

"It is a shifting ground, and those who remain standing will be those quick on their feet ... If we want to be somewhere different in ten years, or even five, beyond where we are now, then we need to start taking steps in that direction."¹

CHAPTER ONE

AUSTRALIA-LATIN AMERICA RELATIONS - AN OVERVIEW

1.1 The task set for the Committee by the terms of reference is to examine relations between Australia and Latin America. In tackling the task set, the Committee was immediately confronted by a basic question. What is Latin America? Is it a clearly defined geographical region or political entity? From the very beginning of the inquiry it became evident that definitions of what constitutes Latin America can vary.

1.2 As a region "Latin America" was not even simple to define geographically. As the Chilean Ambassador, His Excellency Mr Juan Salazar Sparks, pointed out to the Committee, "Latin America", as a geographical region, is commonly regarded as the landmass encompassing South America, Central America, some Caribbean islands and Mexico.²

1.3 The Committee also adopted this broad definition which, in effect meant excluding most of the Caribbean countries from consideration in the Report. Not only were there geographical subtleties and complexities to accommodate,³ individual differences between the countries that constitute Latin America became more and more evident as the inquiry proceeded. As Mr Jose Blanco, representing a Spanish bank which has been involved in trade with the Americas for over a century, pointed out:

"One of the major misconceptions which Australians have about Latin America [is] that Latin America is a region

1. Mr G. Smith, submission, Committee Hansard, p. 1098.

2. H.E. Mr J. Salazar, submission, Committee Hansard, p. 1314.

3. It was necessary, for instance, to consider whether the Falklands/Malvinas should be included as part of Latin America. Although many observers, for reasons of its history, language and political affiliation would not regard the Falklands/Malvinas as part of Latin America, the Committee has used statistical material that includes the Falklands/Malvinas. However, in view of the very limited nature of the relationship, the Committee did not address that relationship in any detail.

made up of many homogeneous countries."⁴

1.4 The Ambassador of Chile made the point:

"The concept of 'Latin America' has little meaning ... What does exist are twenty independent and highly individual countries which differ from one another strikingly."⁵

1.5 Similarly, the Australia-South America Business Council, recognising the diversity of the region, informed the Committee that it appoints individual executive members to be responsible for liaison with separate Latin American countries. This individual approach is regarded by the Council as vital to the development of the relationship between Australia and the republics of Latin America across a broad range of political, commercial and cultural matters.⁶

1.6 It became quickly evident that, while it is possible to generalise in some respects about the nations that stretch from the United States/Mexican border to the southern tips of Argentina and Chile, it is vital to take account of the significant differences between them.

1.7 Other submissions on the same theme came from Dr John Fogarty of the Economic History Department, University of Melbourne and from the former Chief Executive of Bond Corporation's Chile enterprise, Mr Mark Babidge.

1.8 The Committee noted that this was also the approach advocated by a former Australian Ambassador, Mr Hugh Dunn, who served in Argentina from 1973 to 1976, and who suggested that, if Australia was to deal effectively with Latin America:

"... we must start by accepting each country's individualism and defining what our interests, if any, are in each. This can only be done on the basis of first-hand knowledge, and of frequent re-evaluation of our interests, which will ebb and flow with our own needs and events within Australia and the other countries concerned."⁷

1.9 While the Committee had no doubt that the countries of Latin America required consideration as separate entities, it nevertheless recognised that they also share a number of similarities and it is valuable to identify these similarities when examining Australia's relations with the region. In this respect the Chilean Ambassador's

4. Banco Santander, submission, p. 5. Banco Santander is Spain's second largest bank.

5. H.E. Mr J. Salazar, submission, Committee Hansard, p. 1313.

6. Australia-South America Business Council, submission, Committee Hansard, p. 1386.

7. Mr Hugh Dunn, "Reflections on Service in Latin America 1973-76" in *World Review*, Vol. 28, No. 1, March 1989, pp. 14-15.

submission was most informative. The Ambassador pointed out that the countries of Latin America are "similar" to the extent that the Republics:

- . share a common historical and racial background, with a European-Mediterranean heritage and culture as a result of colonisation by Spain and, to a lesser extent, Portugal;
- . all speak a form of Spanish, except Brazil which speaks Portuguese;
- . have a system of ethics, social structure and religion and tradition that is in large part western;
- . are all economically underdeveloped with common experiences of great social disparities, economic disasters, high inflation, (including hyper-inflation), high interest rates, high foreign debt and huge trade deficits;
- . have in the recent past (1960s and 1970s) had common experiences of vicious cycles of populist regimes and authoritarian military rule; and
- . have all undergone varying degrees of political and economic changes in the last few years.⁸

1.10 The Department of Foreign Affairs and Trade (DFAT) classifies "Latin America" as comprising 20 countries and one dependent territory, French Guiana.⁹ This list coincides with those in several authoritative publications on Latin America.¹⁰ The 20 countries are:

Argentina	Guyana
Belize	Honduras
Bolivia	Mexico
Brazil	Nicaragua
Chile	Panama
Colombia	Paraguay
Costa Rica	Peru
Ecuador	Suriname
El Salvador	Uruguay
Guatemala	Venezuela

1.11 The Committee decided early in the inquiry that it would be impracticable to examine all 20 countries in equal detail. It resolved instead to concentrate on those

8. H.E. Mr J. Salazar, submission, Committee Hansard, pp. 1313-15.

9. Department of Foreign Affairs and Trade (DFAT), submission, Committee Hansard, pp. 10, 16. See also footnote 3.

10. For example, *The Latin America and Caribbean Review*, World of Information, 1990 and *South America, Central America and the Caribbean*, Europa Publications, 1991.

countries where economic activities, points of common interests and trade opportunities appear most numerous and most substantial. Inevitably this points to the countries that are relatively stable, where economic reforms are more advanced and where some political, commercial and other contacts already exist.¹¹

1.12 Thus, while no Latin American country was specifically excluded from the inquiry, the Committee paid particular attention to relations with Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and Venezuela, all of whom have missions located in Australia.

Present Relations

1.13 The Committee was struck by the paucity of contacts between Australia and the republics of Latin America.

1.14 Without exception the 17 Federal Government departments and agencies¹² which provided information to the Committee on the present relationship conceded that trade and other relations with Latin America are presently insignificant. Most agreed that it would be desirable for relations to be strengthened, but offered no clear strategy or well thought out plan as to how that might be done. Submissions from Latin American diplomatic and consular missions in Australia, academics, business firms and various organisations also registered the rudimentary nature of contacts. Several advanced suggestions for improvements.

Multilateral Contacts

1.15 It was clear to the Committee that, particularly at the governmental level there are fewer contacts between Australia and Latin American countries on bilateral issues than on issues dealt with in multilateral forums. DFAT confirmed the following multilateral contacts:¹³

. Argentina, Brazil, Chile, Colombia and Uruguay are members of the Australian-initiated Cairns Group.

. Australia is in contact with eight Latin American countries on Antarctic matters.

11. The Australian Trade Commission (Austrade) believes the best opportunities to be in Mexico, Chile, Brazil and Argentina (Committee Hansard, p. 343) while DFAT anticipates opportunities in Argentina, Brazil, Chile, Colombia and Venezuela (DFAT, *op. cit.*, p. 14).

12. For details refer to Appendices 1 and 2.

13. DFAT, submission, Committee Hansard, pp. 100-40.

Five of these - Argentina, Chile, Brazil, Uruguay and Peru - are members of the Antarctic Treaty Consultative Parties. Three others - Ecuador, Colombia and Cuba - are non-consultative parties to the Treaty.

Contacts are frequent at the United Nations (UN) where Latin American and Caribbean countries constitute nearly one quarter of the membership. Australia and Latin American countries participate in various United Nations forums, such as those associated with the United Nations Law of the Sea Convention.

Australia has contact with Latin American countries in multilateral forums on nuclear, arms control and disarmament issues.

Australia has had contact with Latin American countries on environmental matters, particularly in the run-up to the United Nations Conference on Environment and Development (UNCED) in Brazil in June 1992.¹⁴

Although Australia does not have bilateral aid programs with Latin American countries, it has contributed to emergency and disaster relief, helped to fund research relevant to Latin America, and has provided financial assistance to Non-Government Organisations (NGOs) active in the region. Over the past 12 years this aid has amounted to A\$10 million.¹⁵

1.16 While recognising the value of contacts at multilateral forums, the Committee is of the view that there is a good case for a more intensive development of bilateral relationships with commercial, cultural and other infrastructural underpinning. In other words, Australia would benefit from placement of the "ballast" to which the Foreign Minister, Senator Gareth Evans, has referred in the context of another relationship.¹⁶

Bilateral Contacts

1.17 Very little "ballast" is present in the Australia-Latin American relationships. One submission characterised this as the "under-development of common interests."¹⁷ Another submission aptly described Australia and the republics of Latin America as pursuing a "cordial and polite relationship of mutual disinterest".¹⁸

14. *ibid.*, p. 108.

15. *ibid.*, p. 133.

16. Senator Gareth Evans in his first official visit to Indonesia in October 1988 referred to the need to put more substance or "ballast" into the Australia-Indonesia relationship, *Australian Financial Review*, 3 November 1988. The same imperative is at the heart of Australia's relationship with Indonesia as outlined in the Foreign Minister's Statement on 'Australia's Regional Security' in December 1989.

17. Australia-Chile Friendship Society of the ACT, submission, p. 2.

18. Varig Brazilian Airlines, submission, Committee Hansard, p. 793.

1.18 Each executive Department cited resource limitations as the reason for its limited role in the development of the Australia-Latin American relationships. In addition, DFAT and the Australian Trade Commission (Austrade) told the Committee that their priority over the next five or 10 years would be the development of relations with Asia and the Southwest Pacific.¹⁹

1.19 This situation helps to explain the low level of bilateral relations, and why, nearly fifty years after the first Australian Embassy opened in 1945 in Rio de Janeiro (then the capital of Brazil), there are still only five Australian embassies in the region - in Brasilia, Buenos Aires, Caracas, Mexico City and Santiago. A sixth - the Australian Embassy in Lima - was closed in 1986. Between them, the five embassies are accredited to a further 16 Latin American countries. Australia has appointed four Honorary Consuls in Brazil, Colombia, Ecuador and Uruguay. Eight Latin American countries maintain embassies in Canberra and there are another 26 consular missions in various cities in Australia.²⁰

1.20 The Committee is aware of efforts by DFAT to rationalise and improve the allocation of resources and dual accreditation arrangements in Latin America. For example, negotiations are under way for the Australian Ambassador in Santiago, rather than the Australian Ambassador in Brasilia to be accredited to Peru. The Committee sees mutual advantages flowing to both Australia and Peru from such an arrangement. Better transport links between Santiago and Lima, as well as the Spanish language proficiency of Australian staff in Santiago would ensure closer and more frequent contact between Australian representatives and the Peruvian authorities in Lima.²¹

1.21 DFAT informed the Committee that there have been more high level visits between Australia and Latin American countries during the past four years than in the preceding fifteen years.²² These include visits to Australia by President Salinas of Mexico in 1990, a Colombian parliamentary delegation in 1989 and a Mexican parliamentary delegation in March 1992. Foreign Minister Senator Evans visited Mexico in October 1990 and Argentina, Brazil and Chile in March 1992. An Australian trade delegation led by the Minister for Trade and Overseas Development, Dr Neal Blewett, visited Mexico in May 1991. Visits to Latin America have also been made by former Australian Attorney-General, Mr Lionel Bowen, former Trade Negotiations Minister, Mr Michael Duffy, Resources Minister, Mr Alan Griffiths and a delegation from the Liberal Party. An Australian parliamentary delegation visited Chile and Venezuela in October 1991. Another Australian parliamentary delegation is due to visit Argentina and Brazil in June 1992.

19. Committee Hansard, pp. 198, 223.

20. DFAT, submission, Committee Hansard, pp. 186-7. See also Chapter 5 of this Report.

21. Letter from Mr I. Wilcock to the Committee Secretary, dated 21 April 1992 and Committee Hansard, p. 1850.

22. DFAT, submission, Committee Hansard, p. 75. See Wilcock, *ibid.* for further details of exchanges. See also Chapter 7 of this Report.

1.22 Even so, on a comparative basis bilateral contacts have been few and the present level of trade between Australia and Latin America can only be described as insignificant in the context of Australia's overall foreign trade. In 1989-90, trade with Latin America amounted to A\$1.3 billion or only 1.32% of Australia's total trade. Australian exports to Latin America amounted to A\$552 million.²³ Total trade with Latin America dropped to A\$1 billion in 1990-91.

1.23 The Committee was concerned to learn that, until very recently, Austrade had no Australia-based officers located in any of its Latin American offices. Its six offices there - in Rio de Janeiro, Buenos Aires, Caracas, Mexico City, Lima and Santiago were manned by locally engaged staff only.²⁴ With the exception of Mexico City, which was directed from Los Angeles, these offices were controlled by a management centre in Miami. Interestingly, the Australian Trade Commissioner Service had greater resources devoted to promoting trade and investment in Latin America in the 1960s and 1970s, but withdrew them in the 1970s when it concluded that trade prospects appeared unpromising.²⁵

1.24 Several witnesses were critical of the location, staffing and management of Australia's diplomatic and trade offices in Latin America.²⁶ Former Australian Ambassador, Mr Hugh Dunn remarked:

"In the case of South America, it was unfortunate that we at one time ended up with missions clustered at the bottom end - in Argentina, Chile and Peru, and none early enough in, for example Venezuela, when trade prospects were good."²⁷

1.25 Certainly, the poor level of trade suggests that there has been a need for an examination of Austrade's resources and modus operandi in Latin America for some time. In the event, Austrade informed the Committee on 12 August 1991 that, as part of a wider review of Austrade's resource allocation, a number of changes would be instituted, including the relocation of the headquarters for Austrade's South American network from Miami to Buenos Aires.²⁸ Austrade would also launch a three-year

23. Austrade, submission, Committee Hansard, p. 313.

24. Officers at an Australian post overseas may be A-based or locally engaged. A-based officers are Australians posted overseas while locally engaged staff (LES) are recruited where the post is located.

25. Mr D. Hunter, Committee Hansard, p. 342.

26. For example, Mr M. Babidge, submission, p. 5 and Mr I. Metherall, Committee Hansard, p. 545.

27. Mr H. Dunn, *op. cit.*, p. 15.

28. Austrade's allocation of resources in Latin America is dealt with in greater detail in Chapter 5.

trade promotion program to raise awareness of opportunities in the Latin American market as well as promote Australian exports, with particular emphasis on manufactures and services.²⁹

1.26 The Committee welcomes the changes which it considers to be overdue. At the same time, it is of the opinion that Austrade is still overly cautious in its approach, and is underestimating both the potential for Australian exports to Latin America and Austrade's ability to help realise that potential.

1.27 The Committee was disappointed that the Department of Industry, Technology and Commerce (DITAC) displayed little knowledge of the overall opportunities for industrial collaboration and investment in Latin America. In fact, senior DITAC officers admitted under questioning that DITAC did not have a strategy for lifting levels of Australian investment in Latin America, nor any plans for "investment activity prepared for or operating in the Latin-American countries".³⁰

1.28 There is an encouraging degree of cooperation between Australia and some Latin American countries on law enforcement matters. A number of treaties providing for extradition and mutual assistance in criminal matters have been negotiated and signed in recent years. Since 1 April 1989 an Australian Federal Police liaison officer with responsibility for Latin America has also been based in the Australian embassy in Buenos Aires to work on matters associated with the supply of cocaine to the Australian market.³¹

1.29 The Department of Defence in its submission stated that it did not consider Latin America to be directly relevant to Australian defence planning. There are minimal defence contacts between Australia and Latin America. In the last five years there have been five instances of contact, the highest level being by the Argentine Chief of the Air Staff accompanying President Alfonsin on a stop-over visit to Australia. The Department believes that only Brazil is in a position to offer defence goods for sale to Australia. Even then, inter-operability concerns would limit both imports and exports.³² Defence exports from Australia to Latin America are insignificant, with A\$730,550 worth of defence related products approved for export to Latin America in the last five years.

1.30 Latin America has not figured prominently in Australia's overall migration program. The Department of Immigration, Local Government and Ethnic Affairs (DILGEA) estimates that there are presently 60,000 persons in Australia of Latin

29. Mr D. Hunter, Committee Hansard, p. 343.

30. Department of Industry, Technology and Commerce (DITAC), submission, Committee Hansard, p. 234, and Committee Hansard, p. 249.

31. DFAT, submission, Committee Hansard, p. 116 and Attorney General's Department, submission p. 4.

32. Department of Defence, submission, pp. 1-2.

American origin, most of whom have come from Chile, El Salvador and Nicaragua under the refugee and humanitarian entry programs. Skilled/business migration is the least significant category in relation to Latin America. DILGEA maintains offices in Mexico City, Santiago and Buenos Aires to facilitate processing of migration applications.³³

1.31 Only one airline - Aerolineas Argentinas - operates direct flights between Australia and Latin America. Aerolineas Argentinas operates one flight a week between Sydney and Buenos Aires with a second flight added during the peak travelling period from December to March. Qantas has rights to a weekly service which it has not utilised; instead, it purchases a block of 50 seats on the weekly Aerolineas flight. Two shipping lines - Mitsui OSK Lines and Barbican Marine (Agencies) Pty Ltd - provide a direct service between Australia and Latin America. Mitsui OSK Lines' agent in Australia, Union Bulkships, announced in January of this year that it would introduce an additional direct shipping service between Australia and Latin America specifically for bulk commodities.³⁴ The Department of Transport and Communications does not believe Latin America to be a region to which more frequent regular flights or shipping services could be commercially sustained.³⁵

1.32 Australian NGOs have been working in Central America since 1983. There are presently eight Australian NGOs working in four countries in Central America on various community aid projects and another 15 NGOs working in six countries in South America. In addition, five volunteers are working in Central America under the auspices of Australian Volunteers Abroad.³⁶

1.33 The Committee found that a few Australian companies have been involved in trade with Latin American countries for many years, either directly or through trading companies. One company has been distributing green (raw) coffee beans from Colombia, Brazil, Costa Rica, Guatemala and Mexico.³⁷ The Australian Barley Board informed the Committee that the South American market has been important to the Board since 1978-79 when exports of barley to Europe and the United Kingdom declined.³⁸

1.34 A few universities, in particular La Trobe, Flinders and the University of New

33. Department of Immigration, Local Government and Ethnic Affairs, submission, Committee Hansard, pp. 1227-8, 1241.

34. Letter from Mr G. Andrews to the Committee Secretary, dated 10 December 1991. See also Chapter 6 of this Report.

35. Department of Transport and Communications, submission, Committee Hansard, pp. 261-3, 268.

36. Australian Council for Overseas Aid (ACFOA), submission, p. 1.

37. Witham & Company Pty Ltd, submission, pp. 1-2.

38. Australian Barley Board, submission, Committee Hansard, p. 1623.

South Wales, have specialist collections of printed materials on Latin America. From time to time academic debates have flourished on aspects of the relationship. The Committee followed with interest a series of articles in various academic journals from 1986-90 on the similarities between Australia and countries in Latin America, especially Argentina.³⁹ Two Australian specialists in Argentine political and economic history have made an extensive comparative study of Australia and Argentina from the time they were two new worlds in the Antipodes in the early 19th century, to the challenges of economic development in the late 20th century.⁴⁰

1.35 A Consortium for Iberian and Latin American Studies in Australasia (CILASA) was set up in July 1991 comprising academics from various Australian universities.⁴¹ Spanish studies are available in the Universities of New South Wales, La Trobe and Flinders although funding is minimal. The courses, according to one submission, are often threatened with extinction.⁴²

1.36 Some organisations, like the Julius Kruttschnitt Mineral Research Centre in Queensland and the South Australian Department of Fisheries, largely on their own initiatives, have established useful contacts with their counterparts in some Latin American countries, notably Chile.

1.37 The Australian Government has made representations to Latin American Governments on general and individual cases of human rights abuse and has also expressed its concerns in multilateral forums such as the UN Commission on Human Rights. In 1990, Australia made 167 representations to Latin American governments on human rights matters. This represents one-third of all human rights representations made by the Australian Government in 1990.⁴³

1.38 According to the Australian Tourist Commission, 10,200 tourists from Latin American countries came to Australia in 1989-90. This represents less than 1% of total visitors to Australia that year.⁴⁴ Some 10,540 visitors from Latin America came to

39. See for example, Claudio Veliz's "The Latin-Americanisation of Australia? Down Argentina Way" in *Quadrant*, Vol. 30, No. 4, April 1986; John Fogarty's "Can Australia Still Learn from Argentina?" in *Policy*, Vol. 6, No. 3, Spring 1990; and James Levy's "Argentina, Consensus and Equity: A Response to John Fogarty" in *Policy*, Vol. 6, No. 4, Summer 1990.

40. See Tim Duncan and John Fogarty, *Australia and Argentina: On Parallel Paths*, Melbourne, 1984.

41. Professor R. Ireland, submission, p. 7. CILASA has since been renamed the Association for Iberian and Latin American Studies in Australia (AILASA).

42. Mr O. Florez Marquez, submission, p. 3.

43. ACFOA, submission, p. 1.

44. Australian Tourist Commission, submission, Committee Hansard, p. 699, for more details on visitor numbers see Chapter 6.

Australia in 1990-91.⁴⁵ Estimates of the number of Australians visiting Latin America vary very widely, from 5,700 to over 20,000 in 1989-90.

1.39 In general, contacts are minimal and are seldom conducted through formal political channels or even formal programs. Not surprisingly, Latin American representatives are of the opinion that the entire region is being neglected. In June 1991, the then Ambassador of the Republic of Colombia, His Excellency Dr Antonio Puerto, pointed out that Latin America is not even mentioned in DFAT's Corporate Plan for 1990-1993. Ambassador Puerto put it succinctly:

"Latin America constitutes a huge hole in Australia's foreign policy. There is an almost non-existent interest in Latin America."⁴⁶

Contacts in the 19th Century

1.40 The Committee received a number of submissions suggesting that contacts between Australia and the countries of Latin America have not always been at the present low level. From the Chilean Ambassador, the Australia-Chile Chamber of Commerce and Professor Grant McCall of the University of New South Wales, the Committee heard of a "frequent and brisk" trade in the 19th century between Australia and Mexico, Peru and Chile, the principal countries facing Australia across the Pacific. Merchants from Sydney travelled regularly to and from Valparaiso in Chile.⁴⁷ Australia's first Labor Prime Minister, John C. Watson (April-August 1904) was born in Valparaiso in 1867.⁴⁸

1.41 There were several earlier contacts. The first Governor of New South Wales, Admiral Arthur Phillip, "served with distinction in South American waters"⁴⁹ from 1774-1778 as a captain in the Portuguese navy. The Committee learned that Admiral (then Captain) Phillip had been given permission by the Admiralty to serve with the Portuguese navy following the outbreak of the Spanish-Portuguese war. Early in his Portuguese service Captain Phillip played a key role in obtaining clemency for some of the 400 Portuguese convicts he was carrying on his vessel, and assisting them to

45. Australian Bureau of Statistics, Table PMTP 006A (unpublished).

46. H.E. Dr A. Puerto, submission, p. 11.

47. H.E. Mr J. Salazar, submission, Committee Hansard, p. 1334; Professor G. McCall, submission, p. 1.

48. Australia-Chile Chamber of Commerce, submission, Appendix II.

49. *Australian Dictionary of Biography*, Volume 2: 1788-1850, Melbourne University Press, 1967.

obtain small grants of land around Buenos Aires where they later settled.⁵⁰

1.42 The Committee was fascinated to learn of other historical connections. The English pirate, William Dampier (who in 1688 came upon the north-west coast of Australia), was pilot of the ship that in 1708 rescued a fellow pirate, Alexander Selkirk, who had been marooned on the island of Juan Fernandez off the coast of Chile for four and a half years. Alexander Selkirk's adventures on Juan Fernandez later formed the basis of Daniel Defoe's novel *Robinson Crusoe*.⁵¹

1.43 Another connection was provided by the English naval surgeon and explorer, George Bass, who in 1798 discovered what is today called Bass Strait.⁵² In 1799 Bass was invalided from the *Reliance* at Port Jackson and returned to England. Bass left England a year later as a trader and undertook several voyages between New South Wales and various South Sea islands acquiring salt pork for sale to the early Australian colonists. On 5 February 1803 Bass left Australia on an expedition to Valparaiso in Chile. In a letter written three days before his departure Bass said that he intended to go "in search of provisions for the use of His Majesty's colony." According to the *Australian Encyclopaedia* however, Bass went to Chile "probably with the idea of running contraband into South American ports."⁵³ Bass disappeared on that journey and was never seen again.

1.44 The Committee sought further information on some of these early contacts. From the few written accounts available, the Committee learned that in the 19th century whalers from Europe and North America bound for the South Pacific regularly came around the Straits of Magellan or Cape Horn. Valparaiso was a focal port and there was much contact between Chile and the eastern Pacific Islands. In fact, the Chilean silver coin, the peso, was the most common currency in much of the southern

50. A more detailed account of Admiral Phillip's service with the Portuguese navy may be found in *Admiral Arthur Phillip: Founder of New South Wales 1738-1814*, Angus & Robertson Limited, Sydney, 1937.

51. Accounts of the rescue may be found in *The Life and Adventures of William Dampier*, London, pp. 214-21 and George Wycherley, *Buccaneers of the Pacific*, Bobbs-Merrill Company, 1928, pp. 241, 264-6. The *Australian Encyclopaedia's* entry on William Dampier (pp. 923-4) also refers to the rescue.

52. Bass was one of the earliest maritime explorers in New South Wales. With Matthew Flinders, Bass explored various parts of the New South Wales coast between 1795-96 in two boats, both called the *Tom Thumb*. They explored the Georges River and discovered and named Port Hacking. In a subsequent voyage in 1797 Bass discovered Twofold Bay and Wilsons' Promontory, reported on Jervis Bay and Bateman's Bay and named the Shoalhaven River. *Australian Encyclopaedia*, 5th edition, p. 385.

53. *ibid.*, p. 386. Bass' letter and an account of his life and work may be found in Keith Macrae Bowden, *George Bass 1771-1803: His Discoveries, Romantic Life and Tragic Disappearance*, Oxford University Press, London, 1952.

Pacific ocean in the mid-1800s.⁵⁴

1.45 Many of the early initiatives in trans-Pacific trade, and the greatest proportion of Chile's trade with Australia, were undertaken by English firms in Chile with contacts in Australia.⁵⁵ By the late 1820s Chile was supplying wheat to the early Australian settlers. Between 1840 and 1842 more than 370,000 bushels of wheat worth more than £500,000 were imported from Chile to meet the needs of the early colonists.⁵⁶

1.46 The Committee was interested to learn of Chile's prominent role in providing food to the early colonists and prospectors during the Gold Rush of the 1850s. The unprecedented demand for food had created a "niche" which the farmers and merchants of Chile filled, and a significant trans-Pacific trade in Chilean wheat and flour took place from 1854-1856. Exports to Australia - which averaged 1% of Chile's total exports up till 1853 - increased to 6% in 1854 and 14% in 1855 before falling to 6.3% in 1856. In 1855 alone Australia imported more than 16,000 tons of Chilean flour worth at least two million dollars, and more than 1.2 million bushels of Chilean wheat.⁵⁷

1.47 This trade was short-lived and by 1857 it had returned to the pre-Gold Rush average of 1% of Chile's total trade. Although ships carrying Chilean wheat and flour continued to sail across the Pacific, by 1857 the heyday of the great Australia-Chile wheat trade was over.⁵⁸

1.48 The Committee also recalled that an Australian socialist commune settlement existed beside the Alice River in Paraguay in the late 19th century. The settlement consisted initially of some 220 followers of William Lane who had sailed from Sydney for South America on 16 July 1893. The settlement at "New Australia" failed, as did the subsequent settlement at Cosme, 72 kilometres to the south. The Australian colonists dispersed and some returned to Australia, the most prominent of whom was Dame Mary Gilmore. A few descendants of the original colonists remain in Paraguay even today.⁵⁹

54. Ron Crocombe, "Latin America and the Pacific Islands" in *The Contemporary Pacific*, Vol. 3, No. 1, Spring 1991, p. 120; and James Jupp, *The Australian People: an Encyclopedia of the Nation, Its People and Their Origins*, Angus and Robertson Publishers, 1988, p. 296.

55. John Mayo, "Rich in Hope: The Chilean Grain Trade and the Australian Gold Rushes" in *Great Circle*, Vol. 12, No. 1 1990, p. 43.

56. *ibid.*, p.44 and Thomas M. Bader, "The Roaring Days: Trade and Relations Between Chile and Australia, 1849-1860" in *Journal of Australian Studies*, No. 23, November 1988, p. 30.

57. Figures cited by Bader, *ibid.*, p. 30.

58. Bader, *ibid.*, p. 43.

59. Accounts of the "New Australia" and "Cosme" settlements may be found in Brian Turner, "Paraguayan Aussies: Article on History of the 'New Australia' and Cosme Colonies in South America" in *Geo*, Vol. 9, No. 1, March/May 1987; and Andrew Peake, "New Australia: A Colony in Paraguay" in *First International Congress on Family History and Fifth Australasian Congress on Genealogy and Heraldry: Papers*, Sydney, October 1988.

Contacts in the 20th Century

1.49 In general, contacts between Latin America and the South Pacific were minimal in the 20th century. With the partial exception of Chile:

"... the Pacific Islands and South America each forgot that the other existed."⁶⁰

1.50 The Committee sought to discover why, after such a promising start, the relationship fell away and remained insubstantial for the major part of the present century. From submissions, oral evidence and available written records it was able to construct the following picture:

The Australian colonies quickly became self-sufficient in grain. Significant changes in land use and agriculture occurred during the last days of the Gold Rush and by 1857 South Australia was able to supply wheat and flour to the gold fields. Also, by that time vast amounts of American wheat and flour from California had started to arrive in Australia.⁶¹

Australia did not have suitable products to send to Chile, and it was normal for ships that brought grain to Australia to return to Chile with empty holds.⁶²

The early trade relationship of the 1850s was not accompanied by settlement in Australia on a significant scale, although some Chileans settled in Australia during the Gold Rush.⁶³

With the development of the steamship at the turn of the century, the opening of the Suez Canal in 1869 and the Panama Canal in 1914, trade through the ports of Chile and Peru was no longer essential.⁶⁴ The development of international air routes to the Northern Hemisphere further contributed to Latin America's isolation as the air routes tended to bypass the region.⁶⁵

60. Crocombe, *op. cit.*, p. 122.

61. Mayo, *op. cit.*, p. 43.

62. Mayo, *op. cit.*, p. 51. See also Chapter 3 for parallels today.

63. There are conflicting accounts on the extent of Chilean participation in the Gold Rush and the number of Chilean who settled in Australia. See for example, Bader, *op. cit.*, p.37; Mayo, *op. cit.*, p.51; and Jupp, *op. cit.*, p. 296.

64. Crocombe, *op. cit.*, p. 121.

65. Dr J. Fogarty, submission, p. 3.

Both Australia and the countries of South America developed relationships along the North/South rather than the East/West axis.⁶⁶ The "pull" of familiar European/American culture led Australia to look to traditional markets in Europe and the US. More recently the focus has shifted to Asia.

There is a perception among many Australians that Latin America is so dominated economically and politically by the United States and culturally by European countries, particularly Spain, as to leave little scope for substantial relations with other countries.

Until recently chronic instability in some, and restrictive policies in most Latin American countries - for example, import substitution, high protection regimes, investment restrictions, hyper-inflation and debt - have meant that Latin America did not feature as a region with which a relationship could usefully develop.

1.51 An important impediment to the development of more substantial relationships has been the poor level of information about Latin America. The absence of Australian media representatives based in Latin America until very recently⁶⁷ has meant that the media coverage in Australia has come almost exclusively through American television networks and journalists. Often, the focus is on the negative, for example, drugs, human rights abuses and indebtedness. Not surprisingly, as a number of submissions have pointed out, perceptions of Latin America have been dominated by stereotypes. In Australian eyes, the most salient features of Latin America have been revolution and poverty.⁶⁸ The Managing Director of one company referred to Colombian novelist Gabriel Garcia's observation that:

"To the European, South America is a man with a moustache, a guitar and a gun"

and pointed out that this perception is also shared by Australians. To that image is added:

"Dictators in dark glasses and Carmen Miranda ..."⁶⁹

66. Australia-South America Business Council, submission, Committee Hansard, p. 1392.

67. Stuart Heather was appointed as the ABC's correspondent in Latin America in March 1991. He is based in Buenos Aires.

68. Mr O. Florez Marquez, submission, p. 1.

69. Mr J. Macdonnell, Macdonnell Promotions Pty Ltd, submission, p. 2. Carmen Miranda (1914-1955) also known as the "Brazilian Bombshell" was born Maria do Carma Miranda da Conha. She was a celebrated cabaret dancer and actress. Among her films were *Down Argentine Way* (1940), *Week End in Havana* (1941) and *That Night in Rio* (1941). She is perhaps best known for her head-dresses, often featuring gigantic arrangements of bananas, apples and cherries. *Biographical Dictionary of Dance*, Collier Macmillan Publishers, London, 1982, pp. 619-20.

1.52 This stereotyping has so blinded Australians to the opportunities for political, social, cultural and economic association with Latin America

"... that we fail to recognise even the growth in our own trade with some of the countries of Latin America, that we fail to take account of the vast and significant changes that have overtaken the region over the past ten years, that we neglect comprehensively to perceive, and thus to take advantage of, the opportunities that these changes have created ..."⁷⁰

1.53 Should Australia be looking to expanding the range and depth of contacts with Latin America? Is there good reason to believe that opportunities are opening up now that did not exist before? This is the fundamental question that the terms of reference require the Committee to address. Other relevant questions include: What benefits might flow from such contacts? Would any benefits obtained exceed the costs involved in pursuing opportunities? Should Government become directly involved in identifying such opportunities and promoting contact? Or should it be left entirely to market forces and private initiatives to take the bilateral relationships forward?

1.54 In seeking answers to these questions the Committee paid particular attention to the accounts and assessments it received in many of the submissions, of radical changes in the character of both the political processes and economic policies of virtually all the Latin American countries in recent years.

1.55 Of these developments, the impending inclusion of Mexico in the North American Free Trade Agreement (NAFTA) is of major significance. The other major regional economic issue is the participation of Latin American countries in the Asia Pacific Economic Cooperation (APEC) process. Both these issues are dealt with in greater detail in Chapter 8.

Political and Economic Changes in Latin America

1.56 The 1980s have often been described as Latin America's "lost decade." Many submissions made the point that the economic disasters they went through in the 1970s and much of the 1980s forced Latin American countries to come to grips with their basic structural problems and to take radical steps to correct them.⁷¹ In short, largely unreported and unnoticed, Latin American countries have been undergoing their own versions of "perestroika," the implications of which Australia is yet to

70. Mr J. Macdonnell, Macdonnell Promotions Pty Ltd, submission, p. 2.

71. Dr M. Scurrah, submission, Committee Hansard, p. 1660.

their own versions of "perestroika," the implications of which Australia is yet to understand.⁷²

1.57 The following picture of the changes in Latin America over the last five years has been drawn from the submissions of DFAT, Banco Santander, the ANZ Bank and the representatives of the Governments of Chile, Colombia, Mexico and Peru:

Over the past five years the military governments in Latin America have been replaced by civilian governments. The trend is now towards orderly transfer of power, and consolidation of democratic institutions and pluralistic democratic processes. There appears to be a new willingness to respect basic human rights and work towards alleviating excesses, although many in Australia including the Australian Government, remain concerned about human rights situations in a number of countries in the region.⁷³

Since the 1980s, a new class of technocrats has been coming to power. These new leaders are typified by Presidents Carlos Salinas of Mexico, Cesar Gaviria of Colombia, Fernando Collor of Brazil and Patricio Aylwin of Chile.

The previous policies, marked by tolerance of high inflation, championing of import substitution rather than export-led growth and adoption of a large role for the state, have been abandoned.

Taking the lead from the Asian "tigers"⁷⁴ and their successful export-based economies, wide-ranging economic changes have been instituted. The new governments have adopted new economic policies, cut tariffs, welcomed foreign investments, and started to dispose of unprofitable state corporations. Measures have been put in place to deal with inflation, with varying degrees of success so far.

The severity of the foreign debt problem has been reduced in many countries through debt-equity swaps and debt reduction schemes.

1.58 The Committee is of the view that the significant economic potential of many Latin American countries has not been realised in part because their reputation for political and economic difficulties still lingers. The republics will be a significant economic force when they have restructured their economies, rescheduled their external debts and revitalised their economic infrastructure. The Committee recognises that not all markets in Latin America will present attractions on the same scale.

72. H.E. Mr J. Salazar, submission, Committee Hansard, p. 1316; H.E. Dr A. Puerto, submission, p. 9; and Mr J. Macdonnell, submission, p. 2.

73. DFAT, Committee Hansard, pp. 212-3.

74. The Asian "tigers", or Newly Industrialising Economies are South Korea, Hong Kong, Taiwan and Singapore.

However, as the Latin American economies internationalise and open themselves to foreign trade, opportunities in many markets will become evident.

1.59 Even though DFAT and Austrade maintained that they were monitoring developments in Latin America, the Committee is not convinced that any of the Departments has studied the implications for Australia of a vibrant and competitive Latin America in any depth.⁷⁵ One submission sounded a word of caution in this regard:

"I think there could be more research into the effect on Australia of the leading primary producing nations of Latin America, including Argentina, becoming more competitive. We should know where we might be going, and what path we want to follow."⁷⁶

1.60 As an illustration of the potential size of the market and the wealth of some of the Latin American countries, the Committee noted that:

The land area of Latin America and the Caribbean is one-sixth of the world's total⁷⁷ and Brazil, the fifth largest country in the world, is larger than Australia.

Latin America has a population of 450 million. The combined population of eight countries - Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and Venezuela is 353 million, with a total GNP of US\$754 billion in 1989.⁷⁸ Of the three largest cities in the world, two - Mexico City and Sao Paulo - are in Latin America.⁷⁹

Latin America produces 25% of the world's copper, 20% of its iron, 40% of its silver, 12% petroleum, 18% meat and 10% fish products⁸⁰ It has the world's largest resources of petroleum, after the Middle East.⁸¹

75. DFAT, submission, Committee Hansard, p. 72 and Committee Hansard, p. 227.

76. Ms G. Osborne, submission, p. 3.

77. Robin Chapman, "Latin America and the Caribbean: Economic Problems" in *South America, Central America and the Caribbean, 1991*, Europa Publications, 1990, p.3.

78. On a comparative basis, Australia's GNP in 1989 was US\$242.13 billion, roughly equal to the total GNP of the ASEAN countries (US\$260.16 billion). The GNP of the NIES (Hong Kong, Singapore, South Korea and Taiwan) in 1989 was US\$423.99 billion. *The World Bank Atlas 1990*, the World Bank, Washington D.C., pp. 6-9.

79. Crocombe, op. cit., p. 136.

80. H.E. Mr G. Bedoya, "Australia and Latin America" 17 December 1990.

81. Chapman, op. cit., p. 3.

Individual countries in Latin America are significant world producers in their own right. Mexico is the world's largest producer of silver; Argentina has the capacity to become the world's largest agricultural economy; Chile is the world's largest producer of copper and Venezuela has the largest oil reserves outside the Middle East.⁸² Many Latin American countries also have substantial and diversified industrial bases.

1.61 Some submissions, such as that of Banco Santander, expressed concerns as to whether:

Latin American democratic institutions are strong enough to sustain the pain associated with dramatic economic re-adjustment;

the commitment to change being proclaimed by democratically elected leaders is shared by the bureaucracy and the general population;

technical expertise is available to initiate and carry out the programs;

political stability will continue where it presently exists; and

major problems with foreign debt and high inflation can be overcome.⁸³

1.62 The Committee recognises that the pace of reform in Latin America is uneven, with some countries more advanced than others. For example, Chile, whose reforms started earlier, is further down the reform path while some countries are yet to take any significant steps down the economic reform route. In all the Latin American countries there remain infrastructural, monetary, regulatory and other problems.

1.63 However, dramatic economic and political changes have been taking place at an astonishingly rapid rate with the potential to revive some of the Latin American nations both as important markets and competitors.

1.64 In this regard, the Committee notes the positive assessments of Latin America by major institutions and banks. The International Monetary Fund (IMF) expects Latin America to "rebound" in 1992 and average inflation to decline.⁸⁴ In a survey of current trends and policies in the world economy in 1991, the United Nations Secretariat also forecasts continued growth in 1992.⁸⁵ In addition, Mr Louis Emmerij (President, OECD Development Centre) and Mr Enrique Iglesias (President, Inter-

82. Banco Santander, submission, pp. 6-7.

83. Banco Santander, submission, p. 13.

84. *World Economic Outlook October 1991*, International Monetary Fund, Washington D.C., 1991, p. 23.

85. *World Economic Survey 1991*, United Nations, 1991, p. 47.

American Development Bank), in a joint preface to a major OECD/IDB report, stated in February 1991:

"In the 1990s, there is again reason for optimism about Latin American affairs. Latin America seems to be set for a promising decade of economic growth within a framework of political and economic democracy."⁸⁶

Development of Regional Trade Groups

1.65 In addition to the case put to the Committee by witnesses that restructuring Latin American economies present valuable opportunities for Australia, several witnesses alluded to the broader global developments in international trade that give further support to the proposition that Australia should be pursuing opportunities in Latin America more vigorously.

1.66 A number of submissions pointed to the increasing trend towards polarisation of economies within large economic groups and the spectre of emerging regional economic groups and trade blocs from which Australia could be excluded.⁸⁷

1.67 Certainly, a "worst case" scenario cannot be ruled out. The Committee is of the view that, notwithstanding the continuing intensive effort that needs to be put into maintaining and improving the framework for a liberal global trade regime, planning must also include other steps Australia must take now to ensure that its national interests are protected.

1.68 In this respect, the Committee considers that Australia would be well served by complementing its efforts in Asia with increased bilateral contacts with other regions, including the republics of Latin America. It should also be paying very close attention to the renewed enthusiasm for and proliferation of attempts at Latin American regional integration in the last few years.

86. *Restoring Financial Flows to Latin America*, Development Centre for the Organisation for Economic Cooperation and Development, and the Inter-American Development Bank, 1991, p. 7.

87. For example, Mr R. Nickolds, submission, p. 1 and Mr G. St. J. Barclay, submission, p. 1.

Internationalisation of Australia's Economy

1.69 If they are to be successful, Australia's present efforts to develop an internationally oriented export economy must be complemented by the pursuit of economic opportunities wherever they occur, including in the markets of Latin America. A number of submissions, for example from the Ambassador of Chile, made the point that a "new" approach needs to be taken towards political, economic and cultural links with Latin America, with a new emphasis on bilateral relations.⁸⁸

1.70 While the Committee concurs that:

"For most of our history the Pacific has been a barrier rather than a means to communication"⁸⁹

it notes the many submissions urging Australia to look on the Pacific as a means of connecting Australia and Latin America rather than dividing the two regions. Mr James MacAonghus puts it rather well:

"Although Latin America might seem far away from Australia, the Pacific Ocean can be regarded as the natural boundary between both and, in this sense, they are neighbours."⁹⁰

1.71 Other submissions such as that of Professor Rowan Ireland of La Trobe University, Dr Estela Valverde of the University of Western Sydney, and the Australia-Chile Friendship Society of the ACT, pointed out that developments around the Pacific Basin region are prompting Australia and Latin American countries to renew interest in one another.⁹¹ He urged Australia not to lose sight of the potential of Latin America. In his view Australia cannot afford to ignore an emerging market of its size and diversity.⁹²

1.72 Several submissions made the point that it would be very much in Australia's interest to "get in on the ground floor" of Latin America to seek out markets now rather than at some later stage when others had already established themselves there.⁹³

88. H.E. Mr J. Salazar, submission, Committee Hansard, p. 1322.

89. Dr M. Scurrah, submission, Committee Hansard, p. 1662.

90. Mr J. MacAonghus, submission, p. 1.

91. Professor R. Ireland, submission, p. 1; Dr E. Valverde, submission, p. 1; Australia-Chile Friendship Society of the ACT, submission, p. 6.

92. H.E. Mr J. Salazar, submission, Committee Hansard, pp. 1321, 1323.

93. Australia-Brazil Chamber of Commerce, submission, Committee Hansard, p. 630.

1.73 A number of other submissions agreed that Australia should target the Latin American countries as part of a strategy of forging Pacific Basin regional cooperation. The Committee was urged:

"... to consider couching its recommendations in a wider Pacific Rim and Pacific Basin strategy, especially for those Latin American countries sharing with us this immense region. Rather than Latin America being added on to other equally pressing priorities, incorporation into Pacific cooperative schemes and the forthcoming "Pacific Century" would be more efficient and logical."⁹⁴

1.74 The Committee agrees that there are advantages for Australia in broadening its view of the Asia Pacific to include those Latin American countries that border the Pacific as part of the Pacific Basin with which Australia has common interests. Certainly, the Latin American countries are interested in developing wider and more substantial ties.

Future Relations

1.75 The Committee was struck by the absence of strategies and plans on the part of Government departments and agencies regarding the development of relations with Latin America. The Committee recognises that a degree of caution is necessary as the pace of reform in Latin America is uneven and the success of the political and economic reform process in Latin America not assured. Indeed, the presence of democratic governments does not in itself assure the success of economic reforms.⁹⁵ There are continuing problems and strains in many Latin American societies. However, on balance the Committee is optimistic that the Latin American nations will, in the next century, play an active and significant role in the Pacific and global economies.

1.76 A number of submissions suggested that Australia might be at an advantage in seeking to expand its commercial and cultural involvement in Latin America:

some Latin American countries, especially the countries of the "Cono Sur" (Southern Cone) - Uruguay, Argentina, Chile, Brazil and Paraguay -and

94. Professor G. McCall, submission, p. 3.

95. It is also true that the presence of autocratic military governments does not mean that reforms will not take place. In this respect it should be noted that significant economic reforms were carried out in Chile even under the repressive military rule of General Pinochet. The Committee believes, however, that in the long run, such economic reforms can only be sustained if they are accompanied by genuinely democratic political processes.

Australia share a common background in terms of colonial experiences. They also experienced a development process which closely parallels Australia's own;⁹⁶

the countries of Latin America have a business culture and environment similar to Australia's. English is widely used throughout Latin America; most technical books are in English; and the environment for business is substantially anglophile;⁹⁷

the attitude of Latin Americans towards Australia is free of the long-standing resentment which has arisen towards countries such as the United States;⁹⁸

most Latin Americans perceive a growing cultural affinity with Australia, due in part to their common European colonial heritage. This "cultural affinity" is reinforced by the large numbers of Latin American refugees who have been accepted by Australia;⁹⁹

Latin American countries are presently undergoing similar experiences to Australia as they are all trying to develop outwardly oriented, more competitive economies;

Spanish (the common language of Latin America with the exception of Brazil) is easier to learn than Asian languages as the sounds used are a subset of English sounds and it is completely phonetic.¹⁰⁰

1.77 Certainly, the existence of opportunities in Latin America is recognised by the major Australian Government agencies concerned - DFAT, DITAC and Austrade. At the same time, all three agencies have stated that their priority is and will continue to be Asia and the Southwest Pacific. The Committee concurs that Asia and the Southwest Pacific must be a high priority for Australia. However, the Committee would be concerned if these priority relationships are pursued while the development of other worthwhile relationships is neglected.

1.78 Recommendation one: The Committee recommends that greater effort be made by the Australian Government to establish stronger links with the countries of Latin America across a wide range of economic, cultural and academic activities.

96. Swinburne Centre for Housing and Planning, submission, pp. 1-2.

97. *ibid.*, pp. 1-4.

98. Mr O. Florez Marquez, submission, p. 2.

99. *ibid.*

100. Ms G. Osborne, submission, p. 1.

1.79 Specific recommendations on how this might be achieved are made in the following chapters of this Report.

1.80 From statements made by Latin American ministers,¹⁰¹ from the large number of submissions received by the Committee, from Latin American diplomatic representatives and from formal and informal meetings with individuals and organisations with an interest in Latin America, the Committee is convinced that there is a great deal of potential in closer relations with Latin America.

1.81 The Committee is of the view that Australia's policy towards Latin America should focus on the long term - the twenty-first century - when the countries of Latin America are expected to be a considerable economic force. In order to prepare for this, clear, deliberate, far-sighted, long-term policies and strategies must be put in place now, before the Latin American countries fully emerge from their longstanding economic difficulties. The Australian Government must take the appropriate steps to position Australia to participate in the mainstream of a revitalised Latin America.

1.82 The submissions the Committee received from all sectors have all been emphatic on this point. For example, from an economics professor:

"The best time to enter these markets is precisely at the time they are opened up, later the fight for market share will be far harder. If Australia is to make the best of these opportunities it must be well informed and ready to act."¹⁰²

From a leading bank:

"Unless Australia takes immediate steps to forge close political, economic and cultural ties with the region it will miss out on these opportunities and on the possibility of establishing strategic alliances which it will need if it is to survive the challenge posed by the creation of regional trading blocs."¹⁰³

From a commercial organisation:

"Given ... the amount of time Australia has had to prepare itself, it would be regrettable ... if we failed once again to be in on the ground floor as Latin America awakens in the

101. For example, in July 1990 the Argentine Minister of Agriculture and Fisheries called for economic cooperation among Argentina, Uruguay, Chile, Australia, New Zealand and South Africa.

102. Professor R. Maddock, submission, Committee Hansard, p. 398.

103. Banco Santander, submission, p. 7.

21st Century and thus be left - as we have been so often in the past - on the sidelines lamenting missed opportunities when they were there for the taking."¹⁰⁴

1.83 It is against this background - of fundamental changes in the international economic scene, in Australia and within the Latin American countries - that this inquiry has been conducted. In the following chapters of the Report, the Committee will examine the potential for increased relations between Australia and the republics of Latin America over a range of matters, particularly trade. It will seek to identify the impediments to increased trade and other contacts, and to put forward useful, practical and positive recommendations for improvements in the relationships.

104. Macdonnell Promotions, submission, p. 4.