

# Ottawa's Struggle to Emerge From the Hemispheric Shadow

Written by W. Alex Sanchez and Trent Boultinghouse

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## Ottawa's Struggle to Emerge From the Hemispheric Shadow

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W. ALEX SANCHEZ AND TRENT BOULTINGHOUSE, DEC 7 2012

When Stephen Harper assumed his position as Canada's Prime Minister in 2006, those in tune with Canadian politics had already deemed him noteworthy simply for leading the Conservative Party, a center-right coalition whose policies had traditionally been in opposition to Canada's historically liberal political tradition. Outside the perimeters of his predilections, however, Harper's foreign policy initiatives towards Latin America and the Caribbean (LAC) have drawn upon a chapter of Canadian history that has continuously balanced an unabridged embrace of Latin America's affairs between the wishes of its neighbor, the United States.

Today, a series of changing power structures in the hemisphere has placed Harper and his government into a crucial juncture for determining how Canada's economic interests will be rooted in the region for the decades to come. Long behind the shadow of the liberalized economic wishes of the United States, Canada suddenly has found itself in a position to embrace its own sovereign trade initiatives with its hemispheric neighbors, although it has embraced this spotlight somewhat reluctantly in what could easily be described as too little, too late. One could argue that Canada's current dilemma is to try and develop a comprehensive LAC strategy at a time when the liberalized trading policies of its primary trading partner, the United States, have fallen out of favor with more protectionist LAC economies in the region.

### John Diefenbaker and the Precedent for Hemispheric Tentativeness

It is an understatement to say that Canada's relationship with Latin America and the Caribbean has been complex. Indeed, the "other North American country" has struggled to differentiate its own foreign policy towards Latin America apart from the stances of the United States, a dichotomy that troubled the administration of Canadian Prime Minister John Diefenbaker (1957-1963), who served as one of Canada's most vocal proponents of increased Latin American relations in the previous century. Diefenbaker's term provides an interesting case study in the history of Canadian-LAC relations, for it came during the tensioned decade of Cold War sentiment sweeping across the hemisphere. The prime minister consistently deferred Canadian membership in the Organization of American States (OAS) until beyond his term. While certainly not as relevant in 2012 than the 1960s, membership to the OAS was seen by many Latin American governments of the day as the most tangible expression of diplomatic relations between the two parties, and fears of acquiescing to the White House's diplomatic crusade against communism, starting with Washington's October 1960 economic blockade against Cuba, set Canada back in the final decades of the 20<sup>th</sup> century.

Against the wishes of then-American President John F. Kennedy, Canada continued to maintain economic relations with Cuba, seeing no need to adhere itself to what many interpreted as a reactionary, if not misguided, interventionist strategy with its louder neighbor. Here, Diefenbaker once again resisted pressure by President Kennedy to join the OAS, as part of the grand scheme of his Alliance for Progress. One academic opines that Diefenbaker, "was concerned about the level of commitment that would be required of his country." Moreover, the Canadian statesman's, "interest in Latin America came at an unfortunate point when the region was facing deep social and political unrest and was coming to the fore as a Cold War battleground." [1] Canada achieved Permanent Membership status in the OAS in 1973 and did not become a full member until 1990. [2]

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## A Modern, but Tardy Hemispherical Embrace

Apart from economic interests, or maybe because of them, Ottawa has cultivated an undeniably budding presence in Latin American political developments beginning with its negotiations in the North American Free Trade Agreement in 1992. This involvement has ranged from stepped up Canadian private sector activity in the region to a continuous flow of political rhetoric, as evidenced by Ottawa's less-than-timely reaction to the 2009 *coup d'état* in Honduras.

What is clear is that Canada has used its economic potential to drive its relations for increased trade and development throughout the region. According to a 2011 article in the *Journal of the Society for Latin American Studies*, "whether led by Liberal or Conservative governments, the state has aggressively sought to position Canadian capital as a major economic player in Latin America since the 1990s."<sup>[3]</sup> Amidst its efforts to increase trade with traditional giants such as Brazil and Mexico, for example, Canada has also held a historically special relationship with the islands of the Caribbean, which are parts of the British Commonwealth, like Ottawa.

For example, one obscure relationship is Canada's ties with Barbados. A country profile in the government of Canada's official website proudly describes Canada's 1907 opening of a trade office in Barbados, which has helped banks such as the Canadian Imperial Bank of Canada and the Bank of Nova Scotia to establish a rooted presence in that country.<sup>[4]</sup>

In addition, since the end of the 1980s, Canada has taken a number of initiatives to increase relations with the Caribbean. Most of these stem from trade measures as well as direct investment. Canada's Library of Parliament published a report in August 2011 which discussed trade relations between Canada and the Caribbean Community (CARICOM). The comprehensive report explains that, "in 2010, Canada's bilateral relations merchandise trade with the CARICOM countries totaled \$2.4 billion [USD], consisting in \$0.8 billion [USD] in Canadian exports to, and \$1.6 billion [USD] in imports from, the CARICOM countries." (p. 1). The article goes on to explain that Canada's most important export products to CARICOM in 2010 were ores, slag, and ash, while its major import products were precious metals, jewelry and coins, as well as energy-related products (p. 2). In other words, Canada's main interests regarding the Caribbean appear to focus on trade growth, a strategy that has been generally successful over the past decades.

Nevertheless, Canada has not stretched this focus to all Caribbean states, which have not continuously increased. A May report in Jamaica's daily *The Gleaner* explains that trade between Jamaica and Canada has shrunk in the last four years. To remedy this situation, Canadian companies such as Solamon Energy Corporation are looking for energy investments in the Caribbean island. The article explains that SEC was in discussions the construction of a solar power plant, while another, "energy company is said to exploring the supply of compressed natural gas (CNG) to Jamaica." Also, a Barbadian trade mission, sponsored by the Barbados Chamber of Commerce and Industry (BCCI), visited Canada this past September. The President of the BCCI stated that the organization aims to create bridges for Barbadian companies to showcase their products and services including tourism.

## Arms Sales and Security Relations

While Canada is not particularly known for its arms sales, it does have a thriving military industry. According to a March 2011 report in *CBC News*, "between 2007 and 2009, Canadian companies exported about \$1.4-billion [USD] in arms with the United Kingdom, Australia and Saudi Arabia topping the list of buyers." Interestingly, no Latin American country ranks between the top 10 Canadian arms importers. According to public data by the Canadian Department of Foreign Affairs and International Trade, arms exports by Latin American states summed up to generally low amounts. For example, Brazil imported \$685,278 USD worth of military equipment in 2007, but jumped to \$15,790,600 USD in 2009. Meanwhile, Colombia imported over \$7 million USD in 2009 while Peru barely imported over \$1 million USD.

Meanwhile, the Stockholm International Peace Research Institute (SIPRI) provides more in-depth data about the type of military equipment being sold to Latin America. According to SIPRI's Arms Transfers Database, countries like Argentina, Brazil, and Ecuador have mostly been importing turboprops from Canada in recent years for warplane

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repair. In addition, Peru has purchased a number of Twin Otter transport aircraft from Ottawa while the Dominican Republic has obtained several light helicopters.

Finally, it is important to highlight that security relations do not just occur thanks to arms sales. In fact, Canada has strived to increase friendly military initiatives with Western Hemisphere nations besides the United States. For example, the Canadian frigate HMCS Regina visited Peru in September 2007. Moreover, according to a statement in the official website of the National Defense and the Canadian Forces, "Argentina, Brazil and Chile are the focus of most defence relation activity in South America, where we have correspondingly stronger political and commercial ties."

## **Diplomatic Trips**

In order to increase trade and political relations, in recent years it has become standard almost for Canadian government officials to visit Latin American and Caribbean states. For example, in August 2010, Peter van Loan, then-Minister of International Trade, did a five-nation tour of the region, which included Chile, Argentina, Colombia, and Costa Rica.[5] More recently, Ed Fast, the new international trade minister, visited Colombia, Peru, Chile and Mexico from April 11-20. Fast took the opportunity while in Lima and Bogota to highlight the benefits of the free trade agreements that Ottawa signed with both countries (in 2009 and 2011 respectively).[6] At the end of the tour, Fast stated that:

"Preferred access to fast-growing markets around the world like those found in Latin America gives Canadian businesses and workers a competitive edge." [7]

Moreover, Prime Minister Stephen Harper carried out a four-nation tour in August 2011, which took him to Brazil, Colombia, Costa Rica, and Honduras. Harper's visit to Brasilia was to arguably repair ties between the two countries as they had, "become rocky in past years, especially amid disputes over government subsidies for Brazil's Embraer aerospace conglomerate and Canada's Bombardier, Inc. aircraft manufacturer." [8] At the time, a report by the Canadian Press explained that:

"The Conservative government is eager to make inroads with Brazil in particular, the world's seventh-largest economy and expected to rise to No. 5 within a few years. But doing a deal with Brazil is tricky. Brazil needs the consent of Argentina, Paraguay and Uruguay – members of a common South American economic bloc called Mercosur – to enter into such an agreement." [9]

Harper's official government website stressed the success of his 2011 Latin American tour, highlighting that over 20 initiatives were signed. Some of them included an agreement to open three new Visa Application centers with Brazil, Colombia's accession to Canada's Military Training and Cooperation Program and a Canadian declaration to "support to help address regional security challenges in Central America, including Honduras." [10]

## **Controversies: from Cuba to The Honduras Coup**

In spite of mostly trade initiatives, Canada has been involved in a number of controversial issues regarding the Western Hemisphere. One immediately thinks of how Ottawa has maintained relations with the Cuban government instead of joining Washington's embargo on the island. Outside of this, a May 2012 op-ed by Peter McKenna, a Canadian academic, explains that "[Canada] need[s] to jettison the ideologically tinged rhetoric of [its current conservatives] and focus on positive interaction, co-operative dialogue, and commercial exchange." The professor also proposes that Foreign Affairs Minister John Baird might be well advised to undertake an official visit to Havana in the coming months, which could set the stage for a prime ministerial visit to Cuba or a visit by a senior-ranking Cuban government official to Canada. In a recent conference held in Washington D.C., a senior Canadian diplomatic official explained that Ottawa regards its continued relations with Havana as a way to assert that, "Canadians are not Americans." The official went on to explain that Ottawa's relations with Havana do not signify that it is in favor of the current regime or that it supports its practices, but that the Canadian government is convinced that positive engagement is necessary to bring about change in the island, instead of an embargo.

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In addition, Canada has been indirectly involved in another controversy in 2009, when there was a constitutional coup in Honduras that saw President Manuel Zelaya ousted from power. Ottawa has not been accused of promoting or actively supporting the coup, but it has been critiqued due to its passive and neutral stance when the coup occurred. Moreover, after the coup occurred, Ottawa and several Canadian industries jumped at the opportunity to have relations with the new government. A 2010 analysis by the Latin American think tank NACLA argues that, "Canadian government officials never liked nor trusted Zelaya. Although they did not break ranks with the Latin American countries and the rest of the international community calling for his restitution, they were privately relieved that he was not restored to power." [11]

## **Analysis**

Perhaps augmenting the problem for Canada first is the rise of regionalism and protectionism correlating with the current permeation of left-of-center governments in Latin America.

Thus, the Canadian private sector has largely spurred the diaspora of Canadian dollars into the southern part of the hemisphere, largely on the drivers of extractive natural resource projects like mining and oil production. Yet, these industries are hardly sustainable initiatives for a new Ottawa-LAC relationship primer. For starters, many resource-rich regions such as Bolivia's Salar de Uyuni, for example, have a selective history of which foreign multinationals are allowed to enter the country and invest in valuable natural resources. This is an issue that is especially amplified given that much of Latin America lacks sufficient central regulatory bodies. Inevitably, these claims gave rise to legitimate concerns about pollution and environmental damage on the part of the companies.

In addition, while there have been government and private sector initiatives in the region, research and educational studies in Canada regarding Latin America have been slow to emerge. For example, Canada's lone think tank on Latin America, the Canadian Foundation for the Americas, closed its doors in 2011, after operating since 1990. [12] Thankfully, Canadian institutes for higher learning have increased their interest in the rest of the continent in recent years, exemplified by York University's Center for Research on Latin America and the Caribbean. Here, the university's researchers have carried out studies on provocative subjects like land rights in Ecuador and the marginalization of women in Brazil, in addition to an analysis of Uruguayan governance. [13]

## **How can the Relationship Improve?**

Trade between Canada with Latin American and Caribbean states is only expected to grow in the coming years, especially as Ottawa has decreased its exports to the United States ever since 2005. .. However, is this enough? While there have been a number of diplomatic initiatives, including high level trips by Prime Minister Harper to the region, Ottawa does not appear to have a comprehensive strategy or doctrine when it comes to dealing with the region in the vein of what Washington has developed over the centuries (such as the Monroe Doctrine, Roosevelt's Good Neighbor Policy, or JFK's Alliance for Progress come to mind).

As other studies and ongoing media reports have clearly shown, Latin America and the Caribbean have increased their political and commercial ties with a variety of regions of the world. Besides major markets like China and the European Union, LAC states have also approached previously unknown regions, such as the Middle East. A major example of this is this year's conference between South American and Arab states that took place in Lima, Peru. [14] South Korea recently held a seven-day convention called "Korea-Latin America Economic Cooperation Week" to celebrate 50 years of ties between the Asian state with LAC. [15]

Given the billions of dollars in potential trade, and coupled with Washington's current focus elsewhere in the world, Ottawa would be well advised to develop a comprehensive doctrine or strategy with regards to its relations with the rest of the Western Hemisphere. Whether the Harper administration can continue to forge an inroad that avoids traditional hiccups of past measures remains to be seen. Yet, a Canadian official expressed his doubt in the doctrine's materialization recently with these authors. In a somewhat cynical contention, the diplomat revealed that, "[he doesn't] think Canadian attention to the Americas will reach 1990s or 2000s levels for quite some time."

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[1]AsaMcKercher. "Southern Exposure: Diefenbaker, Latin America and the Organization of American States." *The Canadian Historical Review*. Vol.93 / No. 1. March 2012. P. 80.

[2]The Organization of American States. Foreign Affairs and International Trade Canada. International Organizations. Available: <http://www.international.gc.ca/americas-ameriques/oas-oea/index.aspx?view=d>

[3]Todd Gordon & Jeffery Webber. "Canada and the Honduran Coup." *Journal of the Society for Latin American Studies*. Vol.30/ No. 3.2011. P. 329.

[4]The article also explains that Canadian security agencies such as the Royal Canadian Mounted Police, Canada Border Security Agency and the Department of National Defense have provided technical assistance to the island.

[5][http://www.international.gc.ca/commerce/visit-visite/latin-america\\_amerique-latine2010.aspx?lang=eng&view=d](http://www.international.gc.ca/commerce/visit-visite/latin-america_amerique-latine2010.aspx?lang=eng&view=d)

[6][http://www.international.gc.ca/commerce/visit-visite/latin-america\\_amerique-latine\\_2012.aspx?lang=eng&view=d](http://www.international.gc.ca/commerce/visit-visite/latin-america_amerique-latine_2012.aspx?lang=eng&view=d)

[7][http://www.international.gc.ca/media\\_commerce/comm/news-communiques/2012/04/20b.aspx?lang=eng&view=d](http://www.international.gc.ca/media_commerce/comm/news-communiques/2012/04/20b.aspx?lang=eng&view=d)

[8]<http://www.americasquarterly.org/node/2760>

[9][http://www.huffingtonpost.ca/2011/08/08/stephen-harper-brazil-visit\\_n\\_921012.html](http://www.huffingtonpost.ca/2011/08/08/stephen-harper-brazil-visit_n_921012.html)

[10]<http://www.pm.gc.ca/eng/media.asp?category=1&id=4260>

[11] Cameron, Maxwell & Tockman, Jason. "A Diplomatic Theater of the Absurd: Canada, the

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[12]<http://www.focal.ca/>

[13]<http://www.yorku.ca/erlac/publications.htm#working>

[14]<http://www.aspa3.com/>

[15]<http://view.koreaherald.com/kh/view.php?ud=20120924000806&cpv=0>

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