

and Mexico as the omen of a huge hub-and-spoke trade structure threatening to divert regional investment flows towards the US, which would thereby become the only location guaranteeing free access to all three markets (Wonnacott and Wonnacott, 1995). A tripartite agreement lessened that risk and was favoured by Canada. The negotiations prospered and the result was NAFTA, formally launched on 1 January 1994.

In the meantime, however, Canada's policy towards the Americas had developed a momentum linking trade policy with export promotion. NAFTA, or more precisely NAFTA expansion, became absorbed by the old outlook of Canadian foreign and trade policy-makers, and was quickly reconceptualized, from a defensive manoeuvre to a strategic means to diversify trade and counterbalance Canadian dependence on the US market, as well as to contain the ever-rising phoenix of US unilateralism.

Canada's policy towards the region thus looked not only remarkably coherent, but also perfectly in keeping with the traditional thrust of its global outlook: NAFTA, and NAFTA extension into South America, would reinforce the international liberal economic framework of the World Trade Organization. The OAS for its part would serve as the primary political apparatus for an effective regional multilateralism consistent with Canadian policy in the UN and other international bodies. Dynamic and highly respected César Gaviria, former President of Colombia, was elected Secretary-General with Canada's energetic support. His persona gave greater credibility to the OAS reform process under way in earnest since 1990 and reinforced Canada's impression that a new era in the Americas had begun.

The office of Canada's permanent representative at the OAS, with its comparatively small staff (relative to Mexico or Brazil, for example), has been busy and visible, and has made significant achievements. DFAIT officials in Ottawa and Canadians in the secretariat have also brought energy and much needed idealism to the embattled organization, even if there was an initial over-optimism about the role of the OAS and its capacity for speedy renewal. Canada can be counted on to pay its bills on time. Moreover, the economic and political changes in the region coinciding with the termination of the Cold War made Latin America appear, quite suddenly, remarkably appealing to Canada. As the continent approached the December 1994 Summit of the Americas in Miami, all the economies of the region were liberalizing, and a host of dictatorships had given way

to elected governments. Canadian activism in hitherto neglected areas of inter-American relations such as security, human rights and democratic development, and indigenous issues multiplied after 1990. Achievements vary according to agenda area: trade, security, human rights and democratic development, social policy, sustainable development, and indigenous affairs (McKenna, 1995).

Although DFAIT has tended to exaggerate Canadian influence and underestimate the damage caused by evident political appointments and micromanagement, Canada's influence was considerable during its first years of membership. Canada's multilateral vocation also often surprised Latin Americans—and not just its interventionism in hot areas such as human rights and democratic development. For example, Ottawa used the OAS as a building block for norm-generation at the regional level to project issues globally at the UN and other forums: deep-sea fishing; Helms-Burton; confidence- and security-building measures, such as the anti-personnel mine initiative. These were uses of the OAS not at all in keeping with typical Latin American and Caribbean concepts of the institution.

All in all, by the Miami summit, the Americas looked in truth like a welcoming family for a Canadian polity searching for new roles after the Cold War, while Latin America for its part was, at the same time, looking for chaperones to protect it from a sometimes stifling US embrace, but finding declining interest in old Europe or in busy Asia.

#### *A Rough Ride*

Straying far from the caution advocated in the 1989 Latin American strategy, Canada's policy from 1990 until the Miami summit was driven by enthusiasm, and the journey became somewhat intoxicating. Little heed was given to the many signs that the optimism underlying Canada's policy was proving unfounded; a few days after the summit the inter-American landscape abruptly changed. Mexico's peso crisis soon undermined the promises of security and stability that the NAFTA seal of approval had supposedly ensured. Symbolically, if not economically, NAFTA suffered a more severe blow than Mexico: whereas the latter was back to strong growth and was already welcoming heavy flows of foreign investment by 1996, the lineup well NAFTA had evaporated as Latin American leaders absorbed the implications of NAFTA disciplines for national economic stability. After the crisis, the prospect that hemispheric economic integration—if it were