

committee report, the Secretary of State for External Affairs committed Canada to a significant increase in development assistance funding for the region. Canadian, Central American and UN officials have been meeting since late last year to develop detailed plans for a peace supervisory mechanism. Progress on the plan has been encouraging and a UN observer group is now under consideration by all parties.

Conclusion

Recognizing that peace is an essential ingredient in effective development efforts, Canada is following the implementation of the Central American peace plan with renewed optimism. As a result of the plan, the international community has witnessed efforts for national reconciliation in Nicaragua, El Salvador and Guatemala. While events in Central America unfold rapidly, Canada firmly believes that 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 Arias initiative provides a good 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 its people. Canada's offer to participate in a practical verification and control mechanism remains open, and bilateral development assistance will be maintained as the Central American nations carry forth their search for a homegrown solution to a tragic and complex set of difficulties.