

SUBJECT

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Sri Lanka
**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 81/82**

10 DOWNING STREET

THE PRIME MINISTER

21 April 1982

Dear Mr President

Thank you for your letter of 29 March.

I have noted with admiration and satisfaction your Government's success in coping with the very serious economic problems which faced you during 1980 and the early months of last year. I was therefore sorry to learn of your fears that an even more difficult period might lie ahead.

So far as British development assistance is concerned, I have been pleased to note that the Victoria Dam project continues to make good progress. We disbursed about £20 million on this in 1981/82, following the £27 million spent in 1980/81. The first inter-governmental review of the project is taking place in Sri Lanka this month, and we shall continue to monitor progress carefully.

You may be sure that the United Kingdom delegation at the Aid Group Meeting in Tokyo in July will be instructed, as usual, to take a constructive part in the discussions, and that we shall continue to work with the World Bank and others to assist Sri Lanka's economic growth and development.

All good wishes,

(SGD) MARGARET THATCHER

His Excellency Mr. J. R. Jayewardene.



Foreign and Commonwealth Office

London SW1A 2AH

16 April 1982

Type pl.
M 14/4.

Dear John,

Thank you for your letter of 8 April, with which you enclosed a copy of a letter from the President of Sri Lanka to the Prime Minister. I now enclose a draft reply for the Prime Minister's signature.

President Jayewardene writes every year at about this time to Heads of donor Governments, to draw attention to his country's needs in the context of the annual meeting of the Sri Lanka Aid Group. This year, the Group will meet in Tokyo on 8 and 9 July. The President's letter gives an account of Sri Lanka's commendable recent economic restraint, and expresses concern about the problems which lie ahead. He is fully aware of our grant of £100 million for the Victoria Dam project, however, and he will not be expecting anything further from the United Kingdom at this stage. We shall continue to do everything we can to assist Sri Lanka's development and especially to strengthen the country's capacity to operate and maintain the Victoria Dam and its related power station.

Yours ever

(J E Holmes)
Private Secretary

John Holmes

A J Coles Esq
10 Downing Street

DSR 1 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

THE PRIME MINISTER

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

His Excellency Mr J R Jayewardene
President of the Democratic Socialist
Republic of Sri Lanka

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 29 March.

I have noted with admiration and satisfaction your Government's success in coping with the very serious economic problems which faced you during 1980 and the early months of last year. I was therefore sorry to learn of your fears that an even more difficult period might lie ahead.

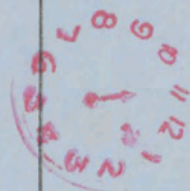
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/You may

Enclosures—flag(s).....

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MR 19/4



16 APR 1962