

AUSTRALIA'S REDISCOVERY OF LATIN AMERICA

Address by Senator Gareth Evans to the Columbus Quincentenary Conference, La Trobe University, Melbourne, 27 June 1992.

In this year marking the 500th anniversary of the discovery of the Americas by Christopher Columbus, the entire international community, including Australia, appears to be engaged in a rediscovery of Latin America - with the emphasis not just on its past, but its present and future.

With our quite different colonial heritages, the historical links between Australia and the region have been at best the stuff of footnotes - albeit some exotic ones. In 1787, the first fleet stopped over in Rio de Janeiro on its way to Sydney Harbour: indeed I understand that the "rum" which fuelled the infamous Rebellion of the same name was in reality Brazilian cane spirit. In the early twentieth century, Valparaiso ranked third, after Britain and New Zealand, among the foreign destinations of ships leaving Australia - and the first Labor Prime Minister of Australia, John Watson, was actually born there. And then there was William Lane's attempt, during the 1890s, to establish a model society in Paraguay, to be known as "New Australia": this remains our most enduring link with Latin America, in that today there are several thousand Paraguayans who are at least partly of Australian descent.

But while Australia and Latin America have had in the past only minimal contact, recent events in the region have called Australia's attention to it in an unprecedented way. Indeed, the political and economic changes which have swept Latin America over the past decade or so - the steps taken towards the achievement or consolidation of real democracy and free market economies in almost every country - have been almost as dramatic as those in Eastern Europe and the former Soviet Union, although they have been more gradual and received far less publicity.

Ten years ago, military governments like those in Argentina and Chile were almost the norm in Latin America. There was a woeful record of human rights abuse. Only a handful of countries had a history of democratically elected governments. Today, the picture is vastly different. With the notable exception of Cuba - and the hopefully temporary recent backsliding in Peru - each country in the region now possesses a defined democratic structure with free multi-party elections. And the human rights environment, while still by no means perfect, has improved out of sight.

The attempted coup against the government of President Perez in Venezuela during

February indicates that, in spite of the new mood of democracy in the region, there remain elements within the military all too nostalgic about the continent's authoritarian heritage. But I am confident, from my own visits and contacts, that the new-found respect for democratic principles in Latin America is strong, and that a turning back to the military dictatorships which prevailed only a short time ago is unlikely.

The economic changes which have followed the political upheaval have been almost as dramatic. Until recently, Latin America was characterised by inefficient state-controlled capitalist economies, with high tariff barriers and long-standing policies of import-substitution. The effects of such policies were clear for all to see - massive foreign debt, hyperinflation, and a growing disparity between the small wealthy elite and the increasingly impoverished lower classes. Today, a great deal of this has been swept aside, and Latin America is now a region undergoing profound economic restructuring, including extensive trade liberalisation and privatisation programs. Foreign investment is now actively encouraged, with previous restrictions on the repatriation of profits now having been largely abolished

There are clear indications that the new policies have begun to bear fruit. Most countries in the region are registering stronger economic growth than has been the case for many years - between 5 and 10 per cent in many cases. Inflation has been brought down to more reasonable levels, in most cases to between 20 and 30 per cent, even in countries such as Chile and Argentina too often regularly used to record figures in the thousands of per cent per year. A number of countries have succeeded in bringing their foreign debt under control and, it is to be hoped, will be able to reduce significantly these crippling burdens over coming years.

One of the more interesting practical results of all this change has been the emergence of a marked trend towards economic integration both within Latin America itself, and with North America. Such arrangements would have been inconceivable only five years ago with the inward-looking nature of the economic policies prevalent throughout the region. Today, a plethora of interlocking arrangements are being negotiated. Apart from the larger intra-regional agreements such as the Mercosur arrangement and the Andean Pact, there are any number of smaller trading arrangements currently under discussion. Of course, the entry of Mexico into the NAFTA free trade agreement with the United States and Canada will undoubtedly affect trade flows throughout the entire region. Although it is unlikely to occur overnight, the eventual establishment of a free trade pact covering the entire Americas region, from Alaska to Patagonia, is quite possible.

One of the clearest, and most public, signs of new Australian interest in the region generated by all this change was the inquiry by the Senate Committee on Foreign Affairs, Defence and Trade into our relations with Latin America last year. Neither the Committee nor anyone else was prepared for the 120 submissions which poured in, including detailed contributions from government bodies, companies, educational institutions, private

individuals, and Latin American diplomatic representatives in Australia.

In what I would characterise as a very positive and enthusiastic report, tabled in the Senate just last week, 18 June, the Committee came to the conclusion that, as the process of economic restructuring, rescheduling of external debt and revitalisation of their economic infrastructures proceeds, the republics of Latin America will play an active and significant role in the Pacific and global economies of the next century. The Committee also concluded that, despite our understandable focus on the Asian region, Australia could no longer afford to ignore the opportunities flowing from this process.

In recognition of this fact, the first recommendation of the Committee's report, and one with which I am sure no one in this audience will disagree, is 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" In support of this recommendation, the report goes on to make a further 62 recommendations covering such diverse fields as political and cultural exchanges, trade and transport links, investment, joint participation in multilateral and other international organisations and cooperation on matters of international law enforcement. In order to implement these recommendations, the Committee proposes a greatly increased level of cooperation and coordination between Australian Government agencies, the business sector and academia.

The Senate Committee report has confirmed the Government's own assessment of what is required - and indeed what we have begun to do over the past three years. It provides a very useful blueprint for the future of Australia's relations with Latin America and should be compulsory reading for anyone with an interest in the future of Australia-Latin America relations. At this early stage, I am unable to give you the Government's detailed reaction to specific recommendations. But we are giving them careful and positive consideration and I am confident that the report will come to be seen as a landmark in the development of a new Australian perspective on Latin America.

The greatly increased level of bilateral visits over the last three years has already provided a clear indication of the seriousness which with the Government now views Latin America. During just the past three months, for example, both I and my colleague, John Kerin, the Minister for Trade and Overseas Development, as well as my Parliamentary Secretary, Stephen Martin, have made official bilateral visits to countries in Latin America. Right now an Australian Parliamentary Delegation is visiting Argentina and Chile, and we also have a delegation from Venezuela visiting us here in Australia. During the past two or three years we have welcomed a number of distinguished visitors from Latin America, including, of course, President Salinas of Mexico.

Australia's general foreign policy commitment to engage more closely with the Asia-Pacific region, was recently given new momentum by Prime Minister Keating, has found

common ground with the new foreign policy priorities now evident in Latin America. There is a self-consciously Asia-Pacific dimension to Australia's developing links with several Latin American countries. Mexico, Peru, Colombia, Chile, and Ecuador have all either joined, or expressed interest in joining, the Pacific Basin Economic Council (PBEC) and the Pacific Economic Cooperation Conference (PECC). Mexico and Chile have also put forward strong cases for membership of the Asia Pacific Economic Cooperation process (APEC). Certainly, Latin America's aspirations - not just confined to the Pacific seaboard states - to build closer political and economic links with the growth economies of the Asia Pacific region, including Australia, seem likely to sharpen further.

At first glance, Australia's trading links with Latin America appear relatively inconsequential in the context of our wider commercial ties. Nevertheless, with the current economic reforms now under way in Latin America, together with the presence there of a relatively large and affluent middle class, the Government has recognised the strong potential for the growth of Australia's exports to the region. Although trade with Latin America represents only about 1 percent of our total trade, exports in 1991 still amounted to almost A\$500 million, with imports totalling A\$618 million. To put that into slightly better perspective, it should be appreciated that we export almost as much to this region as we do to Eastern Europe, and that imports from Latin America in fact exceed those from Eastern Europe and Africa combined.

Australian investment in Latin America is not particularly significant, with the exception of Chile, where Australia is the third largest foreign investor, with investments totalling more than A\$700 million. BHP has a A\$640 million investment in the La Escondida copper mine, and other large Australian mining companies such as Niugini Mining, MIM, and CRA have all announced that they are exploring new projects in Chile.

While trade with Latin America might be small, and investment overall now limited, there are nevertheless many areas where there is considerable potential to boost Australia's exports and investment in the region. Australian experience and expertise in mining and energy ventures is well-recognised in Latin America. The region possesses large, and in many cases massive, deposits of minerals in which Australia has particular experience, notably coal and gold. In addition, there are significant opportunities for Australian companies in oil and natural gas production, especially in Venezuela, Colombia and Argentina. Our agricultural know-how would be of considerable assistance to many countries as they struggle to develop competitive agricultural sectors after decade of protectionism. Australia's experience in tropical fruit production, dry-land farming and cattle breeding is eagerly sought in Latin America.

While bilateral relations with most Latin American states remain low-key, at least for the time being, Australia and Latin America already pursue common aims in a variety of multilateral fields. Such cooperation was able to continue in most cases, albeit in a restrained fashion, even when we strongly disapproved of the regimes in power in Latin

America. Since the restoration of democracy, however, multilateral cooperation has flourished, to include now most of the major issues currently on the international agenda. Trade issues, disarmament, the environment, Antarctica and narcotics all provide examples of issues where Australian and Latin American interests have coincided, and seem likely to continue to do so in the future.

The effectiveness of the Cairns Group of fair-trading agricultural nations, which includes five Latin American Countries - Argentina, Brazil, Chile, Colombia, and Uruguay - in the Uruguay Round of trade negotiations, points to the benefits which can be gained through our closer cooperation with the region. The Latin members of the Cairns Group remain strongly committed to its objectives and have played an active role in pressing the critical issue of agriculture within the Round. As countries reliant on agricultural exports, like Australia, they have also suffered from the imposition of market access barriers, particularly by the European Community and the United States.

On multilateral peace and disarmament issues, like Australia, the Latin American countries share a deep commitment to securing comprehensive global agreements on disarmament and nuclear non-proliferation issues. Argentina, Brazil, Mexico, Peru and Venezuela, for example, are all members of the Conference on Disarmament and actively participate in negotiations, now at least nearing finality, aimed at producing a Chemical Weapons Convention.

Contacts with Latin American countries on environmental issues have grown considerably over recent years. As witnessed by the holding of the recent UNCED conference in Brazil, Latin America now sees itself and is seen by others as playing a vital role in international negotiations on the environment. Australia and a number of Latin American countries have cooperated particularly closely on Antarctic issues - where Chile and Argentina, in particular, have maintained an intense interest.

Cultural exchanges between Australia and Latin America have also increased during recent years, in spite of the relatively small financial contributions made by government. In April 1991, some members of the Australian Youth Orchestra enjoyed an extremely successful tour of Brazil and Venezuela, and in April 1992, five Australian groups performed at the International Festival of Theatre in Caracas, giving Australia the second largest representation after Italy. Three of these groups then went on to perform at the Ibero-American Theatre Festival in Colombia.

Our relations with the region have also been given some encouragement and impetus from the presence of growing Latin American communities in Australia. Latin Americans have been in Australia since the early 19th century, but it is only over the past two decades that larger numbers of settlers have begun to arrive. The latest available figures from the 1986 census show that there were around 46,000 people living in Australia who had been born

in Latin America. If we add new settlers since 1986 to this figure, together with children born in Australia, then we probably have over 60,000 Latin Americans living here, a not insubstantial ethnic community. Of these, the largest group are the Chileans: in fact, Australia has the world's second largest community of expatriate Chileans, after Argentina. During the mid-to-late 1980s Australia accepted several thousand refugees from El Salvador, and we also have significant migrant groups from Uruguay, Argentina, Colombia and Peru.

While the relationship seems to be developing a momentum of its own, we might consider at this point what practical steps could be taken to improve the existing framework. I know that the existing transport links, in terms of airline connections and shipping routes, are not ideal. Unfortunately, this is a bit of a chicken and egg situation - demand will create supply and vice versa. Nevertheless, the air link from Sydney to Buenos Aires with both QANTAS and Aerolinas Argentinas, limited though it is, is a practical expression of the development of social and economic between Australia and Latin America over the past decade. The lack of good shipping routes to South America is also an impediment to trade, but the Government recently studied this issue. Most of Australia's exports to Latin America are bulk commodities, like coal, which are shipped in charter vessels. I hope that once trade flows in both directions begin to grow, an improved service will be provided. In this regard, I notice that Mitsui OSK will initiate a new shipping service between Australia and Chile and Argentina in the very near future because it believes the demand is there. A key task will be to publicise the introduction of such services as widely as possible, both here and in Latin America, to ensure that potential exporters are aware that transport need not necessarily be a problem.

From a broader perspective, we should also seek to encourage a greater understanding of Latin America in Australia, especially in terms of how much the region has changed. The old images of banana republics run by military dictators is no longer accurate, but still persists in the minds of many Australians including, unfortunately, some in the media. Changing these images can partly be done by academic institutions such as this, assisted by increasing exchanges and tourism. With Spanish the third most spoken language in the world, after Chinese and English, we should for this reason alone aim to encourage greater Spanish teaching in Australia.

It remains to be seen whether the political and economic reforms can be carried through to the point where the massive economic and social problems of the region can begin to be solved. However, the strength of political will and commitment to these changes is impressive, and there is now a degree of optimism in Latin America which has not been matched in the recent past. The Government is keen to ensure that our relationships with the region develop to the fullest extent possible. Accordingly, Australia will continue to encourage political and economic reform in Latin America, to build on the existing ties that I have already described, and most importantly to seek out and develop new opportunities for commercial, multilateral and cultural linkages.

I have covered a lot of territory today - though not nearly as much as the man we are commemorating. The lands he discovered were new and led to the introduction into the Old World of many things we take for granted today - peanuts, potatoes and tomatoes for a start. To convey to Australians today is this: don't think that the New World has nothing new to offer. The Admiral of the Ocean Sea may be gone, but the world he discovered remains - as do many new and largely unexplored opportunities for countries like Australia in dealing with it.

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