

“A Fresh Look At Old Friends”

**Notes for an Address by
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Where Can Canada Really Make A Difference?
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As delivered

Thank you Jamal.

Mr. Douglas Gould, National President.

Ms. Darling - President of the Canadian Institute of International Affairs. Mr. Graham - Chair of FOCAL. Mr. Del Buey - Executive Director of FOCAL. Honoured guests from the Diplomatic Corps. Presidente Quiroga. Dear colleagues. Dear Scholars and Friends of Canada.

C'est un grand plaisir pour moi de vous souhaiter la bienvenue au ministère des Affaires étrangères et du Commerce international - maintenant réunifié - pour cette importante conférence qui, manifestement, m'a l'air d'être un événement très couru.

Quiero dar una muy cordial bienvenida a nuestros amigos del hemisferio igual al cuerpo diplomático. Su presencia hoy es una muestra de su interés y la amistad que existe entre nuestros gobiernos y pueblos.

It is a pleasure to be here, an honour to represent the Department in the Minister's stead, in order to kick off debate on issues of such importance.

The tone of today's discussion will undoubtedly reflect the extraordinary expertise of those gathered. I'm confident it will also prove a spirited exchange. I know our Heads of Mission are also here today, and they are a spirited bunch.

Introduction

A personal comment from the outset. Both the conference title and the themes spelled out in today's agenda are, I suspect, deliberately provocative. There is some tough language embedded in the programme document before you. Certainly, excellent fodder for discussion and debate. And, I welcome the fresh consideration it demands.

However, I caution you now that I'm not inclined to agree with all of the assumptions drawn, in particular an initial point that suggests that Canada's focus on, and its influence in, the region have declined. This is something of a misdiagnosis of how Canada views Latin America and the Caribbean and, I would also suggest, an imperfect and uncalibrated reflection of how the region views this country.

In the company of his North American counterparts, the Prime Minister made it abundantly plain in Cancún last month that developments in the Hemisphere are of strong and abiding interest to Canada. I was in Cancún. I can tell you that North America's Leaders expressed their firm, unambivalent commitment to dialogue and cooperation with the region – including, for example, to the support of stability in Haiti and prosperity and security throughout the Americas.

This morning, I will offer some perspectives on Canada's objectives and place in the Hemisphere. Specifically, I will tackle four essential questions on which it is important, as the gist of this conference programme suggests and with which I agree fully, that we don't fall short in terms of both our analysis and our response:

- What are Canada's interests in the Hemisphere?

the twin corollaries

- What are the challenges? Where are the opportunities?

and;

- How should Canada refine its approach to the Americas, as the countries of the region recalculate their own interests and priorities?

I understand that I have around twenty minutes. I will be brief - so as to ensure time for questions and comments in response. I will welcome both.

The Interests

It will come as no surprise to anyone here that questions of governance, prosperity and security are concentrating minds in this building as they are in the region. Nor does this crowd need convincing that there are sound reasons for Canada to remain keenly engaged in Latin America and the Caribbean.

Our motivations have not changed greatly since Canada joined the Organization of American States (OAS) in 1990 prompted in large part by changes in the region – greater democratization in the region and de-colonization (by that I mean our Commonwealth friends in the Caribbean). But an even more significant factor was the activism of Canadian civil society and NGOs particularly in Central America, whose message was heard loud and clear at the political level.

The same draws have underpinned our entirely deliberate engagement since then.

- the opportunity for trade and investment as economies in the region become more accessible, and the consequent value of encouraging transparent, stable, rules-based environments in which to do business
- the attraction of strategic bilateral and multilateral cooperation on common cause, including the advancement of governance and reform, as well as the strengthening of human security and observance of human rights and the rule of law

- and the need to take action, in partnership with the region, to bolster security and tackle trans-national issues including the environment, health, and crime (drugs trafficking, money laundering, small arms, illegal migration).

Canada's engagement is of course guided by interests shared widely in the region. Prosperity, democracy, rule of law and governance are all hallmarks of the Summit of the Americas process. Concomitantly, the three countries of North America are pursuing common goals through the Security and Prosperity Partnership of North America (SPP) which, in its own way, could act as a template for more integrative activity looking South. This was part of the Cancun discussion just a few weeks ago.

The Challenges

These are interesting, and sensitive, times in the neighbourhood.

There is no doubt that the environment has changed since the 90s - although I'm not convinced the picture today is as negative as some would have us think. Certainly, there are challenges -- it would be disingenuous to suggest otherwise. But, they are considerably more nuanced than many interpreters [and Cassandras] would describe them, including in terms of the infamous lean towards the left – on which some current analysis so often fails to draw a distinction between the types of left-leaning ideologies, or whether one is speaking of ideologies at all.

Profound social and economic inequities, frequent natural disasters, governance challenges, and trans-national crime all pose threats to security at their origin and abroad.

Democracy is delicate in various places and in need of strong international support such as in Haiti. Societies in transition are calling on their democratic systems to

produce rapid economic results and reforms. Disenchantment, when change has not occurred fast enough, has engendered blame - frequently directed, unhelpfully, at other countries or ideologies, or globalization writ large. [One cannot overlook the point; however, the shift in the political landscape has been as a result of democratic processes.]

Populism is the term of the moment. Does its increase represent possible pernicious effects on sustainable economic growth? And is there an impact on energy policies in our hemisphere? Also troubling -- authoritarian pathologies in certain quarters are eclipsing positive developments including on human rights, led by both Governments and civil society, elsewhere. Relations between the United States and some countries within Latin America are seen by many to be more fraught than usual.

The Free Trade Area of the Americas (FTAA) initiative is being projected as an especially divisive issue. For Canada, and many others in the region, the completion of an FTAA remains an important objective. We see the negotiation of a high-quality agreement as key to advancing national prosperity, enabling the kind of health, environment and social programmes that can profoundly improve the quality of life of residents of our countries. Is it moribund - as the conference programme asks? Perhaps. Is there a better hemispheric alternative? Not at the moment.

While there is a broad recognition that economic growth alone -- especially sporadic growth -- is insufficient to guarantee social equity, there are those who are uneasy with the FTAA. Regional trade liberalization has faltered. Some say that the Doha WTO Round must come first. Others propose different development models, such as bilateral FTAs / newly configured groupings.

What does this mean for Canada's engagement in the region, which was ushered into its current phase with the promise of a democratic neighbourhood, freer trade, and

hemispheric unity of vision and purpose expressed through effective multilateralism?
Our friends in the Americas look to us for ideas, reason and moderation.

In responding, we work from our strengths. As a free-market democracy with a commitment to the rule of law and human rights including civil liberties, we are strengthening our engagement with like-minded countries to forge common ground and consensus wherever we can, whether on approaches to governance or on regional security, environmental, and transnational health issues.

The Opportunities

In approaching the Hemisphere, Canada has a distinctive voice and capacities. We also enjoy strategic affinities. Mexico, with which we are working to increasingly close and fruitful effect, both bilaterally and in the context of North American dynamism, as illustrated a few weeks ago in Cancún, is an obvious example. So too is Chile.

Canada's strategic engagement with Brazil is also growing, fuelled by our cooperation in Haiti and intensified by high-level bilateral dialogue.

Our traditional relationship with the Caribbean and now CARICOM has been comprehensive, in terms of common cause with this important sub-region that many Canadians refer to as their other home, and deep. But, we can and should do more – particularly in the light of issues of common interest, including regional security and the impact of natural disasters.

Today, our relationships in the Hemisphere are buoyed by trade and investment

interests¹ and by a consistent [bipartisan] political commitment in Canada to advancing a secure, democratic and prosperous neighbourhood. Two way trade with Latin America and the Caribbean now totals around \$30 billion annually, and indications point to continued growth. [Canadian merchandise exports to Latin America and the Caribbean exceeded exports in 2004 to India, Indonesia, Russia, Germany, France combined.]

Furthermore, Canadian direct investment in Latin America and the Caribbean (including Mexico) reached \$85.2 billion in 2004. And, this investment is spread across many sectors – including, mining, banking, and telecommunications.

Canada's Engagement In the Hemisphere

Unpacking Canada's engagement in Latin America and the Caribbean reveals not unexpected preoccupations with the advancement of governance, the rule of law, human rights / human security, and trade liberalization.

These goals can be traced in the keen focus of Canadian NGOs in the 70s and 80s on governance, human rights, and socioeconomic inequities in the Hemisphere, as well as in a history of successive Canadian Prime Ministers' and Foreign Ministers' contributions to regional peace processes. There are of course more recent examples of effective Canadian diplomacy in the Americas, on which, whether multilaterally or bilaterally, the Department cooperates closely with the Government of Canada interdepartmental community:

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Canadian exports to LAC in 2004: C\$ 7.168 billion (cp 2.994 for Mexico)

Canadian imports from LAC in 2004: C\$ 22.508 billion (cp 13.412 for Mexico)

Thus total bilateral trade with LAC in 2004 was \$29.676 billion (cp 16.406 for Mexico)

In **Haiti**, Canada is working with key hemispheric and international partners, to restore security and stability – supporting reconstruction and reform. Our engagement encompasses a \$180 million commitment – including the deployment of Canadian security expertise: particularly with respect to police. The head of the Electoral Task Force is Canadian.

Success in Haiti will depend in large part on the continued engagement and support of the international community. In this connection, recent declarations from Chile and Brazil that they will stay the course are welcome.

And, in **Colombia**, Canada is contributing \$1.6 million this financial year to assist with demobilization, disarmament, and the peace and reconciliation process, positioning Canada among the top donors and leveraging important support from other international partners.

Elsewhere, Canada supports capacity building in a number of areas, including through: police and military training assistance for natural disasters preparedness and response (annual Caribbean hurricane cycles), security and justice sector reform assistance, election planning and supervision, governance and public service reform, and development assistance.

Through key inter-American institutions, Canada has pursued a balanced agenda promoting democratic governance, economic growth and social development. We are instinctive and, I would add, highly effective multilateralists. We recognize clearly the value of partnership in advancing our ideas.

There is a sophisticated set of multilateral institutions within which to work – such as the Organisation of American States – where we have now enjoyed 16 years of active and I would emphasize dynamic membership, and to which Canada remains the second

largest contributor after the United States.

An example of how Canada is making a difference in that forum: one of Canada's contributions to the OAS was the creation of the Office for the Promotion of Democracy, which, since the 90s, has helped strengthen democratic governance and electoral processes in the region. And, this is our niche.

Summit Process

Canada is keenly conscious of the importance of cooperation in our Hemisphere. The Summit of the Americas process launched in 1994 in Miami energized hemispheric cooperation and dynamics, delivering guidance from the highest levels.

Canada promoted a balanced hemispheric agenda of democracy, prosperity and the realization of human potential, at the 3rd Summit of the Americas in Quebec City in 2001 -- which led to flagship agreement on the Inter-American Democratic Charter. Signed in Lima on that fateful date of September 11, 2001, the Charter is the only such regional commitment to democracy in the world. It was a remarkable accomplishment. [In fact, Secretary Rice told Minister MacKay last Thursday in DC that she saw value in getting back to the Quebec City Summit principles.]

Between the 3rd Summit in Quebec City, a high-water mark in terms of hemispheric consensus, and the fourth in Mar del Plata, the dynamics of the Hemisphere changed significantly. Commitments to common purpose declined: impulses toward common action weakened. This was the reason that Mexico agreed to host an interim, Special Summit of the Americas in January of 2004.

As past Summit of the Americas hosts, Canada and Mexico later worked closely together in preparation for the Fourth Summit of the Americas, held in Argentina in

November 2005. I was there in my “Sherpa” capacity with former Prime Minister Paul Martin. In many ways, that Summit was a watershed event – an opportunity for those espousing new socioeconomic models to debate those promulgating more traditional models.

Equally, and notwithstanding disappointments attached to the outcome on the Free Trade Area of the Americas, cooperation at the Mar del Plata Summit, in support of shared priorities in the Hemisphere, was close and effective.

Concrete results were achieved. The final declaration and Plan of Action succeeded in building upon the balanced agenda for democracy, prosperity and realizing human potential agreed in Quebec City in 2001. The separate Leaders' statement on Haiti, a Canadian initiative which enjoyed universal support, was an important development from Canada's perspective.

Of course, summits must - inevitably - be measured by governments' willingness to be politically accountable for their results and the collective desire to continue the summit process. This has always been something of a challenge: cynics would say an impossibility. But, I would agree that we are now at a critical juncture.

A key message we delivered in Mar del Plata, and which we've amplified since, is the need to strengthen inter-American institutions, and improve coordination among them (OAS, IDB, PAHO) to implement Summit mandates. This is crucial.

Trinidad & Tobago has now confirmed its offer to host the 5th Summit of the Americas in 2009. Work was launched on Summit mandates with the holding of the first meeting of the Summit Implementation Review Group (SIRG) in Washington DC on April 18. At this meeting, Canada argued with some success, for the need to agree on a clear and effective Summit implementation process. Foreign Ministers will meet at the OAS

General Assembly on June 5 to review implementation.

By engaging the Hemisphere through the Summit process, and through key partner institutions such as the OAS, we know that we have been able to advance goals – when progress might not otherwise have proven possible.

Conclusion

Having had the pleasure to work on and in the Americas for most of my career, experience has forced me to accept that there can be limitations on our engagement. In this connection, we must have clear objectives and realistic expectations about what we are able to do and how we can make a difference.

This is particularly true during a period of minority government - which presents its own challenges to engagement through, for example, the restrictions it imposes on Ministerial travel. However, the same experience gives me no pause in assuring you that we are committed to testing those limitations.

You will see that commitment reflected in the calibre of the Heads of Mission we dispatch to the region, and in the officials working in Ottawa. It is also evidenced in Canada's keen multilateral engagement on issues important to the Hemisphere – both through the United Nations and the OAS.

You will each, no doubt, have views on how we can do and realize more in a region we can rightly call our own. I hope to hear some of them now, and will look forward greatly to the report on today's discussions.

Buena suerte en sus deliberaciones.

