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NOTES FOR A SPEECH BY THE
SECRETARY OF STATE FOR
EXTERNAL AFFAIRS,
MARK MACGUIGAN,
TO THE ONTARIO
CO-OPERATIVE PROGRAMME
IN LATIN AMERICA AND
CARIBBEAN STUDIES CONFERENCE
ON HEALTH AND WELFARE
DEVELOPMENT,
WINDSOR, MARCH 29, 1980

"CANADA AND LATIN AMERICA
- PAST, PRESENT AND FUTURE"

Introduction

This is my first opportunity to give a public address on an important aspect of Canadian Foreign Policy since I was appointed Secretary of State for External Affairs almost a month ago. Naturally I am pleased, all the more so because this event is taking place in Windsor and under the auspices of the University I know so well. I congratulate the organizers on their initiative which is both timely and welcome.

This international seminar is devoted to the problems of health, welfare and development in Latin America and the Caribbean. By meeting in Canada to discuss these issues you are effectively underlining Canada's long-standing and growing interest in both areas, indeed, Canada will be giving increasing attention to Latin America and the Caribbean in the months and years ahead and I am delighted to be able to show my personal commitment by making one of my first official visits abroad to Mexico City next month.

Canada's role in health and development

Before coming to the main subject of my remarks today, Canada's relations with Latin America, I thought I would review briefly some of Canada's activities in the area of your special interest, health and development. Canada's concern for these problems has been demonstrated by our active membership in the Pan-American Health Organization, where we have now served three years on the Executive Committee. Our contributions to the PAHO include technical assistance in rural water and sanitation programs, dental health education, health worker training, and the development of food and drug standards.

The promotion of higher health standards has also been one of the objectives of the International Development Research Centre, the IDRC, in its programs in Latin America and the Caribbean. The Centre's projects stress applied research into health-care with the involvement and strengthening of local research institutions. In Cali, Colombia, a project is studying the use of "health promoters" -- non-specialist health workers who provide primary health care at the neighbourhood level. Elsewhere in Colombia an IDRC project is studying the utility of immunizations provided to undernourished people. In Paraguay, the IDRC has examined the possible role of rural schools in teaching the provision of basic health care. In Guyana, the IDRC is evaluating the role of trained medics in the delivery of basic-health care.

The Canadian International Development Agency, CIDA, has also been conducting health related programs in these regions. It is assisting the Andean Pact to build a pharmaceutical industry. In Trinidad, CIDA has provided technical assistance for a community mental health program. CIDA also endeavours to consider the long-term health implications of its assistance to the region. Thus a water-supply project in Belize contains provisions for ensuring that there will be local personnel capable of maintaining water purity levels. And an integrated rural development program in hospital-poor Haiti trains public health monitors in all aspects of preventive medicine. In general, Canada's health-related assistance programs attempt to attach fundamental problems, rather than merely applying "band-aids".

Main themes

In this seminar, you have been looking at both Latin America and the Caribbean. You all know how very different the two are, despite their proximity and links. The Canadian Government is now reviewing its policy in the Caribbean where Canada's interest is profound and growing and I look forward to speaking on that soon. Today, however, I want to focus on Canada's relations with Latin America. I shall present two major themes:

- . First, Canada's relations with Latin America should recognize not only the increased economic importance of Latin America but also the new weight of Latin America in global political issues. I believe these two dimensions of our relationship, the economic and political, should be mutually reinforcing.
- . Secondly, Canada's relations with Latin American countries should recognize their diversity. While needing to be sensitive to the regional dimension, we should avoid thinking primarily in terms of a "regional" policy. In recognizing Latin America's diversity, Canada should give special priority to developing further our relations with those countries where our political and economic interests are more concentrated.

Latin America in the Global Context

Before turning to the development of Canada's bilateral relations with Latin America, I want to consider the remarkable

emergence of Latin America onto the world scene.

Most countries in Latin America won their independence from Europe early in the nineteenth century. While they maintained cultural ties with their former colonial powers, and some had important trading links with Europe, the Latin American countries remained largely outside "world politics" which were focussed on the great colonial and continental powers of Europe. The vigorous young republic of the United States, itself isolated from world politics, soon became the dominant outside force in Latin American politics. With the Monroe Doctrine, it proclaimed the whole area as a sort of protected domain, a *chasse gardée*. The US's influence probably reached its peak in the period from the end of the First World War until the early fifties. In any case, for roughly one and a half centuries Latin America remained largely outside the world's central political struggles. This relative isolation was exemplified by the non-participation of all Latin American countries, except Brazil, in the hostilities of the two world wars.

In the last twenty years, Latin America has come to assume a much more prominent place on the world stage. Partly, this has been for economic reasons. The new economic importance of Latin America can be seen in many ways. In the first eight months of 1979, for example, Mexico, Venezuela and Brazil were the world's three largest borrowers on the Eurocurrency market. The 1970s were the decade in which oil turned the world economy on its head. Venezuela, Ecuador -- which are both members of OPEC -- and Peru were early beneficiaries while Mexico, which is not a member, stands to make extraordinary gains in the 1980s. The 1970s saw increasing differences in the performances of the world's economies but most Latin American countries, even those that are poor in oil, enjoyed good economic growth. Brazil, which alone counts for almost one-half of Latin America's population, developed very rapidly, to emerge as the world's 10th largest economy and a significant exporter of manufactures.

The new importance of Latin America is also a result of major political developments. With global decolonization through the last two decades and the appearance of oil power in the 1970s, the structure and distribution of international power has shifted and the agenda of international politics has changed. The Third World countries now form a solid majority at the United Nations. Of course, the Latin American countries are quite different in their history and level of development from most of the Third World. But the Latin Americans had done a good deal of thinking on reforms in the international economic order as early as the 1950s so that particularly outstanding individuals such as Raul Prebisch of Argentina, the founder of the United Nations Economic Commission for Latin America, were able to act as

intellectual leaders in the North-South dialogue. This started at the first UNCTAD meeting in 1964, continued through the mid-1970s at the Conference on International Economic Cooperation which was co-chaired by Venezuela and Canada and it is evident now in preparations for the forthcoming Global Negotiations at the UN where ideas such as President Portillo's proposal for a World Energy Development Plan will be prominent.

Latin America has also shown its new weight in relation to other issues, such as the general agreement on tariffs and trade, the Law of the Sea, and the control of nuclear proliferation, all of which are of major interest to Canada. To take only the matter of non-proliferation, which has become a central issue in Canadian Foreign Policy, we have welcomed the initiative and the imagination shown by the Latin American countries, led by Mexico, when in 1967, three years before the non-proliferation treaty, they designed a treaty of their own, the treaty of Tlatelolco, which declared Latin America a nuclear weapons free zone. We believe that, in doing so, the countries of Latin America set a precedent and an example which has application in other regions of the world and which makes a major contribution to international confidence and stability. We hope that the Tlatelolco Treaty will soon be in effect for all the countries of the region and, in particular, for Brazil and Argentina, which are the countries with the most advanced nuclear programs but which have not yet felt able, for reasons of their own, to accept the restraints of the non-proliferation treaty.

The new global prominence of Latin America is of direct interest to Canada in the conduct of its foreign policy. Canada is a major aid donor and it has taken a very active role on North-South issues. We are at present concerned by such questions as petro-dollar recycling and the management of LDC debt, the creation of energy plans in oil-poor developing countries, and the limitation of the demographic explosion which threatens to undermine so much progress in the Third World. These are all questions which interest Latin American countries and on which we should be able to cooperate in seeking solutions. Canada also has special interests in the Caribbean, where certain Latin American countries, such as Venezuela, Mexico and Cuba, have been active and influential. Both Canada and several Latin American countries have played leading roles at the Law of the Sea conference, and we have been able to cooperate very fruitfully. Thus there is, I believe, a basis for much closer contacts between Canada and Latin American governments on many global political questions.

Canada's Direct Links with Latin America

Canada itself was relatively slow to develop an independent international personality -- we only established a legation in Washington in 1927 -- and we did not develop diplomatic relations with Latin America until the Second World War, when five missions were opened. But long before that Canadians had made their presence felt first through contacts by Canadian missionaries in Chile and elsewhere and subsequently by Canadian-established utility companies in Mexico, Venezuela, Bolivia and Brazil. Canadian manufacturers of agricultural machinery sold combines to Argentine wheat farmers and Canadian companies built railways and mining installations. So our belated diplomatic recognition was a reversal of the old adage that "trade follows the flag". During the 1950s Canada completed its diplomatic accreditation to all the countries of Latin America.

The scale of our trade can be seen in Latin America's standing as the most important region for Canada's trade after the United States, the European Community and Japan. In 1979 our total exports to the area amounted to \$2.5 billion. Our exports to Venezuela alone amounted to about \$700 million, slightly more than Canadian exports to France, and over 60% of that was in auto-parts which generate skilled employment in cities like Windsor. In fact, about 43% of our exports to Latin America are in the form of fully manufactured products, the highest such percentage for any of our major trading regions.

The trade figures are encouraging in that Canada's exports increased five fold between 1968 and 1979. Canada's share of the total Latin American market remained relatively stable during the 1970s, however, after growing considerably in the 1960s. We have not become a major supplier to Latin America, nor is Canada yet a major destination for Latin American goods. Without discounting the progress that has been made there is still a great challenge to increase trade in both directions.

In many ways our relationships with Latin America are still too "one dimensional". They remain essentially a reflection of the early pattern of trade and investment contact between Latin America and Canada. We need to bring new dimensions to our economic relationship, particularly in industrial cooperation and technological exchanges. Some similarities in the structure of the Canadian and certain Latin

American economies provide vast scope for potential cooperation and joint ventures. The opportunities lie in both directions. Canada has been a beneficiary as well as a dispenser of technical knowledge: our scientists have benefitted from topographical and thematic mapping techniques developed in Mexico and Columbia and from Brazilian research in earth physics.

Canada's relations with certain Latin American countries will naturally be strongly marked by our concern to secure long-term oil supplies from this stable and historically friendly region of the world. We believe that the complementarity of our economies and the possibilities of cooperation should make this very attractive to both sides.

Latin America as a "Region"

Both Latin America's new prominence on the world's political stage and its evident economic promise make it a region of special interest to Canada. In developing its policy, I think Canada should avoid the pitfall of thinking of Latin America primarily in regional terms and assuming a false homogeneity. Of course, there is a regional dimension to Latin American cooperation. Canada has supported this and been sensitive to the regional dimension, as shown by our permanent observer status at the OAS, and our membership in the Pan-American Health Organization, the Inter-American Development Bank and other institutions having a Latin America focus. Our financial participation in Inter-American Development Bank is now around \$750 million and we also contribute \$237 million to the Bank's Fund for Special Operations for social development projects.

But the diversity of Latin America is one of its central characteristics and Canada should recognize it in its approach. The score of countries from the Rio Grande to Tierra del Fuego differ in their internal make-up, international orientation, in their economic development and areas of concentration, and in their size. The largest country, Brazil, speaks a different language from the others. Geography has presented formidable barriers to communication so that Latin America has been very slow to develop transportation links. As a consequence, intra-regional trade is still only about 15% of total exports, and even this is a considerable increase from earlier periods. There has been a certain sharing of geography, history and cultural links which has given meaning to Latin America as a region, and the last two decades have seen significant efforts to increase regional links through trade agreements, cultural exchanges, diplomatic links and improved transport and communications. But the fact remains that Latin America does not function closely as a "region" in the way Europe, particularly Western Europe, does.

Canadian policy towards the area should be very sensitive to the particular characters of the very different countries which constitute it. I believe Latin Americans themselves will respond positively to such an approach, in the same way that Canadians respond positively to a clear recognition by other countries of our distinctiveness.

Future Directions of Canadian Policy

The new importance of Latin America requires Canada to give increasing attention to its relations with the region's countries. It is in the nature of things that our focus will fall most on those countries which are of the greatest economic and political interest to Canada, among which Brazil, Mexico and Venezuela must stand out.

Venezuela now has come to be our 5th largest trade partner. In 1979, Venezuela was Canada's chief foreign source of oil, supplying roughly 40% of our imports. Instability in the Middle East underlines the importance of Western Hemisphere oil sources for Canada, and I view it as being in our long term interest to establish stronger bilateral energy relationships between Canada and Venezuela. As a purchaser of Canadian exports, Venezuela ranks after the USA, Japan, Germany and the UK. The rapid expansion of the Venezuelan economy and its growing oil revenues provides excellent opportunities for Canada to increase its exports of goods and services and to develop cooperative ventures, such as in oil sands technology. Canada should also come to represent a market of growing importance for Venezuelan exports in addition to oil. We have been able to develop close relations with Venezuela and I am confident that the Venezuelan government will respond positively to our desire to broaden and deepen our political and economic links.

Mexico is our nearest Latin American neighbour. Like us, it was somewhat in the shadow of the American giant, with heavily concentrated trade and many other trans-border issues. We both are keen to diversify our relations, and Canada is glad to be one of five countries Mexico has designated as being a target for closer relations. We intend to respond as positively and imaginatively as we can.

Mexico's vast oil wealth and its increasing industrialization makes it certain that Mexico can be expected to play a key role both in this hemisphere and on the world stage. Mexico, whose total imports grew by almost 50% last year, is a very promising market for Canadian manufactured goods. Its economic development plan envisages expenditures of \$40 billion providing excellent opportunities for Canada. Canada has moved to develop closer relations with Mexico. We have concluded a cultural exchange agreement. In early 1979 two major agreements on energy cooperation and industrial cooperation were concluded with Mexico. The energy agreement is particularly important to both Mexico and Canada. It allows Mexico to lessen its dependence on the US market while it assures Canada certain supplies of petroleum. In return for future increased oil

supplies, Mexico will be looking for augmented industrial cooperation with Canada in a wide variety of areas. I am pleased that President Portillo will be visiting Canada in May and we expect to be able to make significant progress in the implementation of our agreements on energy cooperation and industrial cooperation. We also envisage discussion on major world political and economic issues. Clearly, our relations in future must have both a political and an economic dimension.

Brazil with its population, its industry, its huge untapped resources, and its impressive growth is of evident economic importance. Canada has special historical links through investments now totalling \$1 billion, our largest outside the US. Our banks are very active, with loans of almost \$4 billion, and our two way trade last year exceeded \$700 million. Canada was pleased to conclude in January a major grain sale, for approximately \$700 million over three years. Brazil proposes to triple its installed electric generating capacity in the coming decade, almost entirely through hydro, an area of established Canadian expertise. It is undertaking a very imaginative program to develop gasohol, the production of fuel from plants. Brazil has the potential to become a world power, and it is already being felt as a major influence or partner in such distant countries as Iraq and Angola. Canada looks forward to developing much closer economic, political and cultural links with this vigorous country.

While our relations will be especially strong with Mexico, Brazil and Venezuela, we will be anxious to develop our relations with the countries of the Andean Pact such as Colombia, Peru, Bolivia and Ecuador where significant new trade and investment opportunities are developing, and with the six countries of Central America where we have been very active in economic development and there are very interesting possibilities for joint ventures and the supply of capital equipment. We will also consider promoting our economic relations with the countries of what is called the Southern Cone, countries whose economies are developing rapidly and which welcome Canadian industrial and commercial participation; with the Latin countries of the Caribbean such as the Dominican Republic, Haiti, the only French speaking nation in Latin America and a country where we have an active aid program and obvious cultural and linguistic ties; and with Cuba, which is the fourth largest market in Latin America for our exports.

In speaking of Latin America today I have concentrated, deliberately, on the positive aspects and possibilities in our relations. I considered that both desirable and appropriate for this occasion. But there must be no misunderstanding. Canada has a long, proud record of concern for human rights. We are no less troubled today than yesterday with human rights abuses in the world wherever they occur, including Latin America. Such abuses affect us profoundly; and they cannot fail to have an adverse impact on the tone and substance of our bilateral relations. This should not surprise anyone - it flows from the nature of Canadian society and the traditional Canadian respect for the rights of the individual person; and it has been reflected over the years in our efforts to help improve the human condition, through development assistance; the expansion of the rule of law and support for fundamental democratic principles.

As far as Latin America is concerned, I want our friends there to appreciate that respect on their part for human rights is bound to enhance the context within which our relations are conducted, whereas violations, and particularly flagrant violations, of individual rights cannot leave us indifferent. How far Canada can and should go in making its views known is a question to be considered in each case. Our aim in Latin America, and elsewhere, must be to contribute to a genuine improvement in human rights, by private or public means, or both. We should not, however, make public declarations for their own sake, or without regard for their effectiveness in achieving the results we desire. This is an important consideration I intend to keep very much in mind as I examine specific cases in the months ahead.

Conclusion

The next decade presents major opportunities for a broadening and deepening of Canada's ties with Latin America. This will require more than a greater effort by the Government of Canada. Our schools and universities must make more efforts to teach Spanish and Portuguese, and our news media must visit the area more frequently. The Government plans to work closely with individual enterprises. with CALA, the Canadian Association for Latin America and the Caribbean, and with the Brazil-Canada Chamber of Commerce. All of these are playing such an active and valuable role in developing and enhancing contacts between the business communities in Canada and the various countries in Latin America.

Canada's relations with Latin America need to become less "one dimensional". In economics, trade needs to be supplemented by industrial cooperation and technological exchanges. But our economic links themselves need to be reinforced by greater attention to political relations on both hemispheric and global questions. This will require more contacts, on a wider range of subjects, by both Ministers and officials. These political contacts should provide the framework for -- and be supported by -- closer economic and cultural contacts, both governmental and private.

Ladies and gentlemen, I share your interest in the health, welfare and development of the countries of Latin America and the Caribbean, and I think it most important that Canada play its part towards improvement in all three areas. My interest of course, which I am confident you share, is even broader than that because it reflects a concern for Canada's relations with these countries within their regions but particularly individually. It is to the health of Canada's relations with the countries of Latin America and the Caribbean, and with a particular eye to the future, that I will pay special attention from now on. The health of these relationships must not only be monitored but the occasional malady must be cared for. Even more important, we must actively find ways and means of making Canada's relations with Latin America and the Caribbean healthier in the future than they have ever been in the past.