

Canada recognizes that the ability of the countries of this region to play a positive role in the resolution of these problems depends on a sustained stability, economical and political. Societies cannot help solve global problems while they are battling for national survival. Stability depends on the consolidation of democracy in the region and the return to a sustained pattern of economic growth.

Therefore, the primary purpose of our Latin American strategy is to pursue economic prosperity and a durable fabric of democracy.

It is in Canada's interest as much as it is the interest of Latin America to ensure that recent progress continues and that we do not revert to a hopeless cycle of violence, repression and poverty. The international financial system requires a sustained period of economic growth and stability in the region. The global environment demands creative solutions in Latin America which will not be possible in the midst of poverty. And our societies will not be freed from the cancer of drug abuse until those nations who supply the drugs can produce viable alternatives for their workers and we in North America address the self-destructive syndrome of growing demand.

For Canada, the decision to expand our role in Latin America represents continuity as much as it does change:

- We have long standing economic relations with the region. Latin America is the third largest market for Canadian investment capital after the US and Europe.
- Canada's exports to the region exceeded \$2.1 billion in 1988. Our two-way trade with Latin America is greater with the ASEAN countries and China combined.
- Canada was deeply involved in the reform of the Inter-American Development Bank, whose recent re-invigoration has resulted in a 78% increase in the resources at its disposal.