

Yet, Canadian foreign policy has never sustained its focus on Latin America and the Caribbean. Several reasons explain this result, including Canada's inevitable preoccupation with its relations with the United States and our European links. Moreover, over the past decade and a half, Asia has initiated an economic revolution focused on exports and investment that has opened commercial opportunities for Canada that we were right to seize. And, of course, the disastrous economic record of the Latin American countries themselves only heightened the contrast with Asia Pacific, to the detriment of sustained Canadian interest. The intellectual birthplace of import substitution development theory in the 1950s, Latin America stayed this course beyond all reason, compounding its difficulties with a reckless splurge of indebtedness (aided and abetted, it should be said, by the international banking community and official credit agencies).

Political demagoguery, in part fed by economic muddle-headedness and the regional spin-offs of the Cold War preoccupations of the U.S., led to military interventions and the eclipse of democratic institutions in many countries beginning in the mid 1960s, with Central American turmoil becoming perhaps the dirtiest manifestation of these cross-currents in the 1980s.

The cumulative impact of these crises, as well as greener fields elsewhere, forced a re-evaluation of our hemispheric relationships following a brief upturn in interest in the 1970s, and led to a lowering of our expectations for the region. Nonetheless, by the late 1980s new trends were establishing themselves. Civilian government had reappeared in most countries and several governments began applying market-based economic and trade policies with greater consistency. It appeared that much of the region had rediscovered solid economic and political fundamentals and had begun to apply them. In recognition of these emerging improvements, Canadian foreign policy took stock. The result was the 1989 policy review.

2. 1989 POLICY REVIEW AND FOLLOW-UP

The federal government's 1989 policy review, and a subsequent 1990 update on the implementation of the review, led to a series of recommendations designed to give a higher priority to Latin America and the Caribbean. The results included the following: