

In August 1987, immediately after the Guatemala peace agreement was signed, Mr. Clark dispatched senior Canadian officials to deliver an offer of further Canadian support to the foreign ministers in Central America. Mr. Clark travelled to all five countries of the region in November 1987, to underscore Canada's willingness to help. The offer was warmly received.

A senior diplomatic representative, Richard Gorham, was appointed to serve as roving ambassador for Latin America and to chair an interdepartmental working group on Central America. Also, a special House of Commons committee was established to review and monitor the peace process.

While the adoption of the Arias plan was an historic moment for all five signatories, the regional economy remains plagued by low commodity prices, crippling foreign debt, and major distortions arising from continuing military conflict. The Arias plan recognized the need for massive economic restructuring in the region.

An important aspect of Canada's support for peace and stability in the region has been the tripling of government-to-government bilateral assistance between 1982 and 1987. As a region, Central America is now the second-largest per capita recipient of Canadian aid in the world.

The Canadian International Development Agency (CIDA) is supporting, throughout Central America, a wide range of practical projects from day care for single parents to water purification, electrification and dairy projects. With funding from the federal government, Canadian non-governmental organizations are participating in numerous projects such as teaching orphans and providing rural health care in Honduras, and training farmers to repair machinery in Nicaragua.

Consistent with established Canadian foreign policy, these initiatives, combined with an active refugee program, have been designed to meet the needs of the poorest in the target countries without attaching political conditions to the allocation of aid dollars. Canada maintains development programs in Nicaragua, Honduras, Costa Rica, El Salvador and Guatemala.

Over the last year, consultations have continued with Central American leaders, and encouragement has been given by Canada to move the peace process through a difficult period. The special House of Commons Committee on Central America tabled its report in mid-1988 and the government reacted positively to most of its recommendations, which were targetted at having Canada help the peace process in key areas such as human rights and economic reconstruction and development. In his response to the