



## PRIME MINISTER

SPEECH BY PRIME MINISTER  
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Mr Chairman, Ladies and Gentlemen,

This symposium on Australia-Japan relations is timely.

In recent weeks - both during my visit to Japan and following my return - I have had frequent occasion to comment on the Australia-Japan relationship: where we have been, the stage we are at now, and most importantly, where we are going.

What I have been saying coincides closely with the theme you have chosen for this symposium "Australia-Japan : Relations at a New Juncture".

The Australia-Japan relationship is of great significance to both our countries.

It is, however, an evolving relationship and is now poised to move in new directions.

What is important is that we all appreciate the basis of the changes that are occurring and, at the same time, retain a clear perspective on the fundamentals of the relationship.

Among those fundamentals, the most obvious, but nevertheless most basic for the relationship, is the fact that Australia and Japan have substantial shared interests across an ever-widening spectrum.

There is a notable degree of interdependence between our countries that reflects directly the complementary, if changing, character of our two economies.

The stability and quality of the economic relationship has in turn contributed directly to the close political relationship that has grown up between our countries.

Political relations between Australia and Japan are characterised by a degree of mutual trust and reciprocal confidence that is only possible between the closest of friends. We have shared strategic perceptions, parallel security arrangements with the United States, and a common interest in the stability and development of our region.

My own recent visit to Japan brought home to me that enumeration of these interests and perceptions is more than a mere rhetorical flourish - it reflects a widely shared spirit of goodwill and understanding that permeates the attitudes of Government, business and indeed of the community at large in both our countries.

The recently released opinion survey by the Nippon Research Centre reinforces this view. It reveals that Australia was regarded as one of the most attractive countries for the Japanese, and that a healthy majority of those surveyed considered Australia to be of importance and future promise.

These perceptions are engendered and reinforced by the now extensive cross-cultural links and exchanges between the people of our countries. These are an essential part of any healthy, growing relationship between countries.

In the case of Japan and Australia, working holiday schemes and personal initiatives have seen substantial numbers of our young people, including my own and Prime Minister Nakasone's daughters, visiting each other's country - with lasting benefits in terms of a greater understanding of our different societies.

Indeed, most of the leaders I met while on my recent visit to Japan had visited Australia during the past decade or so and there are regular exchanges of visits by parliamentary delegations, businessmen, academics, journalists, and trade union leaders which ensure that the depth of positive feeling between our two nations increases each year.

There is, however, as both Prime Minister Nakasone and I agreed, scope for development of still closer political relations between Australia and Japan. Indeed, we have taken concrete steps to advance the relationship in this way.

I am very much looking forward to Prime Minister Nakasone's visit to Australia later this year. This visit will serve to consolidate the real progress made during my own visit to Japan.

Prime Minister Nakasone and I have also agreed on the development of a closer, more systematic pattern of consultations between our governments both on crisis issues as they arise and, more generally, on matters in which both our countries have shared interests.

A particular matter singled out for such consultation during my visit to Japan was disarmament.

I was impressed by the coincidence of view between Australia and Japan on this issue. Both our countries attach great importance to securing progress in arms control and disarmament negotiations and will be co-operating in our efforts to find ways of reducing existing nuclear arsenals and limiting the spread of nuclear weapons.

This collaborative effort will be particularly focussed on the United Nations and other disarmament fora. It will also find a reflection in the efforts each of us will be making in the bilateral contacts we enjoy with others to urge effective action in this crucial area.

But the pattern of consultation between us will not be confined to disarmament issues alone. A wide spectrum of issues of mutual interest would benefit from a co-operative approach between us. We are, after all, both countries sharing a deep concern and involvement with the interests of the Asia/Pacific region. As such there is a natural basis for co-operative endeavour - a basis which should advantage not only Japan and Australia but all countries within the region. We aim to explore the possibilities this suggests more closely and more deliberately.

An area of particular interest to both our countries has been ways of promoting greater economic co-operation in the Asia/Pacific region.

In recent years there has been considerable interest in both our countries in proposals for the establishment of what is loosely termed a 'Pacific Community'.

There are, of course, sensitivities attaching to the concept of a 'Pacific Community'. Some countries within the region, the Asean states particularly, are wary of developing the formal mechanisms and relationships that some discussions of the concept have implied.

For these reasons I think progress in this area must be gradual, with functional co-operation being expanded carefully, one step at a time.

For Australia's part, however, we cannot really afford to be indifferent to the possibilities which exist - certainly we should not be leaving it to others to make the running in this important area. It is indisputably in Australia's long-term interest to become significantly more involved in the Asia/Pacific region, which is now the fastest-growing economic region in the world. Accordingly we need to continue actively exploring all possible avenues for regional co-operation.

For these reasons I find the proposal, put by Sir John Crawford and now being considered by the Government, for the establishment of an Australian/Pacific Co-operation Committee both timely and helpful. As suggested by Sir John, the Committee, drawing on the experience of high calibre representatives from business, unions, academia and the public service, would advise the Government on matters affecting Australia's economic co-operation with neighbours in Asia and the Pacific.

Practical, well-informed consultative processes of this kind are needed if Australia is to be well-positioned to associate itself with emerging trends within the region.

Sound, regionally-based co-operative arrangements also depend importantly - as you would all appreciate - on the cordiality and quality of bilateral relations between individual countries in the region.

Accordingly it was of quite considerable political significance that Prime Minister Nakasone and I, in our Joint Statement in Tokyo, were able to reaffirm the importance to both our countries of the Australia/Japan bilateral relationship.

We reaffirmed our common commitment to the ideals of freedom and democracy and to further strengthening our co-operation with other countries in the region to ensure peace, stability and prosperity.

This co-operative commitment obviously also extended to trade relations between our two countries.

Because those relations are of such importance to both our countries, and because they can so readily colour perceptions of the relationship as a whole, it was important that Prime Minister Nakasone formally reiterated to me assurances Japanese Ministers had previously given to other Australian Ministers that Japan had no intention of resolving its trading problems with other countries at Australia's expense.

We ask for no special privileges from Japan - we simply want a fair go. Japan knows Australia's record as a reliable and competitive supplier. Australia quite legitimately expects that record to weigh heavily in the balance of any decisions taken by Japan on particular trade issues.

I might add that support of an open, multilateral trading system, in which market access is determined by competitive performance and in which there is no surrender to political pressures for bilateral solutions to trading problems, is the position that Mr Nakasone and I have agreed to take to the world in our search for a satisfactory basis for a new round of Multilateral Trade Negotiations.

We have been doing so in the strong conviction that every effort should now be made to ensure that a multilateral round should contribute not only to global trade expansion but also to conditions conducive to even stronger economic and trading activity by countries of this region.

On the refashioning of bilateral trade relations, the Australian Government, has formulated a Japan market strategy aimed at identifying new opportunities and motivating Australian manufacturing and service companies to take up the challenge of trying to enter previously untapped parts of the Japanese market.

An important step in the strategy has been the appointment of two major Japanese consultant companies - Nomura Research Institute and Seibu Marketing Information Services - to review the market for us and report on what Australian companies have to do to effectively enter the Japanese market. Their first reports will be available soon and a seminar program has already been arranged in all capital cities to inform Australian firms of the results.

Australia, conscious of the possibilities associated with Japan's import expansion scheme, also intends sending a high level trade mission to Japan later this year to examine new export opportunities. For their part, the Japanese are also expected to send a major trade mission to Australia to help identify which Australian products might be of particular interest to Japan. Visits of this kind should do a great deal to assist the broadening and diversification of the existing base of Australia/Japan trade relations.

The attitude of Australian companies to the task of securing new niches in the Japanese market will obviously be crucial to the success of the approach now being developed between the Australian and Japanese Governments. Those companies interested will need to develop marketing strategies that are keenly attuned to the consumer preferences, product design, packaging, and distribution systems of the Japanese market.

Rather than regard that market as a residual one or as a useful supplement to other priority marketing interests, Australian entrepreneurs will need to adopt a deliberate, long-term approach to the task of selling their product.

What the Government is now seeking to promote is a deliberate Australian marketing effort in Japan. It is an effort involving an Australian approach which will be buyer rather than seller orientated. It is a strategy which, if successful, will - without in any way detracting from the importance of the Australia/Japan trade in traditional commodities - provide the basis for a broader-based, long-term and assured growth in the economic relationship between our countries.

We believe that the Japanese and Australian vision of a more open and multilateral regional and international trading system requires decisions regarding the sourcing of imports to be taken on genuine economic grounds. Any surrender to bilateralist pressures, for example in relation to current beef and coal negotiations, would be an entirely unfortunate development. Australia cannot look on with equanimity when our position is threatened by factors quite extraneous to, normal commercial negotiation.

It would be particularly unfortunate at this time when there is so much of a positive and constructive character now being done both to restructure and enhance trading relations between our two countries. It is also a time when our two countries are together working closely to strengthen the regional and world trading systems.

Prime Minister Nakasone and I, for example were in close agreement on the need for effective action to secure conditions compatible with a freer flow of international trade. Prime Minister Nakasone's call for a new round of multilateral trade negotiations and my own 22 November 1983 call in Bangkok to countries of the region to work together to secure generally agreed objectives in such negotiations were both directed to this end.

I am pleased to say my Bangkok initiative is now being translated into concrete action with a meeting of senior officials likely to take place in an Asean country in late April to address the issues involved.

This meeting is a crucial step. It will provide an opportunity for countries of the region to identify their interests and to consider how best to attain their objectives in a multilateral round.

This meeting of senior officials will follow the Conference being organised in Seoul by the Trade Policy Research Centre from 13-15 April on "Participation of Developing Countries in the International Trading system". Australia's Minister for Primary Industry, John Kerin will attend that meeting. As a follow-up to a similar meeting hosted by the Minister for Trade, Lionel Bowen, in Hobart last year it will provide a useful opportunity to review trends in the international trade system.

It will also provide a valuable further impetus to the efforts of regional countries to secure attention to their particular interests and concerns.

In reaching this point Australia and Japan, along with the other countries of the region, have been co-operating closely.

This approach could usefully be supplemented by Japanese interest in helping to establish manufacturing facilities in Australia in high technology, in new mineral resource exploration and agriculture-related fields where Japanese technology can be applied.

Australia's long-term ability to capitalise on emerging opportunities in the Japanese market will also be heavily influenced by Australia's own capacity to manage change in our industry structures in a way relevant to securing those opportunities.

It is for this reason that the Australian Government is moving to provide a national framework which will define more precisely the context within which industrial development will occur.

The Minister for Industry and Commerce, Senator Button's co-ordination of the work of a range of Ministers in areas relevant to structural change in the economy is a reflection of the deliberateness with which the Government is addressing the policy issues involved. EPAC's recent call for the formulation of an active industry development strategy complements this and reflects a broader community interest in addressing these matters systematically.

A particular valuable feature of my recent visit to Japan was the opportunity I had to discuss with the former Vice-Minister for International Trade and Industry, Mr Amaya, the Japanese experience with regard to industry restructuring. Mr Amaya will be coming to Australia next month, at my request, to put his views on the Japanese experience in restructuring to Australian Government, industry, union, and media leaders.

The issues involved are complex and will only allow of gradual, long-term change. What is nevertheless important - as I know you would all appreciate - is that the various elements of a positive and constructive policy approach in this crucial area are now coming into place here in Australia.

This pattern of policy development is also important to another area of joint Australian/Japanese interest - namely the liberalisation of international trade.

Both Australia and Japan have a strong shared interest in the re-establishment of global trade expansion and economic growth as also in the maintenance of strong trade and general economic expansion throughout our region.

With such an interest in common - and recognising the pressures that work against its realisation - I think it is very important that a symposium of this kind, involving as it does such distinguished participants from both Australia and Japan, should help in the task of defining more precisely how Australia and Japan individually and together might contribute to a more prosperous region. If it can do this at the same time as drawing attention to the possibilities and pitfalls inherent in the contemporary Australia/Japan relationship, it will have made a major contribution.

The task is a difficult one, but its importance should not be underestimated.

I look forward to hearing the results of your deliberations.

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