

a large part in Southeast Asian affairs. Australia and New Zealand are also in process of changing their foreign policy as a result of changes of government, and we look forward to having more direct contacts with those countries. Not arising out of our Commonwealth relationship, but just because we have more bilateral matters to discuss.

- Q. The changes in government of both Australia and New Zealand seem to indicate some drifting away from Commonwealth, or at least from Britain. Do you feel this is a result of British relations with the expanded European Economic Community or is it a natural development?
- A. Well, the Commonwealth itself has changed so much. We were never in quite the same position as Australia and New Zealand in relation to the Commonwealth because we were a dollar country. We were never a part of the Commonwealth's sterling area. For us, the relationship within the Commonwealth was a political relationship, it wasn't an economic relationship. We looked upon the Commonwealth as a place where countries that had some common history, that had once been all colonies, that represented many parts of the world, that could get together to talk about not only bilateral questions but also about world questions and to do so without the elaborate paraphernalia of a United Nations' meeting. We still believe this. I believe Australia and New Zealand, because of the evolution of affairs, is probably coming to adopt our view of the Commonwealth. I don't know if it means any weakening of ties, it just means a changing in the character of the Commonwealth itself and of their place in it.
- Q. There have been some steps in Latin America, particularly in trade and assistance, with Canada joining the Inter-American Development Bank.... What problems remain there....?
- A. I suppose there are always some problems with Latin-American countries that arise out of the nature of their production, to some extent they are competitors as well as customers. They've always had fairly close ties with the United States and with Europe. We have to make way against those natural tendencies or historical tendencies, but we're doing quite well. We've certainly made very rapid progress in the field of institutional arrangements. That apart altogether from the fact that we've now become a permanent observer in the OAS, we've joined the Inter-American Development Bank, we belong to their health organisation, their agricultural institution, we're gradually spreading ourselves through those inter-American agencies, we've been stepping up our trade promotion in all sorts of products, so on the whole I think we are making fairly good progress. But it's not an easy place for Canadians to develop their relations. There aren't the historic links that we have with America and Europe. And there isn't the natural complementarity that exists between Japan and Canada. Many of the countries in Latin-America