THE PRIME MINISTER SAW FIT SHE COULD INFORM
MR PREMADASA OF THIS DECISION.

200-

GRATEFUL YOU INFORM US AND BHC COLOMBO IF AND WHEN THIS IS
DONE IN ORDER THAT LATTER MAY INFORM PRESIDENT OF SRI LANKA,
DR JAYEWARDENE. ENDS.

I AM COPYING THIS TO COLOMBO FOR INFORMATION ONLY.
CARRINGTON

NNNN

L. S. ...