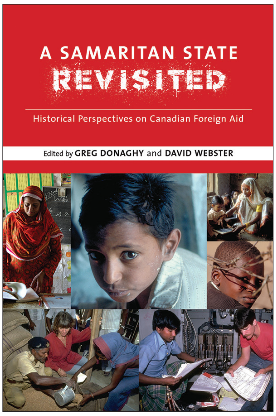


# A SAMARITAN STATE REVISITED: HISTORICAL PERSPECTIVES ON CANADIAN FOREIGN AID

**Edited by Greg Donaghy and David Webster**

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# One Size Fits All? Canadian Development Assistance to Colombia, 1953–1972

*Stefano Tijerina*

With the exception of Haiti and the Commonwealth Caribbean, the nations of the Western Hemisphere remained largely excluded from Canada's bilateral aid agenda until 1968. As earlier chapters in this collection make clear, Canadian aid programs in the 1950s and early 1960s were geared toward South and Southeast Asia as part of the Commonwealth's Colombo Plan. Extending official development assistance (ODA), however, was not considered a viable foreign policy strategy for building relations in Central and South America, and portions of the Caribbean.[1] Instead, Ottawa policy makers largely responded to Canadian private sector interest in establishing an official bridgehead in the Western Hemisphere. Government was intended to play, as US historian Emily Rosenberg expresses it, a "promotional" role helping Canadian business compete against other Western private interests.[2] "Government support of private business activities," argued Canadian historians K. J. Rea and Nelson Wiseman, "has been a dominant theme in Canadian economic history."[3]

Canadian governments shared Washington's operating "assumption that the growing influence of private groups abroad would enhance the nation's [external] strategic and economic position."[4] It also believed that “private impulses, more than government policies,” would facilitate capitalist expansion across the Americas. Fearful that Canada’s smaller private sector would fare poorly against American and European competition, Ottawa recognized the need for a more aggressive promotional state.[5] Consequently, the Canadian government implemented a series of government-business strategies in order to expand their trade relationships in the region, including the establishment of official diplomatic relations, the advancement of trade missions, and eventually the implementation of ODA policies in the 1970s.

Official diplomatic relations were established in the region during the 1940s and early 1950s, a process spearheaded by a 1941 trade mission to Latin America headed by Liberal trade minister J. A. MacKinnon.[6] The close government-business partnership in the region was reaffirmed in 1953, when another Liberal trade minister, C. D. Howe, led a second “goodwill” trade mission to Latin America, leaving little space for ODA initiatives. Commonwealth and Francophone ties in the Caribbean, promoted by anglophone and francophone interest groups in Canada, eventually resulted in ODA hemispheric initiatives, finally reaching other selective portions of the hemisphere in 1963 through the Inter-American Development Bank (IDB).[7] Bilateral aid allocations for Latin America came five years later, as part of Prime Minister Pierre Trudeau’s trade diversification strategy, which targeted ODA to “places and projects” where Canada’s “bilingualism . . . expertise . . . experience . . . resources and facilities” could “make possible an effective and distinctively Canadian contribution.”[8]

In the search for instruments to enhance the Canadian promotional state, ODA surfaced as a crucial tool to advance private interests in the region. A market-driven aid agenda, tailored for parts of the Latin American region throughout the 1970s, reaffirmed the dominant class theory of the promotional state advanced by such Canadian scholars as Cranford Pratt, who argued that business elites played an influential role in the design of Canadian foreign policy.[9] The 1953 “goodwill” trade mission, the 1956 sale of Canadian jet fighters to the Colombian air force, and Trudeau’s market-driven ODA initiatives illustrate the promotional state in action. In these three instances the Canadian government served as a facilitator for business interests, helping them secure an advantageous position within the Colombian market through the experience of a seasoned bureaucracy.

Colombia was one of the nations targeted by the Canadian government-business partnership because its resources and economic potential remained untapped as civil war in the 1950s blocked foreign interests from fully capitalizing on the nation's modernization.[10] The country was among the first recipients of Canadian multilateral development aid after 1963, through the IDB, which provided US$50 million for Canadian procurement over a five-year period, giving Canadian business market access.[11] The country subsequently became one of the key ODA recipients under Trudeau's expanded program. These aid ventures allowed Canada to enter the multilateral game in the region and enhance its bilateral trade relations.[12] The Colombian case study illustrates the exploitative and opportunistic nature of Canadian ODA, answering the titular question of Keith Spicer's book, *A Samaritan State?,* with a resounding negative.

For Spicer, Canadian aid was motivated by a combination of three broad "humanitarian, political and economic considerations."[13] Colombia's experience suggests that the motive was almost purely economic. Specifically, the case study in this chapter illustrates the tensions that Stephen Brown highlights between self-interest and altruism at the institutional level, revealing how the government-business partnership used ODA policies to advance business interest in Colombia through such signature projects as the Alto Anchicaya hydroelectric project. It juxtaposes the cold war political strategies discussed by Asa McKercher with the market-driven approach that was dominant in Colombia. Ultimately, it focuses on the international relations that unfolded between the two countries prior to and during the implementation of Trudeau's diversification policies, complementing the macro-strategic views outlined by Laura Macdonald in chapter 11 of this volume.

## Howe's "Goodwill" Trade Mission

Canadian-Latin American relations grew steadily during the Second World War. Venezuela, for example, emerged as a key supplier of oil for the Canadian economy, replacing Colombia by the mid-1940s.[14] By the early 1950s, Canada had established diplomatic relations with the majority of nations across the Western Hemisphere, intensifying trade with the region.[15] Canada, indicated the Department of Trade and Commerce, had achieved an advantageous position in the region as a result of the war, which it would continue to occupy as the region turned toward new trade partnerships to replace industrial and technological imports that had traditionally come from war-torn Europe.[16] This trend incentivized Canada's private sector to focus on the expansion of the Latin American and Caribbean markets.

Liberal prime minister Louis St. Laurent's government embraced this policy, sending its minister of trade and commerce and defense production, C. D. Howe, on a trade mission to the region. Howe's mission was to market the "Canada" brand and seek opportunities for Canadian business. The mission had as objectives the strengthening of Canadian ties to the region and the promotion of Canadian "goodwill" to establish a "broad basis of trust and mutual interest" as the first step in the construction of a long-term trade relationship with key local actors.[17] It was an effort to secure markets across Latin America at a time when American, European, and other Western countries were also prospecting for trade in the region.

Howe, who was fighting accusations from the Progressive Conservative opposition that the government was "losing its markets abroad," celebrated Latin America's trade potential. He reminded his critics that under successive Liberal governments trade with Latin American had grown from $33 million in 1938 to $560 million.[18] The embattled minister emphasized the importance of trade in the region of the world "with the fastest growing population" and an accelerated "industrial progress."[19] He recognized that Colombia and many of its neighbours were going through social, structural, legal, economic, and institutional transformations, but insisted that Canada, like other advanced industrial nations, should take "advantage" of these changes.[20] The area's adoption of a market-driven economic development model, increasing modernization, economic expansion and "high production, rising living standards and increasing import requirements" clearly justified the mission.[21]

In January 1953, Howe embarked on a five-week tour to nine countries, including Brazil, Argentina, Uruguay, Venezuela, Colombia, Dominican Republic, Haiti, Cuba, and Mexico.[22] The mission included a small group of government officials and seven Canadian businessmen "drawn from widely representative branches of the Canadian economy."[23] Howe and several of the business representatives were familiar with parts of Latin America, and some of them were fluent in Spanish.[24] Representatives included D. W.

**Figure 5.1**
In the aftermath of the Second World War, Canadian business tapped the promotional state for help prospecting new markets. Canadian trade minister C. D. Howe, who led a delegation to several South American countries in January 1953, is shown here at a wreath-laying ceremony in Venezuela. (Source: Industry, Trade and Commerce/LAC, PA-181128)

Ambridge, president and general manager, Abitibi Power and Paper Company, of Toronto, representing the Canadian Chamber of Commerce; J. M. Bonin, managing director of La Cooperative Agricole de Granby, representing the Chamber of Commerce of the Province of Quebec; J. S. Duncan, chairman and president of Massey-Harris Company, representing the Canadian Manufacturers' Association; Alex Gray, president of Gray-Bonney Tool Company of Toronto, representing the Canadian Exporters' Association; F. L. Marshall, vice-president of export for the House of Seagram, representing the Canadian Inter-American Association; K. F. Wadsworth, president and general manager of Maple Leaf Milling Company; and Clive B. Davidson, secretary of the Canadian Wheat Board.[25]

The mission spent just four days in Colombia, dividing its time between Bogotá and Barranquilla. In Bogotá, the Canadian delegates met with “staunch anticommunist” Roberto Urdaneta Arbeláez, who was acting president on behalf of conservative leader Laureano Gómez, who had stepped down from power for health reasons.[26] They arrived right in the middle of *La Violencia*, a bitter civil conflict pitting left-leaning guerrillas against the government and producing more than 13,000 citizen deaths in 1952 alone.[27] Nonetheless, the Canadians felt that they had encountered a favourable business climate backed by a government willing to increase trade with Canada and the rest of the world.

Mission delegates also met with the directors of Colombia’s central bank, Banco de la República, the president and officials from the merchant fleet Flota Mercante Grancolombiana, executives from the Colombian Coffee-Producers Federation, and representatives from various business conglomerates.[28] The main objective of these meetings was to develop and enhance direct trade between the two countries in order to avoid “indirect trade through third countries,” and more particularly through the United States.[29] The meeting with executives from the Flota Mercante Grancolombiana, for example, provided the Canadians with an opportunity to discuss the expansion of direct trading routes and the continuation of shipbuilding contracts held by Canadian Vickers in Montreal, which had built the fleet’s first-generation cargo ships in 1949.[30]

Representatives from the Canadian Wheat Board also met with government officials in order to discuss Colombia’s wheat import policy, since Canadian wheat producers were eager to sell their excess production to countries across Latin America.[31] The Canadian wheat lobby capitalized on recent changes sparked by economist Lauchlin Currie’s influential World Bank report from 1950. Even though Colombia was a self-sufficient food producer, the report recommended that it shift its production to export crops and import those that were produced inefficiently; wheat, argued the World Bank, was one of these inefficient crops.[32] By 1953 the Laureano Gómez administration had implemented policies to decrease the production of domestic wheat, thus increasing imports. This justified the presence of Clive B. Davidson from the Canadian Wheat Board, who was interested in securing most of these imports for Canadian producers.[33] The new arrangement stipulated that “Colombian importers” would have “a greater opportunity to plan ahead . . . and be in a position to buy more wheat from Canada in those periods when local production” was insufficient.[34]

Although no sales contracts were finalized, the Canadian government-business partnership provided the Wheat Board with an opportunity to serve as a bridge for exporters anxious to secure access to the Colombian market.

Besides meeting with government officials, key industrialists, and leading businessmen, Howe and his colleagues met with Canadian-owned companies already operating in Colombia.[35] These included the pharmaceutical laboratories of Frost and Company and the local branch of the Royal Bank of Canada.[36] It was clear to the Canadian government-business partnership that what was needed in markets like Colombia's was a larger role for the promotional state in further advancing Canadian business interests. Canadians were already present in banking, oil, pharmaceuticals, aluminum, wheat, and shipbuilding, but Colombia had a "highly diversified economy" and a "strong financial position," which meant that there were still many untapped business sectors.[37] Howe's report indicated that trade with countries like Colombia could "be expanded to still much greater levels."[38] Canada, he told the House of Commons, needed to increase its position in one of the "world's major trading areas," adding that this effort would be left "primarily" in the hands of "Canadian businessmen."[39]

There was no need for Canadian ODA in the Americas of the 1950s. According to the St. Laurent government, the region needed more Canadian private investment, stronger trade ties, direct bilateral trade relations to eliminate the US middleman, and an increase in direct contact between customers and suppliers.[40] The mission showed that there were federal institutions such as the Department of Trade and Commerce that were willing to cooperate with the private sector in order to achieve these goals. This level of institutional commitment was seen firsthand three years later with the sale of Canadian jet fighters to the Colombian Air Force, revealing the effectiveness of the Canadian promotional state.

## Sale of F-86 Jet Fighters to Colombia

Colombians were engulfed in General Rojas Pinilla's military coup four months after Howe's mission. Pinilla's overthrow of the Laureano Gómez administration set a new tone for Colombia's foreign relations. His efforts to bring the Colombian civil conflict to a peaceful resolution and to eradicate the roots of communism across the country were undermined by his brutal use of force and growing unpopularity. Yet this did not inhibit Western nations from praising his valiant struggle against the communist guerrillas. Under these circumstances Canadair, a subsidiary of US giant General Dynamics, was able to close a deal with the Colombian government for the sale of F-86 jet fighters. Canadair's experience in Colombia showed that military aid could help bridge Canadian business and political interests in the region.[41]

Through a letter of intent issued in February 1956, the Colombian government agreed to purchase six F-86 jet fighters from Canadair.[42] There was a need to modernize and strengthen the Air Force in order to combat communist guerrillas from the air, and Canadair, according to the Pinilla administration, had the right solution.[43] The negotiations that unfolded revealed how Canadair effectively lobbied through Canada's departments of Trade and Commerce, Defence Production, and External Affairs in order to close the deal. It was a challenging transnational negotiation because the government-business partnership had to convince the US and North Atlantic Treaty Organization allies that Canada's military aid would help contain communism in Colombia, and that, contrary to NATO policy, it made good sense to provide aid to an undemocratic, military regime. The transaction marked the first sale of Canadian jet aircraft to Latin America and the first time a deal of this kind occurred outside NATO and the Commonwealth.[44]

Canadair eagerly responded to the Colombian letter of intent, immediately requesting a formal export permit from St. Laurent's government. In addition to quickly drafting a joint submission to cabinet on the company's behalf, the Department of Trade and Commerce established a clear division of labour between itself, External Affairs, and Defence Production. The Canadian government, it was agreed, should provide Canadair with political, production, and commercial support to push the deal forward.[45]

There was especially strong support for the sale from Howe and his senior-most advisors in the departments of trade and commerce and defence production. The transaction would open doors to more Canadian businesses in Colombia and "stimulate" sales of military equipment across the world. Moreover, expanded sales of military equipment beyond NATO and the Commonwealth would help Canada penetrate the international arms sales market. It also promised to reduce Canadair's overall F-86


**Figure 5.2**
The sale of Canadair F-86 jet fighters to Colombia in 1956 helped stimulate the company's global military sales and consolidate the business-government partnership that lay at the heart of the promotional state. (Source: Department of National Defence/LAC, PA-067557)

production costs, representing a considerable savings on similar aircraft for the Royal Canadian Air Force."[46]

There were post-sales benefits to be taken into account too. In addition to the sale of the jet fighters, Canadair had negotiated a contract to establish overhaul and service facilities. This potentially represented a hundred jobs for Canadian technicians together with further sales of Canadian equipment, parts, and technology. New business opportunities might also be generated from the sale, including contracts for management and maintenance of radio and telecommunications.[47] It was evident that the government was working on behalf of Canadair's corporate interests, convinced that this international trade was good for the Canadian economy.

Howe pushed this initiative forward knowing that there was opposition within cabinet. Some ministers worried that the sale might irritate the

United States and the United Kingdom, both traditional suppliers in this market. They also feared the impact that the sale might have on Canada's global reputation. Moreover, Canadian support for one of the region's many military dictatorships might alienate the "liberal and progressive forces" that Canada supported and turn the South American left against Canada.[48] Other cabinet members were nervous that the deal might endanger other Canadian capital and business interests in Colombia, undermining bilateral trade relations. For good measure, Secretary of State for External Affairs Lester B. Pearson warned that the sale of jet fighters to Pinilla's military regime contradicted Canada's Colombo Plan aid policies in Asia, where the Commonwealth opposed arm sales to undemocratic regimes.

A week later, Pearson withdrew his opposition, telling cabinet "that it would be difficult to refuse to sell to a country which wished to develop its legitimate defense and which was in an area of the world where there was no tension at the moment." Furthermore, he added, it was important to consider the negative implications that this would have on the "maintenance of the Canadian aircraft industry."[49] On 20 March 1956, Pearson sent a memorandum to his cabinet colleagues making a strong case for the sale. He reiterated the justifications offered by Sharp, explaining that there was no doubt that Colombia would obtain the planes from another supplier if Canada did not release them. Colombia, he added, "was the best friend that Canada had in South America and it would be difficult to explain why the export of the aircraft could not be permitted."[50] The foreign minister recommended approving the export permit. On 22 March 1956, cabinet agreed.[51]

In the summer of 1956, six F-86 aircraft were finally delivered to the Colombian Air Force, marking Canada's emergence "as a supplier of jet aircraft in Latin America."[52] Canada's private sector interests had prevailed over its political interests. Canadian military aid to Colombia showed that the government-business partnership was effective in advancing Canadian interests in the region. Canadian business would continue to set its eyes on the Colombian market throughout the late 1950s and 1960s, but the increasing presence of American and other Western corporate competition made it harder for Canadian companies to succeed. In the search for new business strategies to overcome this emerging challenge, the Canadian government-business partnership set its eyes on ODA as a means of gaining ground over their regional competition.

## ODA and the "Third Option"

The 1953 "Goodwill Mission" and the jet fighter sale revealed the effectiveness of Canada's government-business partnership as a policy instrument for expanding Canadian business interests across the Western Hemisphere. They helped reinforce the idea in Canadian political circles that the direction of Canadian-Colombian bilateral relations should be determined by market forces and that any aid initiatives should be directed toward this end. Increased American bilateral aid encouraged Canada to seek similar options to provide its private sector with even greater market opportunities. In 1963, Lester B. Pearson, elected prime minister in April of that year, decided to channel multilateral technical assistance to Colombia through the IDB, reaffirming the commitment to a business agenda. The US$50 million secured by Colombia for the procurement of Canadian services and technology over a five-year period provided Canadian business considerable access to this emerging market.[53] By the time the first cycle of multilateral loans had lapsed, Pierre Trudeau, elected prime minister in April 1968, was prepared to adopt trade diversification policies to strengthen Canada's position in Latin America.

From its start in 1968, and especially after it adopted its "third option" trade diversification strategy in 1972, Trudeau's government embraced Latin American markets as important to Canada's future economic development. Inevitably, this meant stepping up Canada's regional presence to help its private sector compete in these lively markets, which were actively investing in infrastructure and imported technology for their economic development projects.

Socialist and Communist nation-building models, on display in Cuba, Chile, and Argentina, were competing against capitalism, prompting US presidents John F. Kennedy and Lyndon B. Johnson to respond with Alliance for Progress aid initiatives. It was under these circumstances that the Trudeau government opted to implement a third option for Latin America that included bilateral ODA as a key component of the nation's foreign policy strategy. And Colombia, where an increasingly better-educated and consumer-friendly society was flourishing, was a prime target. ODA and technical assistance, hoped Ottawa, would increase Canadian investment, strengthen commercial relations, promote direct trade, and consolidate that direct connection between Canadian and Colombian consumers and producers.

The Trudeau government's 1968 ministerial mission to Latin America, headed by Foreign Minister Mitchell Sharp, represented the first step toward a more aggressive and strategic hemispheric policy that would allow Canada to compete against other foreign interests.[54] One of the mission's conclusions was that bilateral tied aid policies needed to be part of any successful regional strategy because the United States, Japan, Britain, and other Western competitors were pursuing similar approaches in Colombia and across the region to secure markets and other economic benefits. After a searching external policy review, in 1970 Trudeau's government issued the white paper *Foreign Policy for Canadians*, which reflected this self-interested doctrine.[55]

Trudeau's white paper acknowledged that there was a need to promote Canada's "goodwill" through humanitarian aid across the developing world but that there was also a need to utilize ODA to satisfy Canadian domestic interests. External aid, it argued, could provide initial sources of financing for the purchase of Canadian goods and services, and help Canadian business acquire the on-the-spot experience vital for growing commercial interests overseas.[56] Canadian aid, the government argued, would help prepare Canada to respond to market demands across Latin America. Sectors of the government lobbied on behalf of the private sector, making market-driven aid a priority. For example, the deputy minister of industry, trade and commerce, J. F. Grandy, argued that bilateral and multilateral ODA for Latin America should "contribute as far as possible to Canadian participation in capital projects and to the development of commercial markets," parallel to basic aid objectives.[57] Priority, added Grandy, should be given to "programmes designed to put Canadian firms in a favorable position to compete."[58] Trade was a realistic way in which Canada could develop a clear-cut policy that would bring it close to the region.[59]

The implementation of Trudeau's new policy coincided with an aggressive Colombian effort to seek foreign investment and external aid funds to finance national modernization and large-scale economic development projects. The nation was transitioning from an Import Substitution Industrialization (ISI) economic development model, which used high tariffs to promote local production, toward a market-driven model increasingly dependent on foreign technical assistance and investment. Colombia had established an economic planning department (Departamento Nacional de Planeación) in 1958, was engaged in training a technocratic class, and was implementing the economic development recommendations issued by the 1950 World Bank mission and the Alliance for Progress Initiative under the 1960–1970 Decennial Plan.[60] Through the 1960s, it was aggressively seeking development aid and foreign investment across the international system, strategically forcing donor nations to compete against each other for economic development opportunities in Colombia.

Canada's decision to enter this market was almost inevitable, given that other similar middle powers had responded to Colombia's demands for ODA. The 1970 World Bank *Report on Economic Growth of Colombia*, the first country economic report to be published by the bank, justified Canada's decision to focus on the Colombian market.[61] The report indicated that Colombia had achieved rates of growth in real income considerably above the historical average, with gross domestic product growing 6.1 per cent in 1968, 6.5 per cent in 1969, and approximately 7.0 per cent in 1970, compared to growth of less than 5 per cent throughout the 1950s and early 1960s.[62]

Canadian ODA policy parameters stipulated that aid could be offered to developing nations based on "the degree of poverty" of the recipient nation, the level of "self-sustaining growth," the availability of "good projects and programmes," the degree of "determination they are bringing to the mobilization of their own resources," or according to sectors in which Canada had particular expertise.[63] Ottawa's decision to direct multilateral and bilateral aid funds to Colombia in the early 1970s suggested that the South American nation met the criteria set by the policy review.

After the 1968 ministerial mission, the Canadian government approved a series of ODA initiatives, including a loan of US$12 million to the Colombian government for the construction of the Barranquilla thermoelectric project, and provided Bogotá with an insured line of credit for the import of firefighting equipment via the Export Credits Insurance Corporation.[64] Ottawa also agreed to provide Colombia's newly created economic development entity, Fondo Financiero de Proyectos de Desarrollo (FONADE), with a US$1 million loan to explore foreign investment feasibility projects that would bring the two nations closer together.[65]

One of the most significant outcomes of Canada's external policy review was a decision to select Colombia as one of the four strategic Latin American areas of focus.[66] In fiscal year 1971–72, the government shifted its allocation of external aid funds, reducing funds for Africa, and for the first time, allocating monies to Latin America.[67] The Canadian International Development Agency (CIDA), responsible for steering this reallocation, set a clear course for hemispheric policy. The shift that took place in 1970 increased the allocation of development assistance to Latin America, channelled most of it to Colombia, Brazil, Peru, and Central America, and geared that aid toward technical assistance.[68]

In addition to choosing Colombia as a strategic partner, the Canadian government and the directors of the new Crown corporation, the International Development Research Centre (IDRC), chose Bogotá as IDRC's Latin American headquarters.[69] This placed Colombia, which soon became the target of Canadian technical assistance programs and IDRC projects, at the centre of Canada's regional ODA efforts. There was a clear policy intention to balance tied-aid technical assistance projects with more grassroots-based economic development research projects.

The IDRC's direct involvement in Colombia would be in the area of agricultural research, particularly cassava research. Together with the Ford, Kellogg, and Rockefeller foundations, the United States, and the Netherlands, the IDRC began to cooperate with the Centro Internacional de Agricultura Tropical (CIAT), which had been created by the Consultative Group on International Agricultural Research in 1967. This agricultural research centre would become one of the greatest promoters of agro-industry in Colombia and a voice for UN policies to increase global food security. In the 1970s, IDRC's CIAT funding would come to represent the core of Canada's multilateral development aid to Colombia.

Through multilateral policy-recommending bodies such as the Consultative Group on International Agricultural Research, industrialized nations and their non-profit organizations interested in promoting the agro-industrial model came together to push their agendas in countries like Colombia. CIAT's initiatives were a clear example of the cooperative effort between local and foreign interests whose objective was to promote a model of agriculture that, from the technical point of view, would benefit developing nations struggling to move away from small crop agriculture.[70]

The CIAT initiatives, in part supported by Canada's ODA policy, hastened Colombia's transition away from food self-sufficiency and toward the international commercialization of food production and consumption. This also signalled the arrival of a political and bureaucratic culture that relied on foreign advice and depended on top-down approaches to external aid in order to make policy decisions in the area of food production. Research centres like CIAT became an influential voice in the economic development decision-making processes, handing power to foreign governments, private actors, scientists, and academics, who were committed not to local well-being but to the science and effectiveness of agricultural production as a solution to global food scarcity.[71]

In the 1970s there was little space for a humanitarian agenda when it came to ODA initiatives for Latin America, and Colombia's experience was a testament to this. External aid for the region was designed to help recipient nations "judiciously apply technology for the purpose of tapping their underutilized natural resources" through capital-intensive technical assistance projects and tied-aid projects.[72] CIDA allocated a total of US$2 million to Colombia from the total of US$9.5 million allocated to Latin America for 1971–72.[73] This aid went toward education, forestry, fisheries, and community development programs, while multilateral funding went to IDRC and capital-intensive projects paid through the IDB.[74] This included funding for feasibility and pre-investment projects, telecommunication facilities, port facilities, airport facilities, technical universities, and the financing and construction of energy projects.[75] This complemented and reinforced the Canadian business presence in the Colombian market, where Canadian companies already dominated several sectors. They controlled a large portion of the commercial paper and pulp and paper industry through Canadian paper manufacturer Kruger's Colombian subsidiary, Papeles Nacionales S.A. Canadians also controlled 54 per cent of the aluminum market through Montreal-based Alcan's subsidiary Aluminio de Colombia, and 41 per cent of copper imports to Colombia.[76]

Through IDB funding, Canada became an important investor in the development of Colombia's energy grid. Canadian "know how" and experience in hydro and thermal power enjoyed a comparative advantage in Colombia since the country depended so heavily on those two powers. Power boiling equipment, non-aircraft gas turbines, electric power machinery, and technical "know how" was imported through tied-aid programs.[77] Canada's private sector would become heavily involved with the construction of the Corporación Autónoma Regional del Cauca's (CVC), Alto Anchicayá hydroelectric project, and the Termonorte de Barranquilla project on Colombia's Atlantic coast, spearheading in the early 1970s the nation's energy policy.[78]

Between 1970 and 1975, CIDA allocated a total of US$7.8 million to Colombia, placing Colombia among the top ten recipients of Canadian ODA.[79] Fifty-five per cent of the bilateral funding was directed to social policy programs, while another 30 per cent went to CIAT.[80] Behind these policy initiatives lay the idea that bilateral and multilateral ODA initiatives would allow recipient nations to secure their natural resources for future industrial use, generating income and economic prosperity for the nation, facilitating conditions for greater income equality, and thus resulting in peace, security, and political stability.[81] Technical assistance would help reduce the gap between rich and poor, and potentially increase the demand for Canadian foodstuffs, industrial raw materials, capital equipment, and technology. "Inevitably," observed External Affairs, "to the extent that the standard of living of the mass of the people rises, there will be . . . opportunities for the sale of a wider variety of Canadian consumer goods."[82] This theoretical justification for ODA, questioned by Spicer in his book, *A Samaritan State?,* became clear in the 1970s under the implementation of the policy for Latin America, as illustrated by the history of Canadian ODA to Colombia.

Canadian ODA, as both Ted Cogan and Asa McKercher underline elsewhere in this volume, came under increased scrutiny in the 1970s. The debate over aid for Latin America pitted supporters of a market-driven ODA agenda against those favouring a humanitarian and social justice aid agenda.[83] This bitter debate persisted throughout the Cold War and into the early 1990s, usually favouring the market-driven agenda as neo-liberal policies were adopted by Colombia and other Latin American nations. By the mid-2000s, however, this policy debate was finally put to rest. Under Conservative prime minister Stephen Harper's government, aid began to lose its relevancy as it was replaced by Canadian foreign direct investment, an increasingly important element in the government-business partnership. Foreign direct investment reduced the accountability often tied to

ODA, making it a more favourable option to advance Canadian business in the region. Understanding the historical dynamics of the Canadian "promotional state" in Colombia helps clarify present bilateral realities and the implications for the broader Canadian-Latin American relationship.

## Notes

1 For more on the initial stages of Canadian ODA, see Keith Spicer, *A Samaritan State? External Aid in Canada's Foreign Policy* (Toronto: University of Toronto Press, 1966).

2 For more information on the dynamics of the promotional state see, for example, Emily S. Rosenberg, *Spreading the American Dream: American Economic and Cultural Expansionism 1890–1945* (New York: Hill and Wang, 1982). For more on the Canadian government acting as a promotional state see, for example, Dominique Brégent-Heald, "Vacationland: Film, Tourism, and Selling Canada, 1934–1948," *Canadian Journal of Film Studies* 21, no. 2 (2012): 27–48, and for more on the Canadian government's role in the advancement of Third Option policies through promotional state strategies see Gordon Mace and Gérard Hervouet, "Canada's Third Option: A Complete Failure?" *Canadian Public Policy* 15, no. 4 (Dec. 1989): 387–404.

3 K. J. Rea and Nelson Wiseman, eds., *Government and Enterprise in Canada* (Agincourt, ON: Methuen, 1985).

4 Rosenberg, *Spreading the American Dream*, 38.

5 Ibid.

6 For more on the opening of Canadian diplomatic missions in Latin America see D. R. Murray, "Canada's First Diplomatic Missions in Latin America," *Journal of Interamerican Studies* 16, no. 2 (May 1974): 153–72.

7 Keith Spicer, "Clubmanship Upstaged: Canada's Twenty Years in the Colombo Plan," *International Journal* 25, no. 1 (Winter 1969–70): 27. For more on the francophone lobby in the Caribbean see Maurice Demers, "Promoting a Different Type of North-South Interactions: Quebécois Cultural and Religious Paradiplomacy with Latin America," *American Review of Canadian Studies* 46, no. 2 (2016): 196–216. For more on the Commonwealth policy see, for example, Ralph R. Paragg, "Canadian Aid in the Commonwealth Caribbean: Neo-Colonialism or Development?." *Canadian Public Policy* 6, no. 4 (Autumn 1980): 628–41.

8 Spicer, "Clubmanship Upstaged," 27.

9 For more on the dominant class theory and its impact on Canadian foreign policy see, for example, Cranford Pratt, "Dominant Class Theory and Canadian Foreign Policy: The Case of the Counter-Consensus," *International Journal* 39, no. 1 (Winter 1983–84): 99–135; and Leo Panitch, ed., *The Canadian State: Political Economy and Political Power* (Toronto: University of Toronto Press, 1977). On the nature of the Canadian government-business partnership see, for example, Geoffrey Hale, *Uneasy Partnership:*

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