



**PRIME MINISTER**

20 September 1996

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
ADDRESS TO THE NATIONAL PRESS CLUB OF JAPAN**

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**PRIME MINISTER:**

Thank you very much Mr Chairman for that introduction. I welcome this opportunity in nearing the end of my first visit to Japan as Prime Minister to say a few words about that visit; the reason why I came, what has been achieved and the significance of that visit to the relationship between Japan and Australia.

I came to Japan in the first major overseas visit I have undertaken as Prime Minister quite deliberately because of the extremely close relationship between our two countries, my desire to establish a personal association with the Japanese Prime Minister, particularly before the meeting of leaders of the APEC countries and to make it abundantly clear that although the new government of Australia was going to do some things quite differently from the former government, there was an essential continuity of the relationship and the foreign policy positioning of Australia so far as the Asia-Pacific region was concerned. It is for that reason also that this visit embraced a visit to Indonesia carrying with it the opportunity for me to see President Soeharto for the first time in my capacity as Prime Minister. I can report that those goals in relation to both Indonesia and Japan have been completely achieved but my remarks this afternoon will appropriately be directed towards my visit to Japan.

I have established a very friendly working relationship with the Japanese Prime Minister. Our discussions both in the formal session and over lunch were warm and frank. I was able to tell him of the importance that the new Australian government placed upon the relationship with Japan and I was able to canvass a number of specific items both in the context of our bilateral relationship and also in the context of our

common membership of the APEC grouping and also our common identity as partners in the Asia-Pacific region. But I will come to those particular items in a moment.

The visit was also an opportunity to speak to leaders of the business community here in Japan. I had the opportunity of getting their views on investment flows and the reactions were entirely positive. I was struck at both a political and a business level at the knowledge of the initiatives of the new government and the widespread approval of those business and political leaders, of the initiative of the government in tackling the budget deficit and also the initiative of our government in proposing reforms to the labour market and other micro-economic reforms. Virtually every person I met raised these initiatives in an entirely positive and welcoming fashion.

I extended an invitation to the keidanren to send a mission to Australia next year and that invitation was warmly accepted. I have also renewed the invitation of the government to Mr Hashimoto to visit Australia next year and also a long standing invitation to His Majesty the Emperor to visit Australia.

In addition to the matters that were mentioned at our joint press conference this morning, I also raised with the Japanese Prime Minister two specific matters of particular concern to certain Australian interests. One of those was a request to the Japanese Government that it include in its detailed plans for APEC a major initiative towards further trade liberalisation in the area of agriculture. I also raised the specific timing problems involved in the auction of foreign quotas of rice imports into Japan, the current timing of which particularly disadvantages Australian rice producers and exporters.

I can say, ladies and gentlemen, that there is a remarkable coincidence of views between Australia and Japan regarding regional issues. Both of us share a very strong commitment to the goals of APEC. Each of us realises that the details of particular action plans and the specific intent of the member countries of the APEC grouping regarding trade liberalisation will ultimately demonstrate how successful the grouping and its goals are going to be. We also, as mentioned at our press conference, share fairly common views regarding the importance of engaging China and in particular of securing the inclusion of China in the World Trade Organisation.

Over lunch the Prime Minister and I had the opportunity of canvassing a very wide range of regional and indeed world issues and I particularly valued the more than two and a half hours that we spent together today. It gave me a unique opportunity so early in my Prime Ministership to get the views, the very candid and open views of the Japanese Prime Minister about world and regional political issues and what those exchanges demonstrated to me yet again was that the relationship between Australia and Japan is anything but just an economic relationship. Over the years it has ripened into a very diverse and intricate relationship; certainly a very strong, indeed a critical economic component so far as both countries are concerned but it also has a very rich political, cultural and increasingly personal dimension to it. I found in all of those respects my meeting with the Prime Minister today to be extremely beneficial and it certainly has provided an excellent stimulus for close relations between the new Government of Australia and the Government of Japan. Thank you.

**QUESTION:**

In Japan the general election will be coming up very soon and one of the major agenda for the Japanese election would be the administrative reform. Now, in your country Prime Minister Howard you have been implementing administrative reform. I wonder if you could elaborate the goals behind your efforts to reform the administration and the Government and what you intend to do with the reform and what has been the response on the Australians vis-à-vis your reform efforts? You have stated that your reform efforts been favorably received by the Japanese political and the business leaders but what has been the response within your own country.

**PRIME MINISTER:**

The domestic response has been one of near universal acclaim. We've had a very, very positive response from the people. We brought down a strong but fair budget which provided for very heavy cuts in government spending and an underlying surplus by year three of our administration and that has certainly been accepted by the Australian people by and large. There are obviously some areas of criticism but by and large it has been very, very well accepted, in fact beyond the expectations of some so far as its reception is concerned.

The purpose of our reforms is very simple and that is to address the fundamental problems of the Australian economy and those problems mean that we cannot grow at a fast enough rate to reduce unemployment. And the reason we can't grow at a fast enough rate to reduce unemployment is that we have a chronic savings problem which means that when we grow we suck in too many imports and we have to depend upon the savings of foreigners in order to finance those additional imports. And the other weakness we have is that our labour market is very rigid and we've proposed major reforms in that area. So, we're tackling the savings problem via reducing the budget deficit and we're tackling the structural rigidity problem by reforming the labour market and there are other subsidiary reforms but they are the core reforms which are being proposed by the Government. They were reforms that I believe received the endorsement of the Australian people at the election six months ago and I think the Australian public wants those reforms implemented and the Australian public believes that they ought to be given an opportunity of working their way through the economy and we want to take the speed limits off growth because it is only by doing that, that we can hope, over time to reduce unemployment.

**QUESTION:**

You mention you had raised APEC with the Japanese Prime Minister specifically asking him for Japan to present a liberalisation measure in agriculture. What was his response and do you have any specifics in mind that Japan might be able to present in November?

**PRIME MINISTER:**

That and the issue relating to rice will be considered by the Japanese Government. You asked me for some examples of major initiatives - that's perhaps something that

we may further canvass with the Japanese Government between now and the meeting but the matter is now obviously going to be considered and the proposal that I put to the Prime Minister, but beyond that it wouldn't be appropriate for me to say anything.

#### QUESTION:

I understand how in July this year your Government and the US Government has discussed the strengthening of your ties in the security field and you have also carried out a joint exercise with the United States. I wonder if you could explain the backdrop as to, explain the backdrop of your strengthening your security ties with the United States, are you expecting the United States to, are you intending to enhance your security position of your own country through greater presence of US forces in your country or are such manoeuvres more or less intend or have in sight the, have in sight China. In other words is China one element in your efforts to enhance your security ties with the United States? That's the first question.

Secondly, we understand that Australia is contemplating a possible expansion of exercises by your marine, by your marine core, your marines. As you know there are some rumors within Japan that should Australia be expanding your marine forces then that could possible lead to a reduction of US forces, the size of the US forces station in Okinawa? In other words the expansion of your marines could in a sense effect lead to realignment or consolidation of the US forces bases now stationed Okinawa. Are you in the future contemplating accepting US forces to your soil in Australia because of the vast land that you enjoy or is inviting US forces to your soil not part of the agenda and if that is the case why would you not contemplate accepting US forces on your soil?

#### PRIME MINISTER:

Well, Australia has had a long standing security arrangement with the United States and it seemed to the new Government the most natural thing in the world that that security arrangement should be reaffirmed and given a freshen up which is basically what occurred at the AUSMIN talks. Incidentally the Japanese Prime Minister remarked with approval today at both our private discussion and if I recall at our joint press conference at the desirability of the joint declaration between Australian and the United States in July and in fact likened it to the, although it has a different dimension and different history, he likened it to the joint declaration made between himself and President Clinton.

I think the best way I can answer the second part of the question is say there is no Okinawa link. It is a completely separate situation and it would be to misunderstand the context in which we reaffirm, and if you like, freshened up the defence alliance with the United States to see it as having any kind of link. The Okinawa situation is a matter between the United States and Japan and it is not something that was in contemplation when the AUSMIN talks to place.

The facilities and the exercises that will be made available and will take place by and in Australia are really just a progression of the relationship which has been very close, its been very long standing. I happen to believe, my Government believes and I know the Japanese Government and the Japanese Prime Minister believes that the presence of

the United States is a force for stability in the region. I don't put it in the context of being country specific so far as other regional powers are concerned it is obviously a force for stability.

It is in the interests of all countries in the region to have a United States presence and we are quite open, we are quite unambiguous about that and in my discussions with the Japanese Prime Minister today he was of the same mind and we both want the United States in the region and I think one of the, if I may say so, one of the very best things in foreign policy the Japanese Prime Minister has done is the way in which he handled the relationship with the United States. The joint declaration of a few months ago brought to an end some trade difficulties between the two countries and I think showed great vision and great leadership and he deserved all the praise that he received for it.

#### **QUESTION:**

You mentioned that in your discussions with Japanese political and business elites there was a generally good response on the questions of both your fiscal and industrial relations reforms. For the benefit of our Japanese hosts you do not control the Upper House of the Australian Parliament - the Senate, and you need the Senate vote to get those reforms through. Do you think there was a clear message from Japan, as our biggest trading partner, to an obstructionist Senate in Australia?

#### **PRIME MINISTER**

I am sure that my hosts were too well mannered to interfere in Australian domestic politics. They expressed in all cases spontaneously support for the measures that we had taken, that we were proposing. They did not then go on to say 'I hope it is not obstructed in the Senate'. They obviously didn't do that. It would be inappropriate. I think the messages to the Senate are really messages to me to convey. I wouldn't seek to put words into the mouths of my hosts. That would be wrong. But nobody should be in any doubt at all that across the board, both political and businesswise, they were aware of what we had done with the budget, they are aware of what we are proposing in respect of industrial relations. Some of them, of course, particularly some of the security houses, were aware of what we are proposing in relation to Telstra and there is very great interest in it and very great support for it. I would be putting words into their mouths if I said they mentioned the Senate, they didn't.

#### **QUESTION:**

Australia is a very significant member of the UK Commonwealth. As a member of the Commonwealth how do you assess, how do you view the Royal Family in Britain and what future outlook do you have for the Royal Family of Britain?

#### **PRIME MINISTER:**

That is an interesting way of asking me whether I think Australia should become a republic or not. My anti-republican views are well known in Australia; they were not disguised from the Australian people in the lead-up to the election nor was my very strong view that Australia's constitutional future is a matter to be decided by the

Australian people in accordance with the processes of the Australian Constitution. It is not normally a matter that I would myself raise outside of the country. I was critical of my predecessor for raising the matter, outside of Australia, I do not intend to fall into the same error. In answer to your question, whether or not Australia becomes a republic will be determined entirely by the Australian people. It is uniquely for the Australian people and for nobody else to decide. I should perhaps add what I added in Indonesia to a similar question asked in a slightly different fashion and that is that I don't think it really matters what our constitutional form is; it is the quality and substance of our attitude to the nations of the world and the nations of this region which will determine whether we have good relations with them or not. The nations of the Asia-Pacific region are a mixture of constitutional forms but beyond that I really think the question of Australia's republican or other status is a matter for the Australian people to decide and I will certainly see to it during my Prime Ministership that there is a vote on the issue as I promised.

#### QUESTION:

You have outlined aspects of your reform agenda, I am just wondering how you assess the risk of any short term transitional costs in the form of higher unemployment or higher industrial disputation?

#### PRIME MINISTER:

I don't believe our proposals will lead to high unemployment, I believe they will lead to low unemployment. As far as industrial disputation is concerned there will be no warrant or justification for any industrial disputation in response to the legislation because there is nothing in the legislation which is unfair to the trade union movement and there is nothing in the legislation which was not made known to the Australian people before they voted us in with a majority vote of 40 in the House of Representatives. In both political and moral and industrial terms there would be no justification and I do not believe, in the broad sweep of things that there will be any significant industrial disputation as a consequence. That has been my personal view and remains my strong personal view and the view of the Government.

#### QUESTION:

I would like to ask about the venue of the international Expo for the year 2005. From what we understand from some reports by local newspapers in Australia it seems that the Gold Coast and the environs of Queensland would be expecting its candidacy to host the international Expo. From what we have heard the State Government is also endorsing the Gold Coast as a bid to become the venue. As the head of the Federal Government, Prime Minister, have you received any formal or informal indication from the concerned parties in Australia about the possible candidacy? Secondly, I am sure that during the course of your stay in Japan you have heard about Japan's interest about hosting the international Expo in the year 2005. Should the local community in your country decide to host the international Expo what would your position be vis-à-vis possible support rendered to the Japanese Government? I do hope you will understand my interest because I am from the local community of the Aichi Prefecture.

**PRIME MINISTER:**

The answer to that is that obviously if there is an Australian candidate I will be very strongly supporting the Australian candidate. It is a bit difficult for me to hypothesise as to what happens if there is not because that might sound back home as though I don't think there is a worthwhile Australian candidate. I would never want to give that impression. Obviously if there isn't, then given our close association with Japan I indicated to a number of people who had raised it and a number of people had raised it, I indicated that we would obviously give sympathetic consideration. But I can't really say any more than that at this stage. I don't even know what other countries may be putting forward proposals and it is still in the very formative stages. Certainly I am aware of the proposal from the Queensland Government and I will naturally be very sympathetic according to the merits of it and you have to wait and see what happens.

**MODERATOR:**

I would like to thank you for coming and responding to issues and questions which covered a very wise and broad spectrum in a clear cut manner.

**PRIME MINISTER:**

Thank you very much.