

No. 5630

**CANADA
and
CEYLON**

Exchange of notes (with annex) constituting an agreement giving effect to the Statement of Principles agreed between the two countries for co-operative economic development of Ceylon. Colombo, 3 and 11 July 1952

Official text: English.

Registered by Canada on 21 March 1961.

**CANADA
et
CEYLAN**

Échange de notes (avec annexe) constituant un accord mettant en vigueur la Déclaration de principes des deux pays relative au développement économique coopératif de Ceylan. Colombo, 3 et 11 juillet 1952

Texte officiel anglais.

Enregistré par le Canada le 21 mars 1961.

No. 5630. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN CANADA AND CEYLON GIVING EFFECT TO THE STATEMENT OF PRINCIPLES AGREED BETWEEN THE TWO COUNTRIES FOR CO-OPERATIVE ECONOMIC DEVELOPMENT OF CEYLON. COLOMBO, 3 AND 11 JULY 1952

I

The Canadian Government Trade Commissioner in Ceylon to the Minister of Defence and External Affairs of Ceylon

DEPARTMENT OF TRADE AND COMMERCE
CANADA FOREIGN TRADE SERVICE

July 3, 1952

Sir,

I have the honour to refer to recent discussions between the officials of our two Governments concerning the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The officials reached agreement on the general principles under which all Canadian assistance to the Government of Ceylon under the Plan should be made available.

As you know, it is the practice of the parliament of Canada to vote funds on an annual basis and the amounts provided must be reviewed from year to year. For this year, certain funds have been provided for the Colombo Plan and the Government of Canada now wishes to establish agreed principles to guide the activities of our respective governments in the furtherance of the Plan.

For this purpose I attach a "Statement of Principles agreed between the Government of Canada and the Government of Ceylon for Co-operative Economic Development of Ceylon".²

If the attached statement is agreeable to your Government, this note and your reply to that effect will constitute an agreement on this subject, effective from the date of your reply.

I have the honour to be, Sir, Your obedient servant,

Paul SYKES

¹ Came into force on 11 July 1952 by the exchange of the said notes.

² See p. 248 of this volume.

COLOMBO PLAN

STATEMENT OF PRINCIPLES AGREED BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF CEYLON FOR CO-OPERATIVE ECONOMIC DEVELOPMENT OF CEYLON

The Governments of Canada and Ceylon, together with other governments, took part in London in 1950 in drawing up the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The Governments of Canada and Ceylon now desire to co-operate for their mutual benefit, and in particular for the achievement of the purposes of the Colombo Plan, by promoting the economic development of Ceylon. Therefore the Governments of Canada and Ceylon now wish to establish agreed principles under which economic aid from Canada will be provided to Ceylon for the purposes of the Colombo Plan, and according to which supplementary agreements may be made to cover specific programmes.

The Governments of Canada and Ceylon agree to the establishment of the following principles :

1. All economic aid supplied by the Government of Canada to the Government of Ceylon under the Colombo Plan shall consist of goods and services in accordance with specific programmes agreed upon from time to time between the two governments. Similarly, agreement will be reached on the methods of procurement and transfer.

2. In order that Canadian aid may cover different types of projects, different forms of financing may be used; in particular, Canadian aid will be available on either a grant or a loan basis, depending on the nature of each specific programme and the uses to which the goods and services supplied under it are put.

3. The particular terms of each specific programme will be a matter for agreement (between the two governments, subject to the following general provisions :

a) Grants: In any specific programme under which goods financed by grants from the Canadian Government are sold or otherwise distributed to the Ceylon public " counterpart funds " will normally be set aside. The Ceylon Government will set up a special account for these funds and will keep separate records of the amounts placed in the account in connection with each specific programme. It will pay into this account the rupee equivalent of the Canadian expenditures on goods and services supplied under any such programme. The Government of Ceylon will from time to time report to the Government of Canada the position of this account and will supply a certificate from the Auditor General of Ceylon. The two governments will from time to time agree on the economic development projects in Ceylon to be financed from this account.

(b) Loans: For the specific programmes which are agreed to be appropriate for financing by means of loans the terms of the loans will be determined by the two Governments. These terms will relate primarily to the commercial character of the particular project in question, to its anticipated earnings, and to its anticipated effects on the foreign exchange position of Ceylon.

II

*The Permanent Secretary, Ministry of External Affairs of Ceylon to the Canadian
Government Trade Commissioner in Ceylon*

MINISTRY OF DEFENCE AND EXTERNAL AFFAIRS
Senate Building

Colombo (Ceylon), 11th July, 1952

No. ECO/COL/16/52

Sir,

I have the honour to refer to your Note of July 3, 1952 addressed to the Minister of Defence and External Affairs, with which was enclosed a "Statement of Principles" agreed between the Government of Canada and the Government of Ceylon for Co-operative Economic Development of Ceylon. The Government of Ceylon agree that Canadian assistance to the Government of Ceylon under the Colombo Plan should be made available in accordance with this statement of Principles. The Government of Ceylon also agree that your Note and this reply will constitute an agreement on this subject which will take effect from today.

I am, Sir, Your obedient servant,

K. VAITHIANATHAN
