

announced by Joe Clark during his 1986 visit was implemented with the first program in the area of tele-education.

The Government of Chile took several steps to begin the return of the country to civilian government: it announced that the plebiscite to accept or reject the regime's candidate for President would be held before the end of 1988; political parties (except those of the extreme left) were legalized; and an electoral register of voters was opened, with over five million registered by March 1988. Substantial agreement was also reached on the return of exiles. The Chilean economy continued to strengthen and showed encouraging signs of growth, with the highest rate of foreign investment in Latin America. Despite these improvements in the political and economic situation, violations of human rights continued to be reported and Canadian concerns were registered. The Chilean government introduced some measures to improve the human rights situation, and these were noted by Canada in the United Nations Committee on Human Rights.

In Uruguay, President Sanguinetti continued his program of consolidating democracy, with impressive stability on the economic front. Relations with Canada intensified, particularly in the area of trade, in which there was substantial growth. In March 1988 the Uruguayan Foreign Minister, Enrique Iglesias, paid an unofficial visit to Canada and held discussions with the Minister of International Trade. The technical co-operation program commenced with projects in the areas of agriculture and human resource development.

#### **The Andean countries**

The year was a difficult one for Bolivia, as it was forced to deal with an uncertain economic climate exacerbated by debt problems, general strikes, and an increasingly violent battle against drug-traffickers. Bolivian government efforts to deal with the debt problem have resulted in economic difficulty for the country. Canada's announcement of resumption of bilateral assistance for Bolivia (to start in 1989), together with continuing food aid support, was an indicator of Canada's commitment to ameliorating the situation. In spite of these major threats to stability, the momentum of the democratization process begun in 1982 was maintained by President Victor Paz Estensoro, who has also upheld respect for human rights.

The visit by the Minister of Health and Welfare Canada, Jake Epp, to Bolivia in January 1988 was the first visit for many years. Mr. Epp's trip, which also included stops in Brazil, Paraguay and Dominica, indicated the renewed interest taken by Canada in the South American region.

The Peruvian government, led by President Alan Garcia, continued to grapple with the country's deepening economic crisis. As an indication of a growing need to normalize its relations with the international financial community, Peru met with the international financial institutions and, with Canadian encouragement, explored ways to normalize its external financial relations. Although no official visits took place during the 1987/88 period, relations were marked by renewed contacts at senior governmental levels. CIDA and the IDRC were active in economic and social development projects in Peru, making it the largest recipient of Canadian bilateral development assistance in South America.

The past year in Ecuador has been one of consolidation, as the country faced the challenge of rebuilding an economy severely damaged by earthquakes, international debt and low resource prices. Canada has assisted through its CIDA program and has committed itself to further assistance to Ecuador through various projects, including a proposed scholarship agreement that is to be signed this year.

Colombia, led by President Virgilio Barco, enjoyed a buoyant economy in 1987 for the second year in a row. External payments performance, by stringent measures, was brought under control and a \$1 billion commercial bank loan was signed in January 1988, with most of the proceeds destined for anti-poverty programs. Violence, which afflicted all sectors of society, overshadowed much of the political activity. It did not, however, impede the municipal elections held in March, an important breakthrough in terms of strengthening the democratic process. Bilateral relations continued to be dominated by CIDA's substantial aid program in Colombia and by trade flows, with Canada substantially increasing in 1987 its trade surplus over that achieved in previous years.

In Venezuela, political activity focused on the run-up to the December 1988 elections, with both main parties identifying their prospective presidential candidates. The economy grew modestly but, partly as a reflection of the petroleum market, demonstrated a strong trade performance. Bilateral relations continued to develop with the third meeting of the Canada-Venezuela Joint Consultative Committee held in Caracas in April.

Two-way trade with Venezuela continued to be Canada's third largest in the region. Representatives from the National Defence College visited Venezuela, for the first time in some years, and Canadian Forces ships called at the port of La Guaira.

#### **Mexico**

The political scene was dominated by the campaign to identify party candidates for the presidential elections to be held in July 1988. While the economy experienced difficult challenges, including a persistently large external debt and high inflation rate, measures taken by the Mexican government, including its Economic Co-operation Pact and an innovative debt-bond swap arrangement, gave hope of progress in this area. The importance of the bilateral relationship was highlighted by the official visit to Ottawa in March of Bernardo Sepulveda, Secretary of External Relations. Among other visits which took place, the second Canada-Mexico inter-parliamentary meeting was held in Guadalajara in November. In 1987 Canadian exports to Mexico increased more rapidly than to any other country in the region and the two-way trade, at \$1.7 billion, was one of the largest in the region. Some 400 000 Canadians visited Mexico throughout the year and 60 000 Mexicans visited Canada, including participants in the Seasonal Agricultural Workers Program, through which Canadian farmers employ Mexicans during the harvest season.

#### **Central America**

The revival by the Central American presidents of the regional peace process underscored the relevance of Canada's policy of political aid and economic assistance to the area. The year under review provided the opening of varied