



**DEPARTMENT OF
FOREIGN
AFFAIRS**

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File

AUSTRALIA/JAPAN MINISTERIAL COMMITTEE:
JOINT COMMUNIQUE

The following is the text of the communique issued in Tokyo on 30 October 1973:

The Australian Delegation to the meeting was led by the Prime Minister and Minister for Foreign Affairs, The Hon. E.G. Whitlam Q.C., M.P. and included the Minister for Overseas Trade, The Hon. J.F. Cairns M.P., The Treasurer, The Hon. F. Crean M.P., The Minister for Primary Industry, Senator The Hon. K.S. Wriedt and The Minister for Minerals and Energy, The Hon. R.F.X. Connor M.P..

The Japanese Delegation to the meeting was led by the Minister for Foreign Affairs, His Excellency Mr M. Ohira, and included the Minister of Finance, His Excellency Mr K. Aichi, the Minister of Agriculture and Forestry, His Excellency Mr Y. Sakurauchi, the Minister of International Trade and Industry, His Excellency Mr Y. Nakasone and the Minister of State for Economic Planning, His Excellency Mr Z. Kosaka.

The Prime Minister of Japan, His Excellency Mr Kakuei Tanaka, sent a message of welcome to the meeting.

In their keynote speeches, the two Foreign Ministers noted the encouraging development of relations between Australia and Japan in all fields and the firm basis of mutual co-operation which existed between them.

They recognised that a high level of interdependence had developed between the economies of the two countries.

They acknowledged that it was essential that a spirit of friendship and co-operation should continue to govern relations between the two countries in the economic and related fields, and it was therefore agreed that the two Governments

would begin discussions on a broad bilateral treaty in these fields.

The Committee held wide ranging discussions on economic and financial matters of mutual interest.

It reviewed the economic situation of the respective countries.

It noted with satisfaction the prospects for growth in the long term in the two countries, and the opportunities which this offers for increased co-operation in the economic field between the two countries.

Concern was expressed on the question of the inflationary tendencies now apparent in the international economy and Ministers reported actions which their respective Governments were taking to deal with these problems, bearing in mind the growing interdependence of nations in a world economy. *Inflation*

Ministers exchanged views on the progress being made towards reform of the international monetary system, designed to provide a basis for the stable long term development of international economic relations.

The Committee welcomed the achievements of the recent GATT Ministerial Conference held in Tokyo and reaffirmed that the multilateral trade negotiations should result in the expansion and the ever greater liberalisation of international trade of both industrial and agricultural products.

Ministers pledged their cooperative efforts to assure early and constructive results of these negotiations in concert with other countries of the world.

Ministers recognised the close interdependence and complementary nature of the bilateral trade between Australia and Japan which was of such great importance to the two countries and welcomed the evidence of further expansion of the trade. *Trade*

In view of the important developments which had taken place in trade between the two countries in the decade since the agreement on commerce was last revised in 1963, Ministers considered that it would be appropriate to review the agreement

taking account of the discussions referred to in paragraph 5 above.

Australian Ministers explained the basic policies of the Australian Government on foreign investment and noted that foreign investment would continue to play an important role in Australia's economic development.

They further noted that all foreign investment proposals in Australia would in future be examined more closely to assess the benefits of such investment for Australia.

Japanese Ministers stated that freer movement of international capital investment was essential for the sound development of free and open international economy.

They further explained, and Australian Ministers noted, that the nature of the investment from Japan to Australia had been not to own and control the Australian resources but to contribute to the development of resources and secondary industries in Australia mostly through participating in the Australian initiated projects.

The Committee recognised the contribution which capital investment has made to the development of the economies of the two countries.

Australian Ministers explained the more liberal import policies initiated by the new Government and especially tariff policies including the 25 per cent across the board tariff reduction.

Tariff cuts

Japanese Ministers explained the 20 per cent cut across the board reduction in Japanese tariffs.

The Committee recognised that both actions were significant contributions to the liberalisation of international trade.

The Japanese Ministers noted with appreciation the positive response by the Australian Government to the points made by the Japanese Government about Australian tariff policies following the last Ministerial meeting.

While the various actions taken had met some points of concern the Committee recognised the need for further discussions at the official level on these matters.

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Australian Ministers recognised Japan's concern to obtain stable and adequate supplies of primary products, especially foodstuffs, and materials for industry.

They stated that Australia looked forward to the further development of trade in these products in a way which would bring benefits to both countries.

The Committee reviewed the measures taken by the Japanese Government in response to the hope expressed earlier by Australian Ministers for greater and more predictable access to the Japanese market for Australian primary products and discussed the question of the supply and demand situation and access for agricultural commodities.

It was agreed that it was desirable for discussions between officials to be initiated on these matters.

The Committee noted that such discussions would signify an important aspect of the further development of cooperative relations between the two countries.

Stable and continuing growth in trade in these items was very important to both countries and ministers recognised that, where appropriate and feasible, international commodity agreements and mutually beneficial long term supply arrangements which were consistent with their international obligations would contribute to the achievement of this goal.

Australian Ministers expressed the view that Australia should develop strong and healthy secondary industries which would provide employment and contribute to the welfare of the Australian people.

They took the opportunity to outline to Japanese Ministers the new measures and policies extending beyond tariff assistance that are currently being developed to promote the development of a more efficient secondary industry in Australia.

Ministers recognised the mutual interdependence and complementarity of Australia and Japan in energy and natural resources.

The Committee emphasised the importance of the mutual reliability of the Japanese market for Australian natural resources on the one hand, and on the other, of Australia as

Primary Products Trade - in

*Minerals
Resources*

a source of supply of these resources.

Ministers reaffirmed that it was desirable for officials of the two Governments to continue to have discussions and exchange of information on various aspects of their mutual interests in developing, and processing and trade in mineral and energy resources including uranium in Australia.

Ministers discussed the world situation on energy supplies and noted the importance to both countries of continued access to oil supplies.

Ministers also discussed alternative energy sources and the increasing use of nuclear fuels for the production of energy.

Ministers noted that Australia had the potential to become an important source of nuclear fuel.

The Committee welcomed the recent measures taken by both countries to facilitate entry and stay for business purposes, and agreed that the two Governments should continue to give full consideration to this matter for mutual benefit.

The Australian Prime Minister introduced the Minister for Defence and Foreign Relations of Papua New Guinea, Mr Maori Kiki, who gave an explanation of recent developments in Papua New Guinea. PNG

He reviewed the progress being made towards independence, and explained Papua New Guinea's current development policies as well as its interest in obtaining development assistance from overseas.

Japanese Ministers noted the developments in Papua New Guinea, expressed the wish that Papua New Guinea would attain independence at an early date and noted that Japan looked forward to the progressive establishment of full cooperative relations with Papua New Guinea in all fields.

Australian Ministers expressed their appreciation for the hospitality and arrangements made by the Japanese Government for this meeting of the Ministerial Committee.

At the conclusion of the meeting Australian and Japanese Ministers expressed their pleasure at the wide ranging and cordial nature of the discussions.

Encouraged by the success of this meeting, Australian and Japanese Ministers looked forward to the next meeting of the Ministerial Committee, which has been provisionally scheduled for 1974 in Canberra.