



news release

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CANADA COMMITS \$25 MILLION TO DEVELOPMENT LINES OF CREDIT FOR COSTA RICA

OTTAWA -- The Secretary of State for External Affairs, the Right Honourable Joe Clark today signed a letter confirming Canada's intention to provide up to \$25 million in lines of credit to Costa Rica.

In a short ceremony attended by External Relations and International Development Minister Monique Landry, and Costa Rican Ministers, Mr. Clark presented the letter to Dr. Oscar Arias, the President of Costa Rica.

The main purpose of the Canadian lines of credit is to support Costa Rica's programme of economic reform. This assistance reflects Canada's recognition of the importance of economic aid in the achievement of peace. Mr. Clark said, "The Canadian government has long recognized the linkage between development and peace in Central America."

Mrs. Landry noted that the Canadian Government is studying Costa Rican requests for such items as road maintenance equipment, pharmaceuticals, fertilizers, and rural telephone equipment. She explained that the requests are being reviewed by the Canadian International Development Agency (CIDA). "We wish to ensure that the Costa Ricans receive the best available Canadian products at the best possible prices," she said.

Sale of these goods in Costa Rica will generate local funds to support activities in the high-priority housing sector, and to meet other social and economic needs. The Costa Rica-Canada Rural Housing Foundation, created from local funds generated by previous Canadian lines of credit, has already financed the construction of 2000 low-cost houses in rural areas. Another 4000 will be built in the near future.

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