

Bank and the World Bank. Many Canadian non-governmental organizations were engaged in grassroots development. A greater number of Canadians were concerned over violations of human rights and the rising flow of narcotics from the region.

### **South America**

In Brazil, the focus throughout 1984 was on economic and political developments, as the country tried to grapple simultaneously with a rising external debt and the inauguration of a mechanism which would permit the peaceful transition from 20 years of military rule to a civilian democratic government.

Relations between Canada and Brazil continued to expand, with two-way trade reaching \$1.4 billion. Key bilateral mechanisms for managing the relationship were the Joint Economic Committee, which met in Ottawa in June 1984, and the Political Affairs Consultative Committee, which met in Ottawa in October. Although there were fewer ministerial visits, due to the change of government in Canada and the transition from military to civilian rule in Brazil, the Secretary of State visited Brasilia for the launching of the Canadian-manufactured Brasilsat, and the Minister of Supply and Services attended the inauguration of the late President-elect of Brazil. The Canadian cultural presence in Brazil was enhanced by the visits of performing artists such as the Canadian Chamber Orchestra and the Moe Koffman Quartet and by several artistic and cultural exhibitions.

The Mexican economy experienced modest growth in 1984 and the country continued to play a key role in the Contadora peace process. The high points of the developing Canada-Mexico relationship were the state visit of President de la Madrid to Canada in May 1984 and the official visit of the Secretary of State for External Affairs to Mexico in January 1985. Contacts continued at all levels; in November 1984, the Mexican Energy Minister led a delegation to Canada, and in January 1985, Canadian parliamentarians attended the sixth session of the Canada-Mexico Parliamentary Association. Two-way trade reached \$1.7 billion, with a balance of \$1.09 billion in Mexico's favour, mainly due to imports of Mexican petroleum, fruits and vegetables. Tourist traffic between the two countries was significant; an estimated 350 000 Canadians visited Mexico, 30 000 Mexicans visited Canada and a Tourism Co-operation Agreement was signed. There was considerable activity in the areas of academic relations and the performing arts, as anticipated under the 1984-86 Cultural and Academic Exchange Program.

In the Southern Cone of South America, Argentine President Alfonsín further consolidated his position *vis-à-vis* the military, in spite of escalating economic problems and his inability to come to terms with the IMF. In the area of human rights, the civilian government began prosecution of members of the former military junta for human rights violations. Democratic gains in the Southern Cone were further bolstered in Uruguay with the end of an 11-year military dictatorship and the election of a civilian government led by President Julio María Sanguinetti. Canada was represented at his inauguration on March 1, 1985, by the Minister of State for Forestry. In Paraguay, President Stroessner maintained firm control after 30 years in power.

Political developments were less than favourable in Chile, where the process of political dialogue between the military junta and the opposition collapsed. The prospects for an early return to democratic rule in Chile were further reduced by the introduction of a state of siege in November 1984, which was accompanied by more human rights violations.

Argentina and Chile reached an agreement to resolve their long-standing dispute over the status of the Beagle Channel. Prospects for an early settlement of the Falkland-Malvinas dispute between Great Britain and Argentina remained bleak.

Relations between Canada and Argentina continued to develop in a positive manner and were facilitated by the visits of a number of senior Argentine officials to Canada, including the Secretaries of Transport, Communications and Mines and the Minister of Public Works and Services. In November, the Argentine Congress ratified an Agreement on Economic, Commercial and Industrial Co-operation. This Agreement created a joint committee, which will hold its first meeting in Buenos Aires in August 1985.

In Peru, the government was faced with escalating terrorist activity, which led to increased violations of human rights. The situation in Bolivia was marked by political and economic instability, with frequent Cabinet changes and hyper-inflation. Presidential and congressional elections were held concurrently in Ecuador, and Canada sent a representative to the August 1984 inauguration of President Leon Febres-Cordero. In Venezuela, following the inauguration of President Jaime Lusinchi, agreement was reached between Venezuela and offshore institutions to reschedule the country's large public sector foreign debt. Despite continued retrenchment in the Venezuelan economy, bilateral trade with Canada remained significant as a result of Venezuela's role as the largest external source of petroleum exports.

Relations between Canada and the Andean countries progressed satisfactorily. Aid programs were concentrated on Colombia and Peru and these two countries also responded well to increased Canadian activity in the performing and cinematic arts, demonstrating the growing interest in Canada of the Latin American academic community. In May 1984, a CIDA-sponsored Transfer of Technology Fair, TECHCAN 84, was held in Medellín, Colombia, concurrently with a Canadian cultural festival which featured the performing and graphic arts, as well as film and video art. Canada maintained its Permanent Observer Mission to the Organization of American States (OAS) and participated actively as a full member of a number of the OAS subsidiary bodies, including the Pan American Health Organization (PAHO), the Inter-American Institute for Co-operation on Agriculture (IICA) and the Pan American Institute of Geography and History (PAIGH).

### **Caribbean and Central America**

In 1984-85, Canada pursued its policy of closer co-operation with the countries of the Caribbean, particularly with the region's Commonwealth members. On his first major international visit outside North America after taking office, Prime Minister Mulroney attended the Canada-Commonwealth Caribbean Heads of Government Meeting which took place in Kingston, Jamaica, February 24 to 26, 1985. More than 20 Caribbean states, dependencies, regional and Commonwealth organizations were represented at the highest level,