

Meanwhile, the regional economy was plagued by low commodity prices, crippling foreign debt, and distortions arising from military conflict. An important aspect of Canada's support for stability in the region was the tripling of Canadian assistance between 1983 and 1988, followed by a further major increase announced in September 1988 in response to the House of Commons committee report.

The Canadian International Development Agency (CIDA) supports a wide range of projects, mainly aimed at alleviating poverty, in all five countries of Central America. With funding from CIDA, Canadian non-governmental organizations are also participating in grass-roots projects. These initiatives, combined with an active refugee assistance program (over 20,000 Central Americans have been helped in the last five years), have been undertaken without political conditions.

Conclusion

Recognizing that peace is an essential ingredient in effective development efforts, Canada is following the implementation of the Central American peace plan with optimism, in spite of tragic setbacks such as the continuing conflict in El Salvador.

As a result of the plan, the international community has witnessed efforts for national reconciliation in El Salvador, and has seen demonstrably free and fair elections take place in Nicaragua. While events in Central America are unfolding rapidly, Canada believes the region must be allowed the time and flexibility to resolve its own difficulties.

The Canadian government applauds recent developments in the region as an assertion of Central America's distinct destiny. With its commitment to establishing "the climate of liberty that democracy ensures," the 1987 Arias-inspired peace plan still provides the basis for ending the cycle of repression, poverty and conflict that has hampered the development of the entire region and immeasurably altered the lives of hundreds of thousands of people.