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PRIME MINISTER

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FOR PRESS**ECONOMIC RELATIONS WITH JAPAN AND THE VISIT OF THE
DEPUTY PRIME MINISTER**

The Deputy Prime Minister and Minister for National Resources and Overseas Trade, Mr Anthony, will visit Japan from February 4 to February 14.

He will be accompanied by the Secretary of the Department of Overseas Trade, Mr D.H. McKay, O.B.E., and the Secretary of the Department of National Resources, Mr J. Scully.

Because of the particular importance to Australia of the export of primary industry products such as beef, a senior officer of the Department of Primary Industry will also accompany the Deputy Prime Minister.

While in Japan Mr Anthony will hold talks with Japanese Ministers, officials and business interests on matters relating to Australia's minerals and energy resources and overseas trade.

In making this announcement I would like to reaffirm that for Australia, Japan is one of the most important countries in the world. The consolidation and strengthening of a relationship between our two countries in the political as well as in the economic field is a task to which I attach high priority.

Australia's interests in relations with Japan rest on two considerations. The first is Japan's position as Australia's main trading partner. It is our biggest export market and it provides more of our imports than any other country except the United States.

Australia ranks high as a trading partner for Japan. Japanese imports from Australia consist largely of mineral resources and agricultural products, while Japan supplies us with a wide variety of manufactured goods.

In addition to the bilateral factor, Japan is a key country in world affairs, especially in the Asian/Pacific region, and both it and the international community as a whole and countries of the region attach considerable weight to their relations with Japan.

Australia's exports to Japan of minerals, liquid gas, coal and, eventually, uranium are of critical importance to both countries. Australia has no other markets of such size and with such potential for growth. Japan has no other supplier with such a wealth of resources and the potential for security of supply. All the factors are present for the development of an economic relationship based on mutual dependence which should confer enormous benefits on both countries.

Our wish - indeed a prime objective of our economic policies - is to see such benefits materialise and grow. We acknowledge that in recent years there has been an erosion of Japanese confidence in Australia as a long-term source of supply, even though contracts have always been honoured by Australia. We will work to see that confidence restored. We have no doubt that it can be, and in full harmony with the stated minerals and energy policies of the government.

Australia's exports of agricultural commodities too are of critical importance to both countries. There is every reason to expect that in the long-term Australian exports of wool, grains, dairy products, sugar, meat and fruits will grow. However, this trade policy has faced some problems and the confidence of Australian exporters has been affected by Japanese import policies. Japanese import policies have brought particular problems for exporters of beef and dairy products. We will also work to see confidence restored in these areas.

Australian imports from Japan are being affected by the temporary restraints Australia has placed on certain of its imports. The Japanese Government has formally expressed its concern. These measures are consistent with Australia's international obligations and will be relaxed and removed as soon as conditions permit.

On balance, therefore, I am confident that, although there are difficulties in the international climate, relations between Australia and Japan can be further strengthened to the advantage of both our countries and the region and the international community.

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