

From the Bleachers

Speech on Latin America and the Caribbean
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CIIA/FOCAL Conference ' Where Can Canada Really Make a Difference? A Critical Look at Neglect and Opportunity in Latin America and the Caribbean'

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A long time ago, when I had completed my probation as a new entry foreign service officer, the head of Personnel in the Department of External Affairs invited me to his office.

"Well Graham", he boomed. " We have a very important assignment for you. We are going to send you to ...", and he looked down at the paper in front of him. "We are going to send you to Ciudad Trujillo." Looking up, he said "Where the hell is that?"

I knew where it was and that it was formerly Santo Domingo until the dictator Trujillo named it after himself. My visions of Rome and London vaporized and my heart sank. The hemisphere, below the Straits of Florida, was barely visible to Ottawa and clearly, to many, Ciudad Trujillo, was not visible at all. Soon after, when I saw the head of the then brand new Latin American Division, it did not help when he said that this was a rough part of the world and recommended that I take a pistol. It helped even less when I was greeted at Generalissimo Trujillo airport by my predecessor who was carrying a pistol, tucked under his guayabera.

That was 1960. Government awareness of the region has evolved enormously since then. But it has always been catch up - and it still is. Trade, investment, insurance, mining, banking have been some distance ahead of government.

An invitation to join the OAS's first incarnation, the Pan-American Union, was issued to Canada by President Taft's Secretary of State. Admittedly, it was sent to us at that time to annoy the British. But it was not until 1990 and after many years of dithering, that the Canadian Government (Mr. Mulroney was Prime Minister) finally decided to recognize more explicitly the political existence of the hemisphere and join the OAS.

The judgment about the importance of the OAS and about giving increased priority to Latin America were made despite a good deal of skepticism across the country - skepticism rooted largely in the prevalence of myth and ignorance about potential for Canadian benefit in the region.

As it happened, Canada took its new hemispheric responsibilities seriously. Mr Clark was Minister of External Affairs. Almost immediately, Canada became a key player in determined and successful efforts to confer upon the OAS effective sanctions machinery that would deter coup d'etats. It is not altogether an accident of history that since the expulsion of President Aristide (his first expulsion - this one in 1991), there have been no successful military coups in the hemisphere.

In other areas, notably CICAD (the OAS commission on drugs), Canada has played an active and valued role. The session this morning on trade and investment illuminates the magnitude of Canada's stake in the area. Who would have believed that Canada's investment in Latin America and the Caribbean is almost three times that in Asia?

And that is the problem. Very few people know these figures or are aware of the role that has been played by Canada. Consequently there is not enough support the role that can be played. This will echo some of what was said this morning by Pablo Bréard - but two days ago I was talking to another Vice President of another Canadian Bank, also active in the Caribbean who said this is "a tremendous area of unrealized opportunity". With some exceptions, and especially the splendid surge of interest in the hemisphere that accompanied Canada's hosting of the 2001 Summit of the Americas in Quebec City, in

the last decade governments in Canada have not conferred upon Latin America and the Caribbean the priority that geography and self-interest would suggest.

The now apparently deceased International Policy Statement put Mexico high on the list, accorded little attention to Latin America and ignored the Caribbean.

All of this begs the question of why we are not paying more attention to the area when it is so plainly to our benefit to do so. I am no doubt prejudiced as some of them buy my drinks, but I have to say that the problem cannot be laid at the feet of the senior officials dealing with the region or with the dedicated professionals who are our ambassadors and high commissioners. Across the region they are handicapped by niggardly support. Unlike the rest of the world, a Canadian ambassador in Latin America has the chance to be among the most influential heads of mission in their respective capitals.

But, without a minimally resourced Foreign and Trade Ministry, we lose our competitive edge in all three of the traditional pillars: trade, peace and culture. We face better-funded competitors with much better ratios of national over locally engaged officers. Overseas, Canada is expected "to punch above its weight". That happens - but less and less because it is difficult when our global foreign policy lacks coherence and when the boxer's stomach is on short rations.

I am drifting into the symptoms. Inevitably, the problem has something to do with competition from other geographical areas. It has a lot to do with a longstanding intoxication of governments with our status as a member of the G8. Canada is not a great power with great power resources, but so far, we have been unable to shed our G8 pretensions. We have attempted for too long to maintain a global profile with a distinctly non-global budget.

The robust advocacy of the last several years to reverse the declining effectiveness of Canada's armed forces is showing results - good results. But you cannot run a cohesive foreign policy on tank treads alone. If our self-interests overseas (including Latin

America and the Caribbean) are to be served, the country will require adequately resourced diplomatic, development and immigration tools. To repeat - most of our serious competitors are better equipped in this respect than we are. And this and the presence of so many ambassadors and high commissioners, leads me to another anecdote.

A few years after my adventures in the Dominican Republic, I was - to my surprise - posted to London. There as a junior officer, I was asked by the then High Commissioner, Charles Ritchie, to be a note taker at a European heads of post meeting which was being held at the High Commission. There was a buzz among the assembled ambassadors as they were to be addressed by the newly elected Pierre Trudeau. You may recall that this was the time of pirouettes and sliding down Royal banisters.

Trudeau opened his remarks by saying how humbled he was to be talking to some of the great men who had helped shape post-war institutions. However, his remarks soon took a different tone. They evolved into a sort of Mark Anthony on the death of Caesar speech - delivered to the Canadian Foreign Service. Trudeau concluded by scolding the Ambassadors for their closed minds. He urged them to literally open their windows and talk to their third secretaries. In some degree, he was right. There was complacency among some of the old guard. But on balance, it was as unfair as it was unexpected. Obviously reinforced by our shrunken place in a larger world, this speech marked the beginning of a descent in the place of foreign policy and foreign service machinery within the government of Canada. Those days are gone and should not be resurrected in their old shell. We have moved into a whole of government mode that reflects a much-changed world. Nevertheless, the Trudeau period set a tone in the Langevin bloc that continues to handicap leadership and delivery overseas.

But, of course, as you will have noticed, there have been some changes recently in that bloc and in some other neighbouring buildings. It is too soon to know much about the foreign policy directions of these changes - and so, as advertised - the purpose of this conference is to make suggestions about the direction of change.

While I am grumbling about the need for change, I would like to repeat one of the remarks made by Derek Burney in a speech about two weeks ago at the Chateau Laurier. He paraphrased Arthur Kroeger's concern about over-zealous efforts to insure greater accountability that "may become a license for pointless rule machinery or procedures that will ultimately thwart efficiency in government". From some of the early vibrations coming out of these walls and others around town, the risk averse, accountability to a fault syndrome may be getting worse.

But that is again a complaint about a global issue. Let me return to the region. As intended, a number of speakers have addressed the need for remedies. At the top of my list is a change of priorities by government, which would be function of a changed and more realistic perception of Canada's place in the world.

To paraphrase the conference title, this will involve an understanding that our own hemisphere is a region where we have the potential to make a difference that we don't have in most other parts of the world. Perhaps that's professional bias on my part, but the case is strong.

Investment and trade are powerful components. We have heard the figures and compelling arguments about opportunities. On trade, the broad multilateral route, the Free Trade Agreement of the Americas (the FTAA) is effectively frozen. But bilateral routes, such as the very successful one we have taken with Chile, are open to us. Three such agreements were proposed by previous governments: the Central American Four (Guatemala, El Salvador, Nicaragua and Honduras), the Dominican Republic and CARICOM. However, negotiations on all three have been stalled for several years. In the case of CARICOM, commitments to proceed were made twice by Prime Minister Chrétien and once by Prime Minister Martin. Not surprisingly, there is puzzlement and some irritation. Parallel movement on all three fronts is not possible because the machinery can only cope with one at a time. However, prompt movement on one and the scheduling of others, including Canada/Mercosur, would be a welcome signal.

Making the case for the region is as much about the assessment of risks as it is about the assessment of benefits. As Mr. Clark has pointed out, the wobbly line that runs through the Caribbean and comes out on the West coast of Mexico has become a real Canadian border - our most porous and dangerous border. In peak season there are at least 56 direct flights to Canada from the Caribbean every day. There are scores of ports with people leaving directly for Canada. Most of our non-domestic marijuana comes from the Caribbean basin. More than 80 % of the cocaine consumed in Canada is transhipped through the Caribbean. Traffic in weapons and illegal persons take the same routes. Caribbean and most Latin American countries do not have the resources, the technology or the skilled personnel to confront this problem by themselves. In some cases they are vulnerable to compromise by organized crime.

The Canadian government is aware of these hazards and is doing something about them. The RCMP, the Department of National Defence, Foreign Affairs, CIDA, Transport Canada, the Canadian Borders and Customs Agency, have programmes in the region - often in collaboration with countries such as the UK, the US and the Netherlands.

There are successes. But on balance the battle against organized crime and corruption and its sophisticated technology is not going well. For our part, we have neither the resources nor the policy framework to be proactive. As this border becomes more dangerous, a reactive posture is not enough.

I have not yet talked about health. Approximately one in thirteen Canadians travel to this region annually (mostly the Caribbean and Mexico). Travel to other parts of the globe does not compare. The incidence of communicable diseases is rising in the Caribbean area and, despite their best efforts, local authorities lack the resources and up to date technology to monitor and take adequate preventive measures. Health Canada is rightly concerned and along with the Pan American Health Organization is taking action. Like the governments in the region, they are concerned about vulnerability to pandemics. But again, it is increasingly recognized that not enough is being done.

That venerable ambassador, Paul Durand - he's almost as old as I am -, provided a very good snapshot of the OAS and our inter-American system. Let me add a few words.

The OAS has a key role in preserving fragile democracies, and attempting to curb drug production and transshipment. It has an enviable record in these areas. But it is in trouble. The inter-American system is showing cracks and its directing body, the Summit of the Americas is in a slump. Despite the usual excess of rhetoric and too many unactionable action plans, Summits of the Americas are important. When they work, they help to knit the hemisphere together in common purpose. Some aspects of last November's Summit in Mar del Plata served this end - for example the attention given to indigenous peoples and to sustainable and democratic decentralization. However, the up parts did not make up for the down parts. It was the least successful of a line of Summits in the Americas that runs back to 1994.

What went wrong? One answer is that the distemper at the last summit was the result of abrasions and a lack of commitment to constructive objectives. Summit disarray was a reflection of hemispheric disarray.

Another reason was the absence of credible, forward-looking leadership. The traditional hemispheric leaders have been otherwise engaged or distracted. American leverage has never been so diminished. The one serious attempt at to exercise Pan-American leadership comes from Hugo Chavez - an increasingly effective, if not exactly consensus building, international operator and exploiter of resurgent anti-Americanism. The omens preceding this Summit were not promising. Six Caribbean Prime Ministers, almost one half of the Commonwealth Caribbean, feeling marginalized or irrelevant to the polarizing conflicts in the wider region, decided not to attend.

We should be equally concerned about the state of the Summit's central delivery system - the Organization of American States. It is not possible to overstate the importance of securing the finances upon which the OAS and the wider inter-American system depend.

With non-discretionary expenditures assuming a growing proportion of the budget and with a quarter of the membership in arrears, the OAS is moving toward a partial paralysis when all funds from the regular budget are assigned to salaries and pensions leaving nothing to discharge its mandate except voluntary contributions. (The only good news is that these represent about half of the budget). At the centre of this quagmire is the refusal of too many states (as recently as a Special General Assembly in February) to come to grips with quota reform. The OAS needs a UN formula. It is legally bound to pay its employees at UN rates, but has so far failed to obtain agreement the annual payment quotas would be automatically adjusted by a formula involving cost of living increments. It is this formula that allows the UN to survive and it is without this formula that the OAS slides toward insolvency.

The noise and anguish about money suggest that the OAS regular budget must be in the billions. Far from it. At about \$76 million, we are probably talking about the costs of a very small Canadian university. (Carleton in Ottawa costs about \$300 million annually.)

A solution is important because the OAS has a significant role and one that is important to Canada. At their best the OAS and the Summit of the Americas system nudge the region toward better governance, greater accountability and more attention to the scourges of drugs and human rights abuse. It has been and should remain the hemispheric damage control agency. To do this it needs reliable funding and solid commitment from its members and stronger leadership from countries like Canada.

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As you have heard today, there are extraordinary opportunities as well as formidable challenges. The opportunities include doing a number of things that would help our US ally - some things, which in the present diminished American stature in the region, they can no longer do so easily for themselves. But more important, there are particular Canadian values and interests, which should be the primary motor of a reinvigorated policy in Latin America and the Caribbean - as distinct from those where the American cart is in front of the Canadian horse.

Finally and importantly the timing is right.