

Mr. Zard

PRIME MINISTER'S INTERVIEW WITH MR YOSHINO OF THE
NIHON-KEIZAI NEWSPAPER, 19 JANUARY 1976

QUESTION: I would like to know, according to your last statement recently, the relationship between Japan and Australia is facing difficulties and so Japan from now on has to perhaps cut back imports of sugar, and iron ore and coking coal while Australia already is limiting the imports from Japan. What is your attitude towards this and what kind of effort do you think is necessary to resume this good relationship with trust?

PRIME MINISTER: The statement issued was one that was basically designed to emphasise the importance of relationships between Japan and Australia. The whole thrust of the statement was announcing the Deputy Prime Minister's visit to Japan and was meant to achieve a recognition of this and to emphasise this. It will certainly be the purpose of my Government to work for close, harmonious and profitable relationships between Japan and Australia. The statement did recognise that because of the world recession, because of other difficulties, there had been a fall off in trade in some commodities, in some areas Japan was buying less than us, and in one or two other areas there were restrictions about which Japan had expressed concern to us. I have got confidence that these difficulties will be overcome and they should not be allowed to take a preeminent position in the minds of either Japan or Australia concerning the relationship between the two countries. I would certainly hope that they are transitional, that they are passing difficulties and that the growth of trade between Japan and Australia will continue in future years. We will certainly be working towards that end. We know the importance to Japan of Australia being a reliable supplier of raw materials and we recognise countries such as Australia with significant and large natural resources have an obligation to be a reliable and secure supplier to countries such as Japan. It's my hope that what difficulties might have developed over the last two or three years can in part at least be overcome when the Deputy Prime Minister is in Japan in a week or two.

QUESTION: About the NARA Treaty which the previous Government had been trying to negotiate. What is your attitude, what is your Government's attitude towards the NARA Treaty?

PRIME MINISTER: It would be our objective to secure completion of the Treaty as soon as we reasonably can. There were some matters still in negotiation between Japan and Australia in relation to it. I've already given instructions that ought to enable Australia to define her attitudes in relation to these remaining issues, as soon as practicable. That would be my objective and my Government's objective to secure a completion of the Treaty, as soon as we reasonably can.

QUESTION: Now can we go to the international organisations by producing countries and also for instance OECD and also international bauxite association. What is your Government's policy towards these?

PRIME MINISTER: Well I think the previous Government joined three of these producing organisations and this is a matter which my Government has not yet examined in detail. But I can give an assurance that we would not want those producing countries and organisations to operate in a way which caused acute difficulties to Japan and many other countries in the manner which came about as a result of rises in the price of oil. In other words, I'm saying producing countries, raw material rich countries do have international obligations. Australia recognises that, and as a member of those producing organisations would voice that view. I would also like to say that, on another point, that while we recognise obligations to be regular, reliable and secure suppliers of materials we would hope that it would be possible to achieve more regular markets for some of our commodities where our producers are now in grave difficulty. Let me only take one as an example. We were exporting very significant quantities of beef to Japan. Because of a conjunction of events, markets in America, Japan and Europe all diminished at the same time. I believe it would be appropriate for us to examine ways and means to try to secure regular and reliable markets for our products of this kind and that this is a significant part of the trading relationship between Japan and Australia which can help to build long-term security and long-term confidence between both our countries.

QUESTION: Have you got any practical ideas to secure these long-term supplies from your side?

PRIME MINISTER: Is that question related to beef or to iron ore?

QUESTION: Related to the beef, mineral resources and primary products generally speaking. So it includes beef, sugar and minerals as well.

PRIME MINISTER: Well there are long-term contracts for minerals and the contracts for sugar have I think been spread over a longer term perhaps than the one for beef. It would be a matter for discussion and negotiation between Japan and Australia how to achieve long-term stability. The commodities are there. They are available for export and I think it's a question of Japan and Australia discussing together how best we can achieve stability in arrangements for these particular products, and in particular for the primary products. Mineral exports tend to be covered by long-term contracts and that gives a reasonable degree of security and that can be improved, the security of trade can be improved. I would again favour that. In primary products, in beef in particular, we have the situation in which very significant quantities were purchased for quite a few years and then virtually nothing. That coming on top of falls in markets in America and Europe means that our beef producers are in very great difficulty. The security of access to Japanese markets and commodities is something that is important and something that will help greatly in the overall good relationship and understanding between the Japanese and Australian people. How precisely this is to be achieved is a matter for negotiations and discussion. On the other side, Australia's imports from Japan, I recognise Japan's need also for regular and reliable access to our markets for their manufactured products. We have difficulty in the motor car industry because of revaluation by Australia and because of inflation in Australia. A steady market here for Japanese cars suddenly became a very large market for Japanese cars with the consequent embarrassment and lack of employment which threatened Australia's motor manufacturers. As a result the previous Government introduced import quotas. Again the relationship is enhanced if the access can be reasonable, reliable

and secure. Instead of escalating greatly one year and being cut off the next trade should be long-term, secure and regular. We don't want sudden changes in demand because it's upsetting for your industries and it's upsetting for our industries.

QUESTION: About uranium. For instance will you ban export to Japan unless they ratify the nuclear non-proliferation treaty. Do you think this way? Do you want to make sure that the countries you are exporting to, that they ratify this treaty?

PRIME MINISTER: This is a matter that has not yet been examined closely by the Government and it will be coming up for consideration very shortly. But we ourselves are bound by that treaty. Australia is bound by that treaty, and I think there is an obligation to make sure that we all do what we can to prevent nuclear proliferation. Now having said that we recognise that there are many countries that are short of energy sources and uranium is a prime energy source. Therefore, as a member of the international community I think we have an obligation on ourselves, or to ourselves and to other countries to make sure that any export of uranium is going to go for peaceful purposes only. The kind of safeguards that need spelling out and defining in relation to this would be matters for consideration by the Government.

QUESTION: What is the basic policy towards the provision and the role of Australia in the Asian/Pacific region. For instance, the policy towards the neutralisation of Asian countries, or the zone of peace of the Indian Ocean or regional cooperation?

PRIME MINISTER: Let's take these one by one. I've said over the last two or three days in Malaysia and Singapore that I wanted Australia's diplomatic efforts to be concentrated more on our own region and this is the countries to the north, China, Japan, South-East Asia, that our diplomatic efforts over recent times had been scattered too far around the world. We live in one part of it and we ought to give more attention to it. We would want to cooperate greatly in diplomacy, in relation to the developing countries, concerning aid matters with the countries of the

region. I believe as I said in Singapore that there's scope for greater consultation and cooperation between Australia and South-East Asian countries, both bi-laterally and through ASEAN. I will also see a role for furthering what I believe are the close relationships between Japan and Australia, and that continuing discussions at official, Ministerial level, certainly are going to be of mutual benefit to us. The objective of neutral zones I can understand. We would support no great power having any dominating influence of the ASEAN region because that's only likely to lead to other great powers trying to counter that dominating influence and I believe that's an approach that the ASEAN members themselves have close to their hearts. The objective of a neutral zone in the Indian Ocean is an ideal which I think has little chance of success. There's often a great deal of criticism in the United States over Diego Garcia and of American ships in the Indian Ocean. However the sailing time of Russian ships is three days for every sailing time of an American ship. In other words Russian activity in the Indian Ocean is three times that of the United States. Their facilities around the Indian Ocean are greater and those who direct their criticism at the United States often do not direct their criticism at Russia. We don't want to see escalating great power rivalry in the Indian Ocean, but at the same time we don't want to see it as an area being dominated by one great power. Over the recent business in Angola, who can doubt that the reports of two significant Soviet ships approaching Angola at a critical point didn't have an effect on one of the sides in that particular conflict. The use of sea power as a weapon in diplomacy has often been practiced. While the objective of a neutral zone is an admirable one which I can understand, I think the reality of achieving it, given the attitudes of the Soviet Union, is unlikely. That being so, there needs to be a balance and the only power that can provide that balance really is the United States. Australia certainly hasn't the capacity to achieve that balance although we need to make our own contribution. I think that broadly covers that question.

QUESTION: Australia and Japan, these two countries, as two advanced countries in Asia, what sort of initiative do you think they should take?

PRIME MINISTER: Well that again is a very wide question. I believe we ought to work as closely together as possible. And we ought to work as closely as we can with the developing countries in the region. We both have a capacity to provide aid. I think that that ought to be done in a way that enhances the developing prospects of other countries. I've for a long time believed that countries of the Pacific region could do more to cooperate together in trade matters. If the European Economic Community maintains some of its restrictive attitudes, cooperation between us might do something to widen the areas of trade. The ASEAN countries for example, cooperate together in putting common points of view to the European Economic Community over their trading problems. I believe it's a good idea for Japan and Australia to identify areas in which they've got a common interest. And if necessary in international forums to argue those interests together. We both have a very significant interest in the Western Pacific and in peace and stability in the Western Pacific. Close relations between us are I think of quite an importance for the security of the region. Getting back to the points on which we were starting. We're a country with resources: the main resource of Japan is the energy and initiative and skill of her people. We recognise Japan's need to be able to import to fabricate and sell to the markets of the world. That is the way that the standard of life of the people of Japan develops and is improved. I think through consultation many areas of cooperation between us will unfold and develop and I hope that successfully concluding the Treaty between us will help to provide a general umbrella under which this can take place.

QUESTION: After Mr Anthony's visit to Japan you have a plan to visit also Japan and China in the near future.

PRIME MINISTER: No date has been set on it because there are many things that we must do here and obviously it would be necessary to have a date that would be acceptable in Japan, but I've never visited Japan, except overnight really, and I would like to visit Japan and hope that the visit would be acceptable when I have time to go overseas. But there are many domestic problems which I have to give priority to in relation to the economy.

QUESTION: What is your main aim in visiting Japan?

PRIME MINISTER: To establish personal relationships to enhance relationships between Australia and Japan.

000000000000000000