

*"On the multilateral level, Australia also has strong cooperative relations with many Latin American countries not only in the United Nations but on a whole range of matters ..."*¹

CHAPTER EIGHT

MULTILATERAL RELATIONS

8.1 Multilateral contact has for long been the mainstay of Australia's relations with the countries of Latin America. This contact has encompassed a very wide variety of issues. For Australia, the most important multilateral contact with the countries of Latin America has been through the Cairns Group in the current Uruguay Round of negotiations on the General Agreement on Tariffs and Trade (GATT), and in relation to the Antarctic.

8.2 According to DFAT:

"We share many common interests on these issues and cooperation on them has been particularly close."²

Other important areas of interest to both Australia and the countries of Latin America that are extensively dealt with in multilateral forums include the environment, disarmament, the Law of the Sea, international commodity agreements, narcotics, development assistance and refugees.

8.3 Australia and Latin American countries have worked together harmoniously in relation to these various issues in multilateral organisations over the years with differences over human rights abuses being the only significant exception.³

8.4 Apart from DFAT, few submissions to the inquiry dealt with cooperation in multilateral forums in any depth. Austrade and DPIE referred to aspects of cooperation in the Cairns Group and some international commodity agreements.

¹ Comment by the then Secretary of DFAT, Mr Richard Woolcott, Committee Hansard, p. 199.

² DFAT, submission, Committee Hansard, p. 101.

³ DFAT, submission, Committee Hansard, p. 101.

8.5 In this Chapter, the Committee will give a brief overview of the main areas of multilateral cooperation between Australia and Latin America, concentrating on areas that can be expected to have the greatest impact on Australia.⁴

8.6 This Chapter will also look at the development of regional initiatives and groupings, mainly in the area of economic cooperation, that have been gaining momentum in Latin America in recent years, and the implications of these developments for Australia. Chief amongst these is the negotiation of a North America Free Trade Agreement which would link the economy of Mexico even more closely to that of the United States and Canada.

8.7 Finally, an issue examined in this Chapter, which the Committee considers to be of vital importance, is the role that the Latin American countries bordering the Pacific play in Pacific basin affairs, and in particular might play in APEC, the Asia Pacific Economic Cooperation process.

8.8 The Ambassador of Chile told the Committee that Australia has a solid base on which to build in the area of multilateral relations with Latin America. Australia and particular Latin American countries have forged closer ties with each other over recent years as they have pushed for global reform and liberalisation of agricultural trade.⁵

United Nations

8.9 When considering multilateral relations, the question of cooperation in the United Nations immediately comes to mind. Latin American and Caribbean countries account for almost a quarter of the membership at the United Nations. Mr Woolcott, the then Secretary of DFAT, assured the Committee that, as Australia's Representative at the United Nations between 1982 and 1988 he maintained close contact with his Latin American colleagues. The view in DFAT's submission is that:

"There would probably be scope for closer cooperation between Australia and the Latin American countries on UN matters ..."⁶

⁴ A more detailed account is contained in DFAT's submission, Committee Hansard, pp. 101-40.

⁵ H.E. Mr J. Salazar, submission, Committee Hansard, p. 1322-3.

⁶ Committee Hansard, p. 128.

This sentiment is consistent with Mr Woolcott's comment to the Committee that:

"... the role of the Latin American group in the United Nations is sometimes underestimated."⁷

8.10 Several United Nations related activities of substantial interest to both Australia and the countries of Latin America deserve a mention.

Environment

8.11 Australia is presently participating in a major environmental initiative to establish a framework for a convention on "climate change and biodiversity".⁸ Australia is also playing a role in the preparations for the United Nations Conference on Environment and Development (UNCED), in Brazil in June 1992. The Department notes in its submission, that Australia's contacts in these meetings with the Latin American countries have been generally limited to key countries such as Brazil, Mexico and to some extent Venezuela.⁹

"Australia supports and encourages their participation, in the belief that successful outcomes require the fullest possible participation."¹⁰

8.12 On the question of protecting the environment, Latin American countries, like most other developing countries, have stressed the need for developed countries, such as Australia, to provide adequate funding and technology expertise so that developing countries can meet obligations to implement measures designed to protect the environment.¹¹

8.13 Generally speaking, Australia is sympathetic to this viewpoint:

"Australia recognises the need for a mutually satisfactory resolution of these issues. Australia expects to contribute to international efforts to provide funds and technology transfer to address environmental problems."¹²

⁷ *ibid.*, p. 196.

⁸ DFAT, submission, Committee Hansard, p. 108.

⁹ *ibid.*, p. 108.

¹⁰ *ibid.*

¹¹ *ibid.*

¹² *ibid.*

Human Rights

8.14 Australia has long had a strong commitment to the protection of human rights. In its submission to the inquiry DFAT stated that, in addition to numerous bilateral representations:

"Australia's concerns over human rights situations in the Latin American region have been expressed in multilateral forums, principally the UN Commission on Human Rights (UNCHR) and the Third Committee of the UN General Assembly (UNGA)."¹³

8.15 According to DFAT, Australia has taken:

"... a supportive, but generally not a leading, role in international efforts to improve human rights in the Latin American region by the CHR and the UNGA."¹⁴

The Department points out in its submission, that in respect to human rights, Australia is increasingly concentrating its efforts in the Asia-Pacific region.¹⁵

8.16 As noted earlier, the question of human rights has been the one area of strain between Australia and particular Latin American countries in the United Nations. With the move towards the restoration of democratic processes in Latin American countries over recent years there has been improvement in the human rights situation in several countries in Latin America, although in some instances, unacceptable human rights violations still occur.¹⁶

8.17 As of August 1991 Latin America was represented on the United Nations Commission on Human Rights (UHCHR) by Argentina, Brazil, Colombia, Cuba, Mexico, Panama, Peru and Venezuela. An indication of a changing attitude towards the issue of human rights in Latin America is the more positive position being taken by several Latin American countries in discussing the issue within the United Nations.¹⁷

¹³ *ibid.*, p. 110. The Committee was told by the Department that in accordance with Australia's commitment to human rights it had made numerous representations to specific governments in Latin America on behalf of individuals, alleged to be victims of human rights abuses, *ibid.* According to ACFOA, one third of all human rights representations by the Australian Government in 1990 were on Latin American cases. ACFOA, submission, p. 1.

¹⁴ DFAT, submission, Committee Hansard, p. 111.

¹⁵ *ibid.*

¹⁶ *ibid.*, p. 109.

¹⁷ *ibid.*, pp. 109-10.

Peacekeeping

8.18 Australia has provided indirect support for security in Latin America by contributing to peace keeping efforts in the region. The United Nations Observer Group in Central America (ONUCA) was established in 1989. A human rights component of a UN Observer Mission in El Salvador (ONUSAL) was later established to assist in verification tasks related to a cease fire agreement in that country. Although Australia has not contributed personnel to either of these bodies, as of August 1991, it had contributed \$1.5 million towards the cost of ONUCA and on the same basis will contribute to the human rights observer group in El Salvador.¹⁸

Law of the Sea

8.19 Like Australia, Chile, Argentina, Brazil and Mexico all have long coastlines and therefore share an interest in protecting the rights of coastal countries as set out in the 1992 United Nations Law of the Sea Convention (LOSC).¹⁹ These countries therefore also share a desire to see the Convention come into force. Australia, along with most Latin American countries, participates in regular sessions of the United Nations Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea (Prepcom). This is the major international forum for negotiations concerning law of the sea matters.²⁰

8.20 Over the years there have been problems associated with Part XI of the LOSC on the question of deep seabed mining. In an effort to overcome the deadlock on this issue, the UN Secretary General established a small group of interested countries, under his chairmanship, the Latin American countries participating in this group are Argentina, Brazil, Chile and Mexico. Australia is appreciative of the fact that Mexico was of major assistance in securing Australian participation in this group.²¹ As major mining countries Australia and Chile have had a particularly close working relationship on the issues being dealt with by the group. Australia has also established a cordial and productive relationship with Brazil on these matters.

8.21 It is in the interests of both Australia and these four Latin American countries to continue to work together within the United Nations to protect and further their interests in relation to ocean resources.

¹⁸ *ibid.*, pp. 128-9.

¹⁹ *ibid.*, p. 125.

²⁰ *ibid.*

²¹ *ibid.*

Economic and Development Issues

8.22 The Second Committee of the United Nations General Assembly (UNGA) and the United Nations Conference on Trade and Development (UNCTAD) are the major UN multilateral forums for the discussion of international trade, economic, financial and development issues. Within UNCTAD Latin American representatives have led discussions concerning debt. According to DFAT Latin American representatives have also exercised a moderating influence on other more hardline G77 members of the Conference. Australia has been concerned, that as a result of the position adopted by several prominent members of the G77 group, UNCTAD:

"... is becoming increasingly marginalised in the promotion of improved cooperation between developed and developing countries."²²

According to the Department several Latin American members of G77 have indicated that they share the concerns of Australia regarding this development.²³ In the Department's view:

"Australia has established a good level of communication with the Latin American members of the Group and has been generally encouraging towards the development of the Group."²⁴

8.23 In its submission to the Committee DFAT makes it clear that Latin America is outside the focus of Australia's development assistance program, although some assistance has been given through multilateral forums. Geographically, Australia is in a region which encompasses half of the world's poor, with most of our neighbours being developing countries.²⁵ The Committee accepts that Asia and the South Pacific are Australia's priority regions in respect to the provision of aid and economic assistance and that this situation is unlikely to change in the future.

8.24 Despite the priority of Asia and the Pacific region for our assistance, Australia is aware of the needs of countries in Latin America. Over the years Australia has provided assistance to countries in that region for refugees, natural disasters and food shortages. During the past twelve years Australia has allocated about \$10 million in

²² *ibid.*, p. 139.

²³ *ibid.*

²⁴ *ibid.* G77 is a group of developing nations within UNCTAD concerned with promoting trade and their economic development . Although the group originally had seventy seven members its number is now greater than that.

²⁵ DFAT, submission, Committee Hansard, p. 133.

aid to the region, primarily in the form of emergency assistance delivered through multilateral organisations and non-government bodies.²⁶

8.25 Australia has also provided indirect financial assistance to Latin America through:

"... substantial contributions to multilateral organisations such as the World Bank, which is the largest contributor to Latin American development programs ..."²⁷

Future Contact

8.26 The important role that contact in multilateral forums can play in strengthening bilateral relations with countries of Latin America was made clear by Mr Woolcott in evidence to the Committee:

"On the strength of our common concerns on multilateral issues we have in fact been able to maintain warmer and more harmonious bilateral relationships with Latin American countries than would have been the case on the basis of purely bilateral interests."²⁸

8.27 Mr Woolcott commented that during a visit to South America he was impressed by the ease with which he could relate to officials of countries in that region due to the fact that Australia had established links with these countries through multilateral contacts. Mr Woolcott said:

"I was struck really, because sometimes you visit a country and you are trying to find issues on which you have something in common, but here it was really very simple because you would start with the Cairns group and the Antarctic Treaty and common interest and environment and disarmament. It was really rather easier than I had expected to find those bridges."²⁹

8.28 The Committee concludes that Australia's multilateral contacts with Latin American countries have provided an excellent foundation for furthering and promoting Australia's bilateral relations in the Latin American region.

²⁶ *ibid.*

²⁷ *ibid.*

²⁸ *ibid.*, pp. 199-200.

²⁹ Committee Hansard, pp. 199-200.

8.29 The Committee has advocated elsewhere in this Report that Australia should acknowledged more fully the importance of the Latin American countries in today's world, and pay greater attention to its relationship with that region.

8.30 Recommendation fifty two: The Committee recommends that Australia build on existing links with the Latin American countries on issues that come before the United Nations. Greater effort should be made to identify issues of common concern and a more regular pattern of pre-General Assembly consultation instituted. Such habits of consultation would be facilitated if DFAT were to initiate a series of regular briefings of Latin American Heads of Mission in Canberra, two or three times a year, on issues of common interest. The basis would thus be more firmly laid for the Minister for Foreign Affairs and Trade to expand his contact with the Foreign Ministers of the Latin American countries in the bilateral round of negotiations traditionally conducted with Australia's more important international partners before each session of the United Nations General Assembly.

Cooperation in International Law Enforcement

8.31 There are two main areas of co-operation between Australia and the countries of Latin America in the field of law enforcement. These are, first, the negotiation of Extradition Treaties and Treaties on Mutual Assistance in Criminal Matters and, second, co-operation in policing international drug trafficking.

Treaties for Extradition and Mutual Assistance in Criminal Matters

Concepts

8.32 The Attorney-General's Department defines the basic concepts involved in cooperation on extradition and criminal matters as follows:

"Extradition is the delivery up of a person who has been convicted of a crime or who is accused of having committed an offence against the laws of one country, by the authorities of another country in which he/she has taken refuge, to the authorities of the country having jurisdiction to deal with the offence.

Mutual assistance in criminal matters is ... concerned with the granting of assistance to other countries and the requesting of assistance from other countries relating to:

- (a) the investigation and prosecution of crime; and
- (b) proceeds of crime.³⁰

8.33 The Department explained that such international assistance is vital to the proper conduct of criminal investigations and prosecution of crime where there is need for:

- . one country to take evidence, at the request of another country, for use in the courts of the requesting country;
- . search and seizure to be carried out in one country at the behest of another;
- . persons (including persons in custody) to travel from one country to another to give evidence in criminal proceedings or to assist with investigations; and
- . orders relating to the proceeds of crime, such as orders to restrain or forfeit property, to be enforced in one country on behalf of another.³¹

Existing Arrangements With Latin American Countries.

8.34 According to the Attorney-General's Department, until the mid 1980s Australia's legal relationships with Latin America were based on treaties entered into between the United Kingdom and the various Latin American countries in the late 19th and early 20th centuries. Australia had succeeded to them either directly or by implication. These treaties are virtually useless. They impose on civil law countries (ie all the Latin American countries with which they were negotiated) seeking extradition, obligations which cannot be met because of the particular requirements for evidence of guilt admissible in Australian courts. Few, if any, of them provided for extradition for modern offences such as drug trafficking.³²

8.35 A list of the treaty arrangements between Australia and the Latin American republics in this area was provided by DFAT.³³

³⁰ Attorney-General's Department, submission, p. 2.

³¹ *ibid.*

³² *ibid.*, pp. 4-5.

³³ A list of the 'inherited' British extradition treaties still in force with Latin American countries, are in DFAT, submission, Committee Hansard, p. 113.

Negotiations with Latin American Countries

8.36 Australia's contacts with Latin American republics on matters involving criminal investigation and prosecution date from 1986. They may be traced to the then Australian Attorney-General, Mr Lionel Bowen's announcement in February 1985 that Australia would seek to modernise its international extradition relationships and to establish bilateral relationships in the area of mutual assistance in criminal matters.³⁴

8.37 Three initiatives were taken in the area of extradition. These were:

- . the preparation of amendments to Australia's extradition law to facilitate the conclusion of arrangements with other countries;
- . the approval of a model treaty to be used as a basis for extradition negotiations with other countries; and
- . the establishment of a Task Force devoted to concluding extradition arrangements with appropriate countries as a matter of urgency.³⁵

8.38 The Committee was told that the Task Force, comprising officers of the Attorney-General's Department, DFAT and a member of the Attorney-General's personal staff, initially concentrated on negotiating extradition treaties with the countries of Western Europe. However, the Task Force soon turned its attention also to the countries of Latin America.³⁶

8.39 The Committee was informed that Australian Task Force officials have so far visited Latin America twice to negotiate extradition treaties:

- . from late October to early December 1986, extradition treaty negotiations were conducted with Chile, Argentina, Uruguay, Ecuador, Brazil, Venezuela and Mexico;
- . from May to June 1990, the Task Force went to Mexico, Peru, Ecuador, Venezuela, Uruguay and Argentina.³⁷

8.40 The Attorney-General's Department further informed the Committee that the outcome of the negotiations since 1985 is as follows:

- . modern bilateral extradition treaties have come into force with Argentina, Ecuador and Mexico;

³⁴ Attorney-General's Department, submission, p. 2.

³⁵ *ibid.*

³⁶ *ibid.*, pp. 3-4.

³⁷ *ibid.*, pp. 5-6.

- . extradition treaties have been signed and are awaiting ratification with Uruguay and Venezuela;
- . substantial progress has been made on an extradition treaty with Peru;
- . while treaties on mutual assistance in criminal matters have been signed with Argentina and Mexico, neither has as yet entered into force. Australia is awaiting notification that the domestic procedures in these States have been completed before giving effect to the treaties;
- . negotiations on a mutual assistance in criminal matters treaty have been concluded with Ecuador; and
- . preliminary discussions on mutual assistance in criminal matters have been held with Uruguay and Venezuela, but a treaty text has not yet been concluded.³⁸

Future Plans

8.41 The Committee notes that the efforts to negotiate these new treaties have been planned as part of an overall effort to modernise Australia's international legal agreements and not a part of a specific Latin America oriented project.

8.42 The Committee supports the efforts to achieve a comprehensive network of extradition and mutual assistance treaties in Latin America. The Committee notes that the Attorney-General Department's submission provides a list of future priorities including:

- . the conclusion of the partly negotiated extradition treaties with Chile, Brazil and Paraguay;
- . the negotiation of extradition treaties with Colombia and Bolivia; and
- . the conclusion of mutual assistance treaties with Uruguay and Venezuela.³⁹

8.43 According to the Attorney-General's Department future work on these priorities will be influenced by resource constraints, including the high cost of travel to and within the Latin American region. The Committee is pleased to note that consideration will, however be given to a further negotiating visit to the region during the 1992-1993 financial year. These negotiations will help consolidate and expand the extent of cooperation between Australia and the Latin American countries concerned. It is to

³⁸ *ibid.*, pp. 6-7, Committee Hansard, p. 114.

³⁹ Attorney-General's Department, submission, p. 9.

be hoped that the necessary domestic procedures in the Latin American countries as well as Australia will be completed without delay for ratification to proceed.

8.44 Recommendation fifty three: The Committee fully supports the Government's efforts to negotiate and bring into effect new extradition treaties and mutual assistance in criminal matters treaties with Latin American countries and recommends that the negotiation of the treaties identified in para 8.42 be pursued as a matter of urgency with a view to finalising agreed texts by the end of the 1992-1993 financial year.

Co-operation in Controlling International Drug Trafficking

The Illicit Drug Industry in Latin America.

8.45 According to the Department of Foreign Affairs, Defence and Trade, the cocaine drug problem in Latin America is focussed primarily in the Andean region (Colombia, Bolivia, Ecuador and Peru). Sixty percent of the world's coca leaves are produced in Peru by about 250,000 peasants, for whom the income derived from the sale of coca leaves is their sole source of income. However, the coca is not processed in Peru, but in other Latin American countries.⁴⁰ According to DFAT, there has been an increase in the number of small-scale, highly mobile cocaine processing plants located in the north of Argentina near the Bolivian border. Brazil is increasingly becoming a major producer of the precursor chemicals acetone and ether, used in refining cocaine hydrochloride.⁴¹

8.46 The Ambassador of Colombia, H.E. Mr Fernando Navas de Brigard, is of the view that Colombia is winning the war against the narco-terrorists. Some of the main drug lords are in jail in Colombia and elsewhere. In 1991 alone, 77 tonnes of cocaine were confiscated and destroyed by the Colombian Government; 1,500 hectares of poppy plantations for opium and heroin production were also destroyed.⁴²

8.47 DFAT assessed that the intensified drive against cocaine production in Colombia has forced the problem into other Latin American countries. The DFAT submission considers that, for the rest of the region, trafficking in cocaine is the most serious drug-related problem. Both Argentina and Brazil have traditionally been transit routes for cocaine and marijuana. Despite Chile's tough anti-narcotics controls, drug couriers are increasingly using Chile as a transit route for narcotics from other Latin American countries.

⁴⁰ Ambassador of Peru, H.E. Mr Gonzalo Bedoya, Committee Hansard, p. 1860.

⁴¹ DFAT, submission, Committee Hansard, p. 115.

⁴² Ambassador of Colombia, H.E. Mr Fernando Navas de Brigard, Committee Hansard, pp. 1768, 1772.

8.48 DFAT also claims that Latin American countries are themselves now experiencing an increasing domestic drug problem attributed largely to expansion of drug production and trafficking in the region.⁴³ This, however, is at variance with the view expressed by Professor Maddock, who has spent time working in Colombia, and who considers that there is still very little drug usage in Colombia itself.⁴⁴

Responses by United States and Europe

8.49 DFAT informed the Committee that in an effort to combat cocaine production and trafficking in the region, the Presidents of the United States, Bolivia, Colombia and Peru held a summit meeting in Cartagena, Colombia, in February 1990. The leaders agreed to cooperate in exchanging information and intelligence on narcotics and all four countries will sponsor programs designed to raise public awareness of the drug problem.

8.50 The United States agreed to provide increased equipment and training to law enforcement agencies in the Andean countries and to help train Andean farmers to switch from coca to other crops, in addition to providing an aid package to help offset losses caused by the move away from coca production. According to DFAT, the United States also agreed to try to open its markets to more South American goods and to provide balance of payments assistance to stabilise the economies of the Andean countries.

8.51 The total program planned by the United States to combat the drug problem in the Andean countries will cost US\$2.2 billion over the period 1990-94. The program is to include a substantial economic development package if there are positive results from the initial assistance.⁴⁵

8.52 Professor Maddock drew attention to preferential trade agreements between the European Community and the countries of the north-west of Latin America, namely Colombia, Ecuador, Peru and Bolivia. Under these three and four-year agreements the Latin American countries have preferential access for some exports to the European market. This access is very explicitly:

"... a payment for the efforts that these countries have made to try and repress the drug trade."⁴⁶

⁴³ DFAT, submission, Committee Hansard, p. 115.

⁴⁴ Professor Maddock, Committee Hansard, p. 447.

⁴⁵ Committee Hansard, pp. 115-6.

⁴⁶ *ibid.*, p. 422. See also footnote 104 of this Chapter.

8.53 The Ambassador of Peru confirmed the importance of crop substitution programs to the eradication of coca farming. According to the Ambassador, if the Peruvian Government were to try to eliminate the coca crop in an aggressive way, it would result in the peasants turning to the narco terrorists for protection.⁴⁷ The importance of the special trade preferences for export products granted by the United States and European Community was stressed by the Ambassador of Colombia in his evidence.⁴⁸

8.54 According to another witness, Professor Maddock, the United States, has been "quite sensible" in its treatment of Colombia. For example, the United States encouraged the Barco Government's military attacks on the narco-traffickers without offering huge amounts of money or offering to send in troops, which, according to Professor Maddock, would have been counter-productive.⁴⁹

8.55 However, Professor Maddock added that the biggest problem is the fact that the United States market is so profitable:

"The US market is such a powerful magnet and the fact that the US demand for drugs seems to be inexhaustible means that Colombians and Bolivians and Brazilians and Panamanians will continue to supply it."⁵⁰

8.56 The problem of reducing demand must be recognised as a central problem and one that is essentially tied to the socio-economic situation in the United States and therefore beyond Australia's capacity to assist materially.⁵¹

8.57 The DFAT submission notes that:

"... the Latin American countries are keen to develop a new international convention on demand reduction."⁵²

⁴⁷ Ambassador of Peru, H.E. Mr Gonzalo Bedoya, Committee Hansard, p. 1860.

⁴⁸ Ambassador of Colombia, H.E. Mr Fernando Navas de Brigard, Committee Hansard, p. 1768.

⁴⁹ Committee Hansard, p. 435.

⁵⁰ *ibid.*, p. 436.

⁵¹ The Committee is pleased to note that the great complexity of the drug problem, including the role of demand in coca production, is fully acknowledged in the agreement signed between the Governments of Peru and the United States on 14 May 1991 on Drug Control and Alternative Development Policy. The agreement foreshadows a comprehensive joint strategy to address the drug problem. See attachment to letter from H.E. Mr Gonzalo Bedoya, dated 12 September 1991.

⁵² Committee Hansard, p. 115.

Australia may be able to assist the South American countries in international forums in lobbying for increased demand reduction programs in the major markets, such as the United States.

8.58 The Committee agrees with DFAT's view and that of the Latin American countries that, in considering the most effective form of assistance to combat the drug problem:

"... there needs to be a balance between supply control and demand reduction."⁵³

In this context, the Committee found Professor Maddock's comments on crop substitution of interest.

"I think that if you followed that sort of policy you probably could stop people in Bolivia growing coca, but then you would find people starting to grow it somewhere else. The point is it is driven by the profits so you would get substitution, I think, of one group of growers for another and that may be desirable. I mean if you can get people who are peasant farmers who absolutely depend upon that crop away from growing that crop and so it becomes people who are doing it for profit in the jungle somewhere ..."⁵⁴

8.59 The committee concurs with DFAT's conclusion that:

"... it is important that it is not just crop eradication but crop substitution and integrated development of the economies of the places of production."⁵⁵

The Extent of Australian-Latin American Drug Trade.

8.60 According to DFAT, the importation of cocaine itself is not of great significance to Australia. While there has been an increase in the number of interdictions since 1988, the amounts involved remain relatively small. The most recent full year for which DFAT is able to supply information is 1989. In that year, according to

⁵³ *ibid.*, p. 221.

⁵⁴ *ibid.*, p. 437.

⁵⁵ *ibid.*, p. 221.

Mr Vaughn, 44 kilos of cocaine were seized:

"... almost a 100 per cent increase on the year before - but it is still in relatively small quantities."⁵⁶

Nevertheless, Mr Vaughn concluded that:

"... on the information available to me in discussions with the other agencies, principally AFP and ACS, both the supply of and demand for cocaine in Australia seems to be relatively stable. It does not seem to be on the increase."⁵⁷

8.61 Mr Vaughn dismissed a suggestion that increased and better direct transport links between Australia and Latin America might mean an increase in drug traffic using those links. He argued that:

"Indirect supply of cocaine to Australia - that is not direct transshipment across the Pacific - is not an insurmountable problem to the suppliers. The profits are so great that taking indirect routes will only marginally increase their costs and maybe increase the likelihood of a successful entry into Australia. So my understanding is that enhanced direct transport links to Latin America, whether by sea or by air, would not cause a substantial increase in the threat to Australia ..."⁵⁸

8.62 The Ambassador of Colombia made the point that drugs from Colombia do not necessarily come to Australia through the direct route of concealment in Colombian exports. The Ambassador told the Committee:

"I have been told that the cocaine coming from Colombia basically is a transshipment not only in Colombian vessels, but also in other country's vessel or transportation ... also some of the cocaine crossing is refined in Colombia but is sent from Colombia to the United States, and from the United States it is coming here by regular mail ... Most of

⁵⁶ *ibid.*, p. 222.

⁵⁷ *ibid.*, p. 227.

⁵⁸ *ibid.*, p. 212.

the drugs coming here are by mail or in ships from any nationality."⁵⁹

8.63 This accords with the view expressed by Mr Vaughn:

"A mixture of routes is being used. Some comes directly, hidden in consignments, in containers; others are brought in either on direct flights or transhipped by the United States or - what we are particularly concerned about and agencies are watching - via Pacific Island countries."⁶⁰

Australia's Response

8.64 The control and eventual elimination of the illegal production and trade in cocaine is obviously a massive problem. The Committee is aware of the immense power of the narco-traffickers. The Committee heard graphic evidence from Professor Maddock about the "war of blood" that took place in Colombia in an effort to bring the narco-traffickers under control.⁶¹

8.65 The Committee is also aware, as noted earlier, that the other side of this problem is the massive demand for cocaine in the United States market.

8.66 In relation to both these problems, Australia does not have either the resources, nor the influence, to play a major role. Nevertheless, if Australia is to implement a policy of upgrading relations with Latin America, the importance of the problem of illegal trade in narcotics in South America cannot be ignored.

8.67 According to the DFAT submission, the Latin American countries recognise that the fight against the narcotics traffickers must involve all members of the international community. The Andean countries were particularly actively involved in the drafting of the 1988 UN Convention Against Illicit Trafficking, and have sought early ratification of the Convention by their governments.

8.68 Australia was amongst the first to sign the Convention and negotiations are in progress with the State Government, who share responsibility with the Commonwealth Government for implementation of the provisions of the Convention, to permit Australia to ratify it.

⁵⁹ H.E. Mr Fernando Navas de Brigard, Committee Hansard, pp. 1779-80. The use of Argentina and Brazil as transit routes for cocaine and marijuana was noted in the DFAT submission, Committee Hansard, p. 115.

⁶⁰ Committee Hansard, p. 222. Recommendation ten in Chapter 3 addresses the question of customs inspections.

⁶¹ Committee Hansard, p.432.

8.69 Both the Ambassadors of Colombia and Peru stressed to the Committee the importance of early ratification of the 1988 Convention. The Ambassador of Colombia indicated that he would like to see the ratification process of the 1988 Convention in Australia expedited.⁶²

8.70 Recommendation fifty four: The Committee recommends that steps be taken without delay to enable Australia to proceed to ratification of the 1988 UN Convention Against Illicit Trafficking.

8.71 The primary multilateral forum for drug control is the new United Nations international drug control program which has brought together previously separate United Nations drug agencies.

8.72 DFAT's submission advises that in 1989/90 Australia contributed A\$1,060,000 to the United Nations Fund for Drug Abuse Control (UNFDAC).⁶³ This included a special allocation of 12% of our total contribution, \$A150,000, to assist in funding a computer project in Colombia with law enforcement and drug preventative education objectives. The project was co-funded by the Netherlands and undertaken by UNFDAC.⁶⁴

8.73 According to DFAT, this small contribution was intended as a practical demonstration of Australia's support for the vital role being exercised by Latin American governments in the fight against illicit drugs.

8.74 Recommendation fifty five: The Committee recommends that Australia continue to participate actively in the United Nations drug control program, including participation in elements of the program specifically directed to Latin America.

Police Cooperation

8.75 The Australian Federal Police (AFP) informed the Committee that before 1989, there was little close law enforcement co-operation between Australia and Latin America and the few contacts made with Latin America on matters of international law enforcement were at international forums dealing with illicit drug trafficking. Such

⁶² H.E. Mr Fernando Navas de Brigard and H.E. Mr Gonzalo Bedoya, Committee Hansard, pp. 1768, 1860.

⁶³ Committee Hansard, p. 116.

⁶⁴ Senate Hansard, 28 November, 1989, p. 3431.

meetings were usually organised by the International Criminal Police Organisation (Interpol) and the United Nations.⁶⁵

8.76 The AFP told the Committee that the emergence of cocaine as a drug of choice around the world as well as signs of an increase in cocaine usage in Australia have brought about the need for closer contact between Australian authorities and law enforcement agencies in the Latin American region, particularly those of South America. According to the AFP, the illicit traffic in cocaine has also increased the potential for more involvement by organised criminal groups with common backgrounds, which are known to be active in both Australia and various Latin American countries.⁶⁶ AFP comments on cocaine usage in Australia contradicts some of the evidence noted in para. 8.60. On the basis of the evidence before it, the Committee found it difficult to form a view on the level of cocaine usage in Australia.

8.77 In April 1985 the AFP established its first liaison office in Latin America, at the Australian Embassy in Buenos Aires. The AFP informed the Committee that its decision to locate the office in Buenos Aires was based on a number of factors:

- . the policy of locating police liaison offices within Australian diplomatic missions;
- . the existence of the Qantas/Aerolineas Argentinas trans-polar air route, which has tended to make Buenos Aires the gateway to South America from Australia; and
- . the unsuitability of the other possible locations where Australia has missions in Latin America for operational reasons.⁶⁷

8.78 The Committee was further informed that the principal role of the AFP liaison officer in Argentina is to establish effective liaison with the law enforcement agencies of the countries of Latin America. This liaison supports investigations by both Australian Federal and State police forces and develops and maintains a flow of criminal intelligence. Since the Buenos Aires office opened, it has established firm lines of communication with ten major countries of Latin America. Of these, Argentina, Brazil, Bolivia, Colombia and Chile are particularly important to Australia as they represent the main sources of Australia's cocaine supply.⁶⁸

⁶⁵ AFP, submission, p. 1.

⁶⁶ *ibid.*

⁶⁷ AFP, submission, pp. 1-2. Law enforcement matters in Mexico are monitored through the AFP liaison offices in Washington and Los Angeles.

⁶⁸ AFP, submission, p. 2.

8.79 Recommendation fifty six: The Committee recommends that the level of police liaison with Latin American law enforcement authorities be regularly reviewed by the Australian Government in the light of any growth in interdictions or intelligence indicating an increase in direct importation of drugs into Australia from Latin America.

8.80 The Committee agrees with the views expressed by Professor Maddock on the need also to generally support the rule of law in countries facing major problems of narcotics trafficking and narco-terrorism:

"I think that we just really have to try to offer them as much support as we can to maintain and develop their legal and law enforcement institutions in a fairly normal sort of way, accepting that there are going to be lots of failures and we are going to finish up supporting some people who turn out to be crooks. Unless you support the rule of law, you are abandoning a country, potentially, like Panama or Venezuela or somebody to very extreme sorts of solutions - the US solution in Panama to militarily take over. In Colombia you go through a blood bath. We are still searching I think for middle ways of dealing with the drug problem ..."⁶⁹

8.81 The AFP referred in its submission to a greater willingness on the part of Latin American law enforcement agencies in recent times "to co-operate at both regional and international levels."⁷⁰ The AFP also concluded that:

"There appears to be no reason why with continued judicious allocation of modest human and financial resources, Australia cannot consolidate the relationships already established with Latin America countries and maintain a level of cooperation commensurate with its law enforcement needs."⁷¹

8.82 Recommendation fifty seven: The Committee recommends that the Australian Government give favourable consideration to providing modest and selective law enforcement assistance to countries in the Latin American region along the lines of some already delivered in South East Asia.

⁶⁹ Committee Hansard, p. 437.

⁷⁰ AFP, submission, p. 4.

⁷¹ *ibid.*

Antarctica

8.83 As a consultative party to the Antarctic Treaty, Australia participates with eight Latin American countries in the operation of the treaty. Of the Latin American countries, Argentina, Chile, Brazil, Peru, Ecuador and Uruguay are parties to the treaty. Colombia is a non-consultative party to the treaty.⁷²

8.84 There are extensive contacts between Australia and these Latin American countries concerning Antarctica, such as involvement in the preparation for, and participation in, the formal Antarctic Treaty Consultative meetings which are held biennially. In addition to these meetings, Australia takes part in formal and informal exchanges, both of a multilateral and bilateral nature, with the Latin American countries on Antarctic issues. Exchanges of information and scientists take place concerning Antarctic scientific and logistic activities under the cooperative framework established by the treaty system.⁷³

8.85 Australia, Argentina, Brazil and Chile are members of the Commission for the Conservation of Antarctic Marine Living Resources. This Commission and its scientific committee, meet annually in Hobart. Although Peru and Uruguay are not members of the Commission they have acceded to the Convention for the Conservation of Marine Living Resources.⁷⁴

8.86 All Latin American Antarctic Treaty parties and Australia are members of the Scientific Committee on Antarctic Research (SCAR). Although SCAR, which is a part of the International Council of Scientific Unions, is independent of governments it plays an import role within the Antarctic Treaty System.⁷⁵

8.87 The Committee was pleased to learn that the Australian and Argentine Antarctic agencies are developing an agreement providing for the exchange of information and staff and for logistic and research cooperation.

8.88 Recommendation fifty eight: The Committee recommends that scientific exchanges on Antarctic issues be considered for inclusion in the science and technology agreements proposed by the Committee in Recommendation six.

⁷² DFAT, submission, Committee Hansard, p. 107.

⁷³ *ibid.*

⁷⁴ *ibid.*

⁷⁵ *ibid.*

8.89 The Committee was also pleased to learn that earlier differences in perception between Australia and the countries of Latin America on how to approach the question of the environmental protection of Antarctica have:

"... narrowed now to the point where they no longer exist."⁷⁶

It is a tribute to all parties that, through discussion and dialogue, a commonality of view has been achieved. The Committee welcomes this achievement and expresses the hope that close cooperation on issues of major importance, such as the future of the Antarctic, will continue between Australia and the countries of Latin America.

Nuclear Issues, Arms Control and Disarmament

8.90 Four countries in Latin America, Argentina, Brazil, Mexico and Cuba, have nuclear power programs. Of the Latin American countries concerned, only Mexico has satisfied the three criteria necessary to purchase Australian uranium. These criteria are to:

- . be a party to the Treaty on the Non-proliferation of Nuclear Weapons (NPT);
- . have in place an NPT full scope safeguards agreements with the International Atomic Energy Agency (IAEA); and
- . have concluded a bilateral safeguards agreement with Australia.⁷⁷

In recent years Australian uranium companies have shown an interest in becoming suppliers to the Mexican electric power utility (CFE).⁷⁸

8.91 Australia's contacts, including those by the Australian Nuclear Science and Technology Organisation, with Latin American countries in respect to nuclear issues have been largely in multilateral forums. Most Latin American countries are members of the IAEA, with Argentina, Brazil, Chile, Venezuela and Uruguay presently serving on the Board of Governors. Australia is also a member of the Board.⁷⁹

⁷⁶ Committee Hansard, p. 204.

⁷⁷ DFAT, submission, Committee Hansard, p. 117.

⁷⁸ *ibid.*

⁷⁹ *ibid.*, p. 118.

8.92 DFAT is of the view that:

"Latin American countries share with Australia a commitment to nuclear non-proliferation and a strong desire to achieve effective nuclear arms control and an end to nuclear testing."⁸⁰

Most Latin American countries are members of the NPT, which prohibits all nuclear explosions by parties to the treaty. It is significant that Argentina, Brazil and Chile are not parties to the treaty.⁸¹

8.93 There are however, indications that progress towards a greater commitment to non-proliferation is being made. On 13 December 1991, a nuclear safeguards agreement was signed in Vienna between Argentina, Brazil, the Brazilian-Argentinian Accounting and Control of Nuclear Materials Agency and the International Atomic Energy Agency (IAEA). The aim of this agreement is to implement safeguards on the nuclear industries of Brazil and Argentina. Since then, Argentina has announced a new comprehensive regime to prevent Argentine exports being misused for the development of weapons of mass destruction.⁸² Australia has welcomed these developments. The Committee hopes that in the near future Argentina, Brazil and Chile will become parties to the NPT.

8.94 All the Latin American countries have signed the regional Treaty of Tlatelolco, which is designed to establish a nuclear free zone in Latin America.⁸³ The objectives of the Treaty of Tlatelolco are similar to those set out in the South Pacific Nuclear Free Zone Treaty, of which Australia is a member, with the exception that the Tlatelolco Treaty provides for peaceful nuclear explosions. Although there are no formal links between the two organisations responsible for the treaties, informal contact and exchanges have taken place between the two bodies.⁸⁴

8.95 Australia has a strong commitment to nuclear disarmament. The Committee was pleased to learn of the close cooperation of a number of Latin American countries on nuclear non-proliferation and disarmament initiatives with which Australia has been associated. For example, Peru and Uruguay were amongst the 28 countries which co-sponsored an Australian proposal at the 1990 NPT Review Conference to endorse full scope safeguards as a necessary condition of new nuclear supply. The achievement of a single text for a resolution in support of a comprehensive test ban treaty, to which both Australia and Mexico were able to subscribe at the last United

⁸⁰ *ibid.*

⁸¹ *ibid.*

⁸² Press Release, Minister for Foreign Affairs and Trade, dated 1 May 1992.

⁸³ An important non-signatory is Cuba; nor is Cuba a signatory of the NPT.

⁸⁴ DFAT, submission, Committee Hansard, p. 119.

Nations General Assembly in 1991 is another welcome development and augurs well for continued close cooperation on nuclear issues.

8.96 A number of Latin American countries, particularly Peru, have provided valuable support to the campaign opposing French nuclear testing in the South Pacific. The Permanent Commission on the South Pacific (PCSP) established by Peru, Chile, Colombia and Ecuador along with OPANAL, the body responsible for the Treaty of Tlatelolco has also been active in the pursuit of this objective.⁸⁵

8.97 Australia has played an active role in efforts to eliminate, or at least reduce, chemical weapons. In respect to the issue of eliminating both chemical and biological weapons, Australia has had contact with Latin American countries through the Conference on Disarmament (CD). Argentina, Brazil, Mexico, Peru and Venezuela are members of the CD and participate in negotiations concerning chemical weapons through an ad hoc committee of the Conference.⁸⁶

8.98 The Committee was interested to learn of the dialogue that has been established between Australia and Argentina on the implementation of a future Convention on the Prohibition of Chemical Weapons. The Committee was also pleased to learn that Venezuela has taken the initiative to sponsor a Latin American regional seminar on chemical weapons.

8.99 Recommendation fifty nine: The Committee recommends that:

- . **dialogue of the kind initiated with Argentina on the implementation of a future convention on the Prohibition of Chemical Weapons be extended to other countries of Latin America; and**
- . **that Australia, as the sponsor of the Chemical Weapons Regional Initiative in its own region, maintain close contact with the regional initiative taken by Venezuela.**

International Commodity Agreements

8.100 International Commodity Agreements (ICA) have led to the establishment of multilateral organisations in which Australia relates to, and negotiates with, a large number of diverse countries. However, there are only a few ICAs and associated bodies in which Latin American countries are important members in terms of their

⁸⁵ *ibid.*

⁸⁶ *ibid.* Chile, Honduras and Uruguay have observer status in the CD.