

normalize relations with creditors and establish the basis for long term economic recovery. Peru has indicated its willingness to continue working within the international system.

Canadian ministers expressed their appreciation of the efforts of the Peruvian Government to raise the standard of living of the population and undertook to work with and support these efforts. In this connection, Canadian ministers reaffirmed Canada's intention to provide substantial economic support through the program of official development cooperation. Ministers Alva-Castro and Vézina signed a new line of credit of Canadian \$4.8 million. This credit will be provided at no interest, 10 years of grace and 50 years repayment for the purchase of essential Canadian goods.

Canadian ministers also noted with satisfaction the successes of the Peruvian Government in bringing into effect an improved climate of human rights in the country. The initiative of the Garcia government to reduce military expenditures, both in Peru and regionally in South America, was warmly welcomed by Canadian ministers.

Finally, both sides welcomed the present visit as an important stage in the strengthening of the excellent relations which have existed between Peru and Canada for more than forty years and in the furthering of an essential dialogue on major issues of mutual concern. There was agreement that steps should be taken to ensure the continuation of this dialogue.