

SUBJECT.



10 DOWNING STREET

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 111/80

Master
ops
c/w
JKP
Sri Lanka.

THE PRIME MINISTER

13 May 1980

Yours sincerely

Thank you for your letter of 23 April. I was interested to read about your Government's economic plans, and it was particularly kind of you to comment in such warm terms on the contribution which United Kingdom aid is making towards Sri Lanka's development.

My Government will, of course, be sending a delegation to the Sri Lanka Aid Group meeting in Paris at the beginning of July, and we shall hope to play a constructive part in the discussions which will take place then. We shall confirm our intention of maintaining a high level of aid disbursements to Sri Lanka throughout the life of the Victoria Dam project, although as I am sure you will understand we shall not be able to make any additional commitments or pledges on this occasion.

I was pleased to learn of the successful inauguration of work on the Victoria Dam during March and was glad that the Minister for Overseas Development, Mr. Neil Marten, was able to visit Sri Lanka for this. There is great interest here in London in this imaginative project, and I look forward to its successful progress and completion.

Yours sincerely
Robert Carr

His Excellency J.R. Jayewardene

JKP



Foreign and Commonwealth Office

London SW1A 2AH

9 May 1980

Draft to issue

Dear Michael,

Letter from the President of Sri Lanka

Thank you for your letter of 29 April with which you enclosed a copy of a letter to the Prime Minister from the President of Sri Lanka. I now enclose the draft of a reply for the Prime Minister's signature.

Sri Lanka is scheduled to receive a great deal of British aid over the next 5 years, as a consequence of our agreement to provide £100 m towards the cost of building the Victoria Dam. When the Minister for Overseas Development visited the country for the inauguration of work on the Dam in March he made it clear, both to the Government and in a press conference, that disbursements against that grant would take up a large proportion of our available funds during the life of the project, and that we would not be in a position to make any new commitments in Sri Lanka for several years. Lord Carrington thinks it would be as well to reaffirm this in the Prime Minister's letter to President Jayewardene, in order to ensure that the point is clearly understood. We have treated Sri Lanka generously in agreeing to finance the Dam, and we can be proud of the lead which we have given to other donors in so doing.

yours ever

Roderic Lyne

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Private Secretary

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