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# It's time to kiss and make up

The Canadian-Brazilian romance is heating up, say **EDGAR DOSMAN** and **KEN FRANKEL**

**W**ho can explain why classmates who irritated each other through high school kindle a romance 25 years later at the reunion? Perhaps the changes in personal circumstances and surroundings have altered their perceptions of themselves and others. Perhaps they have dropped their pretenses. Perhaps they realize they just need each other.

For all of these reasons, Canada and Brazil may have finally locked eyes across the gym floor. Prime Minister Paul Martin will meet Brazilian President Luiz Inacio Lula da Silva on Tuesday in an attempt by both to hasten the walk toward each other after years of misunderstanding and annoyance.

Mr. Martin has said that developing better relations with Brazil is a priority for Canada. By simply mentioning Brazil as one of three emerging world powers in his Throne Speech, he has gone further than any of his predecessors. As obvious as Brazil's importance may seem to the rest of the world, Mr. Martin's statement was a breakthrough among Canada's senior Foreign Affairs establishment, which has had a historically difficult time understanding that Brazil has become a confident global actor and an essential partner. Ironically, Canada's relations with Brazil have been the least successful of its Latin American engagements. Mr. Martin's team knows that it must change.

Brazil belongs to a small category of countries, including India and China, that are continental in scope, and fated to be regional leaders because of their size, power

and global insertion. Brazil's population of 182 million is nearly six times that of Canada, and it dominates South America in size and capabilities. After China, Brazil is the second-largest global destination for direct foreign investment, and has the world's 12th-largest economy. Brazil's economic ties are strongly diversified among Europe, the United States, Asia and its Latin American neighbours.

After emerging from military dictatorship two decades ago, and particularly since the end of the Cold War, Brazil has opened its economy and adopted an activist foreign policy. It spearheaded the creation of Mercosur (South American common market), strongly supported multilateralism and United Nations peacekeeping, and assumed a visible role in international trade policy. It has become the arbiter of political disputes in South America, particularly in the volatile Andes region. Brazil's recent decision to lead a UN peacekeeping mission to Haiti highlights its hemispheric and international leadership aspirations. The visits this month by Mr. Martin's Russian and Chinese counterparts underscore the keen interest in Brazil.

Unfortunately, Canadian-Brazilian relations fell into two decades of negative dialogue, neglect and mutual misperception. It wasn't always this way. For the first three decades after the Second World War, Brazil was the centre of Canadian foreign policy in South America. The two countries worked together in several key multilateral areas, and their leaders pledged to strengthen bilateral bonds. The 1982 debt crisis damaged the rela-

tionship, and few initiatives were undertaken thereafter.

Modest momentum returned in the late 1980s, but it quickly dissipated in a series of faux pas, including Brian Mulroney's clumsy protests concerning the imprisonment of two young Canadians arrested for kidnapping a Sao Paulo businessman, Ottawa's imposition of steel-dumping duties, the Bombardier-Embraer dispute, and Ottawa's suspension of Brazilian beef imports during the mad-cow scare. They also found themselves on opposite sides in the Free Trade Area of the Americas debate.

Misperceptions abounded in these years of diplomatic frustration. Brasilia came to view Canada as a Trojan horse for Washington's trade and foreign policy interests — too dependent economically to be considered an independent actor, and undeserving of Group of 8 status. Ottawa viewed Brasilia as arrogant and petulant.

Fortunately, there is now reason for optimism. Bilateral investments are growing, with Brazilian companies making major investments in Canada for the first time. A growing network of non-governmental linkages in social programs, education and culture between the two has evolved with the support of officials on both sides.

The convergence of several recent developments makes closer relations attractive to both countries. Brazil now realizes that aligning its future tightly with Mercosur will not significantly bolster its economic or political aspirations. A larger segment of the Brazilian business community is pushing the Brazilian government to redou-

ble its efforts in negotiating trade pacts with the larger international markets.

Canada's posture on Iraq, support for the International Criminal Court and other key multilateral issues has put paid to Brazil's concern that Canada is a U.S. outpost. Success in handling the complexities of the Haitian situation is key to Brazil's international standing. Canada's vast knowledge and linkages, together with Brazil's heavy military investment, make a bilateral dialogue on peacekeeping and peace-building of obvious importance and mutual advantage.

Paul Martin has taken it as a personal mission to enlarge the G8 to a G20, and has supported efforts to expand the UN Security Council. Brazil covets positions in both organizations. And perhaps, though neither would dare to admit it publicly, Canada and Brazil could negotiate a free-trade pact among the swirling detritus of the stalled FTAA and World Trade Organization negotiations.

Brazil and Canada would also benefit from discussions on common domestic issues such as the management of federal systems, the treatment of indigenous peoples and the sustainability of cities.

This may not be instant love, but it certainly could become a lovely marriage of convenience if Messrs. Lula and Martin make the relationship a priority.

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