

## External relations minister visits Central America

Minister for External Relations Monique Vézina was in Central America, June 2 to 9, on official visits to Costa Rica, Nicaragua and El Salvador, where she met with leaders in each country and discussed bilateral and multilateral issues of mutual concern. She confirmed Canada's support for the search for a peaceful solution to the problems and conflict in Central America, particularly with respect to the Contadora peace initiative.

As the minister responsible for the Canadian International Development Agency (CIDA), Mrs. Vézina discussed Canada's development assistance and other programs for the region. As well, she visited a number of projects linked to Canada's aid program and signed a number of new agreements to further Canadian development co-operation with Central American countries.

### Costa Rica accords

In Costa Rica, June 3 to 4, Canada's minister of external relations met with Vice President Armando Arauz and the country's minister of external relations, Carlos Jose Gutierrez. A number of accords were signed by Mrs. Vézina: the two major ones were for an agricultural line of credit and the provision of scholarships for Costa Rican nationals to study in Canada.

The first accord, designed to increase agricultural productivity, provides for a \$14.9 million line of credit for the purchase of Canadian fertilizers. It is the third line of credit which Canada has arranged with Costa Rica for the purchase of fertilizer. The first amounted to \$3 million, the second was for \$12.3 million.

"This line of credit, administered by CIDA,



Mrs. Vézina with José Napoleon Duarte, president of El Salvador.

is designed to assist that country to achieve longer term economic stability by reducing the pressure exerted by the balance of payments deficit," said Mrs. Vézina.

The fertilizer will be purchased by FERTICA, an agency of the government of Costa Rica, and subsequently resold to farmers at market prices. The revenue from the sales will go into a fund for the construction of rural housing.

Mrs. Vézina explained that Costa Rica has an urgent need to construct approximately 50 000 dwellings, particularly in rural areas, in order to stem the exodus of workers into the cities. She noted that the minister of planning for Costa Rica had

specifically requested that Canada allocate these funds for the construction of rural dwellings in the form of support for the agriculture sector.

In the second major accord signed by the minister, CIDA will finance, through a contribution of approximately \$3 million, a program of bursaries for study in Canada. These bursaries will be spent for the training and development of human resources in the agriculture sector, which is a priority in Costa Rica's development plan.

### Power station in Nicaragua

Mrs. Vézina met with President Daniel Ortega and other top government and private sector leaders during her visit to Nicaragua, June 5-6.

Economic and peace issues were of major concern. Nicaragua moved its foreign trade office to Toronto, Ontario from Miami after US President Ronald Reagan announced an embargo on US-Nicaraguan commerce on May 1.

During the visit, Mrs. Vézina signed a \$11.1 million line of credit for purchase of Canadian equipment for the construction of a geo-thermal power station in Nicaragua. The line of credit will enable Nicaragua to acquire Canadian piping products and steam-collecting components, refrigeration units and supplies for the electrical system.

The plant, located near the Momotombo volcano in Leon province, will draw energy from natural geo-thermal sources and convert it into electricity. It is expected to increase electrical production in Nicaragua by 35 megawatts and provide an important substitute for oil imports. The power station, which opened in 1983, is the largest such operation in Central America.

Mrs. Vézina said at the signing ceremony



Canada's minister of external relations is warmly greeted in Costa Rica by Vice President Armando Arauz.



Mrs. Vézina and Nicaragua's Minister for External Co-operation Henry Ruiz sign an economic co-operation agreement.