

GOVERNMENT



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PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS

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The Department of External Affairs announced today that agreement had been reached between the Government of Canada and the Government of Ceylon on a programme of additional capital assistance under the Colombo Plan for the development of Ceylon. The various projects and the approximate amounts of Canadian assistance are as follows:-

Aid for rural road construction	\$ 450,000.
Aid for building and equipping a Polytechnic institute	500,000.
Provision of 2 diesel locomotives	425,000.
Provision of 25 pumping sets and 1 well-boring machine for drainage and irrigation purposes	185,000.
Provision of equipment for 15 agricultural machinery maintenance workshops	225,000.
	<u>\$1,785,000.</u>

In addition to the above the Canadian Government has approved in principle the provision of funds for further development of the Ceylon pilot fisheries development project and for pest control. The amount and character of assistance to be provided for these two projects will be decided after further investigations and consultations have taken place.

In deciding on the above programme account was taken of the priorities established by the Government of Ceylon, particularly the desirability of increasing food production, and of the availability from Canada of the various types of assistance requested.

Canadian aid for rural road construction and the building of a Polytechnic Institute was asked for in a form which would generate local funds which the Ceylon Government in its present financial position is unable to make available. In this connection the Canadian Government has agreed to supply flour or other suitable commodities, the sale of which would provide the Government of Ceylon with the amount of rupees necessary to finance these projects.

An Exchange of Notes covering the terms and conditions under which this Canadian assistance is being made available to Ceylon is scheduled to take place in Colombo today.
