Canadian aid program is directed very carefully at providing help to refugees and to the rural and urban poor. We think this can best be achieved through experienced, reputable and independent Canadian and Salvadoran non-governmental organizations that extend humanitarian and other assistance on the basis of need and not political considerations.

Honduras, like El Salvador and Guatemala, illustrates the individuality of Central American countries. Though it is the poorest country in the region, its domestic human rights history has been less extreme than that of its immediate neighbours. The main problems facing Honduras are the intensifying poverty of many of its people and the dangers that arise from serving as a staging base for the U.S.-directed war against Nicaragua. There are encouraging signs that the civilian government of Honduras has growing misgivings about the activities of the Contras operating out of its territory and is seeking ways to promote dialogue with its neighbour to the south, Nicaragua. Canada's role should be to prevent any of its substantial development assistance being used to contribute to the militarization of the country and, at the same time, to encourage dialogue between Honduras and Nicaragua.

Nicaragua is at the centre of the storms that have raged throughout Central America for the past decade. The 1979 revolution toppled a brutal and corrupt political dynasty first established in the early 1930s. At the same time it opened a door on revolutionary change and turmoil in the region.

The Sandinista government has made significant progress in meeting the basic human needs of the poorest Nicaraguans, particularly through its literacy, health care and land reform programs. In the course of implementing these and other reforms, the Sandinistas have been accused by some critics of moving Nicaragua towards a totalitarian state. Internal opposition to the government has been succeeded by a U.S.-supported guerilla war and economic blockade. Human rights organizations have reported widespread and extensive human rights violations by the Contras. These same organizations report that human rights abuses have been committed by the government of Nicaragua, particularly against the Miskito Indians. These reports have been acknowledged and acted upon by the Nicaraguan government. Amnesty International also documents substantial numbers of political detainees and harassment of opposition political figures. It is equally clear, however, that the human rights abuses committed by the government of Nicaragua do not begin to compare in scale or intensity with the violations connected to the governments of Guatemala and El Salvador over the past five years.

Canadian policy towards Nicaragua should consist of three elements: first, continuation of official development assistance programs directed at helping the poorest people; second, staunch support for political pluralism and religious freedom in Nicaragua; and third, support for a negotiated settlement of the differences between Nicaragua and the United States.

Some members of the committee agree with the many witnesses who recommended establishing a Canadian embassy in Managua. Nicaragua is currently looked after by the ambassador in Costa Rica, who is accredited to four states in the region. An embassy in Managua would certainly have practical value in increasing the flow of information on developments in Nicaragua, providing increased support for Canadian development assistance projects in that country, and helping to speed up the processing of immigration applications. The utility of opening a mission in Managua would have to be examined in relation to Canada's overall needs for diplomatic representation in Central America. Despite the evident concerns of a significant number of Canadians,