

CANADA IN THE AMERICAS: NEW OPPORTUNITIES AND CHALLENGES

1. BACKGROUND

The stunning changes that have taken place in Eastern Europe and the former Soviet Union in the past five years have to some extent overshadowed equally important developments in our own hemisphere. The process of economic and political adjustment in Latin America and the Caribbean has occurred with less fanfare and violence, but the impact has been every bit as profound and the results look to be lasting. In less than ten years, the domination of military regimes over the region's political life has been replaced by an almost universal resurgence of democracy. Centralized planning and mercantilism have fallen into well deserved disrepute. Most nations in the region are focusing on getting their domestic economic fundamentals right, while encouraging trade liberalization and export-led growth. The most progressive administrations have recognized the reality of international economic integration and have acted to position their economies to compete for trade in goods and services and capture investment. While human rights abuses still occur, the region's overall record has improved and economic growth and the consolidation of democratic institutions should produce further gains.

How does Canada fit into the much-changed Americas? What means are available to ensure that Latin America and the Caribbean assume a more prominent place in Canada's foreign policy?

A study of Canadian policy toward Latin America and the Caribbean evokes the image of the fickle lover: the embrace has all too often been followed by long periods of neglect. This is not to suggest that we have ever been utterly alien to one another. Quite the contrary. Trade and the Catholic faith established early links well before governments formalized diplomatic relations. In the early part of this century, Canadian entrepreneurs were active in the development of railways and electrical power generation in several Latin American countries and successor companies and joint ventures continue to flourish in a number of locations. Canadian financial institutions opened modest, but profitable offices throughout the region, including in the Caribbean. Canada's trade commissioner service has been present in the region for almost one hundred years. Deep family ties link Canada and the Commonwealth Caribbean and more recent immigration and the creation of La Francophonie have heightened awareness of the importance of the francophone presence within the region.