



PRIME MINISTER

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EMBARGO: 7.15 p.m.

ADDRESS TO THE AUSTRALIAN JAPAN RELATIONS SYMPOSIUM, CANBERRA

It is a great pleasure to be here to open the 1977 Symposium on Australian Japan Relations. As one has come to expect the Symposium brings together a distinguished group of Japanese and Australian speakers and participants. The attendance at this year's symposium demonstrates the interest of a wide cross-section of the community in Australian Japan relations in general.

The Symposium is a first rate example of the value of forums of this kind. They encourage discussion of all aspects of Australian Japanese relations. They enable contacts to be developed amongst many Australians, and between Australians and Japanese interested in the relations between our two countries.

In an open democratic society such as we have, foreign relations are not and cannot be exclusively the product of Government action. They must be the joint creation of people and Government if they are to reflect the interests and aspirations of Australian society. No approach to other nations can possibly be effective unless it rests on a broad public support. The work of public and semi-public groups and institutions such as the Australia Japan Society, the Australia Japan Business Cooperation Committee and the Centre for Continuing Education makes a vital contribution both to establishing priorities in Australian foreign relations and in reflecting and educating public opinion.

In our first year of office this Government has given pre-eminence to our relations with Japan. As Prime Minister, my first visit to a major power and my first visit outside Oceania, was to Japan. The first visit by any Minister in my Government was a visit by Mr Anthony, the Deputy Prime Minister and Minister for National Resources, and Overseas Trade, to Japan.

We have placed great weight on consolidating our relationship with Japan and improving mutual understanding so as to further strengthen the links between us.

Clearly the quality of the relations between Australia and Japan is of enormous importance to both our countries.

Japan is by far our largest trading partner, outranking the United States, and the European Economic Community, including Britain. In 1975/76 more than one-third of all Australian

exports went to Japan -- a higher proportion than went to the United States and the E.E.C. countries combined. As a source of imports, Japan is only slightly less important to Australia, standing second to the United States and accounting in 1975/76 for nearly one-fifth of Australian imports.

The development of trade between our two countries in a comparatively short period of time has been nothing short of remarkable. It owes much to the vision of the men who twenty years ago signed the Commerce Agreement between our two nations. Since the Agreement was signed the trade between us has grown fifteen-fold. It is now the seventh largest trade flow in the world. The reason for this is plain. Our trade is complementary; Australia has become a major source of raw materials and food stuffs for Japan, and in return, Japan is a significant source of manufactured goods for Australia.

It has been suggested, on occasion, that because of the importance of the Japanese market for Australian exports, and of Australia's natural resources for Japan, there is a substantial degree of dependence of both our countries on one another. A dependence that some people regard as being undesirable.

It is my belief that such suggestions misconceive the benefit both our nations obtain from international trade. It is in both our interests for trade to be developed on the basis of the most efficient use of our resources.

Australia has long admired and through international trade benefitted from the Japanese capacity to grow at a faster rate than any other country in the Western world. Japan has both stimulated and benefitted from our primary and mining industries. While Japanese economic growth in the medium term is not expected to match the spectacular expansion of previous periods, the prospects are for significant growth which should provide ample opportunities for expansion of our bi-lateral trade. We believe Australia's interests are best served by a sustained growth in our export markets - not a short term boom which would ignite inflationary pressures, and be followed by a down turn. It is of prime importance that the major industrialised countries avoid a resurgence of inflationary pressures. I understand that Japan, under the guidance of Prime Minister Fukuda, himself a distinguished economic administrator, has a similar approach.

Japan is important to Australia not only for economic reasons. Japan is a major power in regional and indeed, in world politics. This is evident in the attention that Japan commands from the other great powers. They recognise the important role that Japan has to play in maintaining stability in Asia, and the influence which Japan can bring to bear on their policies and the outstanding resilience that Japan has shown in international politics.

Japan has, however, firmly rejected not only the nuclear weapons option but any programme of major rearmament. This was emphasised yesterday by the Japanese Prime Minister. Japan, he said, relied for its safety and survival on the good faith of other nations and the Japanese American alliance.

While Australia and Japan trace their cultural inheritance through different lines, it is clear we have a great deal in common. We are both democratic, industrialised, island nations.

We are both located in the Western Pacific and both have great interests in the peace and security of that region. We both have a special Treaty relationship with the United States. These common interests between our nations serve to strengthen our relationship. It has been my Government's concern in close cooperation with the Government of Japan to develop and further strengthen it by providing a framework within which our relations can achieve their full potential; by consolidating and giving new impetus to our economic relationship by recognising the mutual interests of both countries in being stable and reliable suppliers and markets for one another; by creating the machinery and spirit to deal with the strains and differences inseparable from hard bargaining of commercial matters; and by broadening our contacts in political, cultural and social areas as a means of promoting greater understanding between the peoples of our two countries and to complement and reinforce our economic relations.

Both Australia and Japan have taken important initiatives in these areas. In 1971, an Australian Japan Ministerial Committee was first proposed by the Japanese Minister for International Trade. For Australia, entering such an agreement was a unique undertaking. During my visit to Japan, the Japanese Prime Minister and I signed the Basic Treaty of Friendship and Cooperation between our two countries. This was the first Treaty of its kind entered into by the Australian Government. Signature of that Treaty was preceded in February 1976 by ratification of the Australia Japan Cultural Agreement. In April 1976 we established, by Act of Parliament, the Australia Japan Foundation. This was an important step. Together with the cultural agreement, it represented a pronounced recognition of the need to broaden and deepen the relationship between the peoples of Australia and Japan.

The cumulative effect of these steps and the joint efforts by the Australian and Japanese Governments was most evident in January this year, when the Australian Japan Ministerial Committee met for the fourth time. This meeting - at which Australia was represented by four Cabinet Ministers - was of the first importance both in terms of atmosphere and practical achievement.

I note some of these achievements. Agreement was reached on the Australian beef quota. The Japanese Government indicated that it would endeavour to ensure that imports of coal and iron ore from Australia during 1977 would be maintained at 1976 levels. Agreement was reached on the extension of port access arrangements for Japanese tuna fishing boats. The Japanese side expressed appreciation of the new climate that has developed in Australia in the resources area, and commented favourably on the Government's overseas investment policy. Australia welcomed the intention of two senior Japanese missions - one on investment and the other on energy matters - to visit Australia early in 1977. On uranium the Japanese expressed full understanding of the Australian Government's decision to await the second report of the Fox Committee. Agreement was reached to examine the possibility of reducing air fares between Australia and Japan in the interest of facilitating contacts between our two peoples. I am happy to draw particular attention to that initiative as it sets a sequel to discussion at this Symposium last year.

Beyond these practical achievements, the Ministerial Meeting reflected, however, an even more important outcome. It was the consensus of all participants in the discussions that the relationship as a whole has been put on a new level and its importance and potential were now more fully understood. This was as apparent in the directness and openness of discussions as it was in the spirit of mutual understanding that prevailed.

Despite the progress already achieved, my Government remains determined to take a long term view of our relations with Japan and to ensure that the future is as certain and as productive as it can possibly be made. Our determination will be evident from the Government's decision to establish an Ad Hoc Working Committee on Australia Japan Relations. The Committee has been charged with two responsibilities: making recommendations on the machinery that might be necessary to enhance relations between Australia and Japan; and suggesting measures to avoid or alleviate areas of possible difficulty in these relations over the next several years. The persons from outside the Government whom I have invited to join the Committee will, because of their knowledge and experience, be able to make a significant contribution to the Government's understanding of the direction of that long term relationship. The Committee is to consult widely within the Australian community and it will liaise closely with the Australia Japan Foundation.

Despite the closeness of the ties and interests of our two nations, there is still a great deal to be done to build a broad understanding between our two peoples and foster mutual awareness. I believe that the Australia Japan Foundation will play a major part in the development of this understanding. The Foundation whose members were appointed in 1976, aims to achieve these goals by encouraging people to people contacts, and by promoting study, and other activities to give the people of both countries greater access to one another's culture and society. The Foundation has an unusually broad field to work in. It is not intended to be a body limited to what people conventionally consider cultural exchange. It is concerned with the development of a multi-faceted and wide-ranging relationship between the peoples of our two nations.

Cultural life not only exists in the art galleries, the concert halls, or even the trading table. The Foundation's programmes reflect this. So far its initiatives include: the establishment of a one-year intensive Japanese language course at the A.N.U. geared directly to those already in business, government, or the professions; the encouragement of studies of the various barriers to communication between the peoples of our two countries; and the provision of financial support to assist people in each country with common professions or other interests, to make contact with each other. It also has its own travel grant scheme whose first recipients will travel to Japan in the next month. The Foundation's work is designed to get beyond the exotic and the unusual to those things in which many people in both countries can find immediate common ground.

I was pleased to notice a considerable diversity of interests in the first group of Australians sponsored by the Foundation to visit Japan shortly: a housewife concerned with child care schemes; a technical catering teacher; an agricultural scientist; an art teacher; a musician; a marriage counsellor; and a prisons administrator. This diversity of interests indicates that the Foundation is on the right track. A new, and in many ways, challenging track in the area of cultural exchange. Work will not be completed overnight, of course, but the attention paid to cultural matters should do much to complement commercial relations and enrich our own relationship.

So far today I have mainly concentrated on the bi-lateral aspects of the Australia Japan relationship. But that relationship cannot exist in a vacuum, nor do I consider that it should be an exclusive one. It is a relationship which even as it brings Australia and Japan the mutual benefits of prosperity and progress, must also be so designed as to lend momentum to the economic advancement and cooperation of the countries in Asia and the Pacific as a whole.

As the two major economically developed democracies in our region, we have a major responsibility in this respect. One which ultimately requires us to interpret our relationship in the wider context of global processes and problems. This includes participation in the dialogue between developed and developing countries on a new international economic order, which has become a major issue in economic relations. There are some who believe that the resolution to the economic problems faced by many less developed countries lies in fundamentally changing

the international economic system. Australia believes that there is a need for change in policies between nations and sometimes for significant change. To the extent that the call for a new international economic order is a call for practical and viable changes in economic policies affecting the international system, it should have the support of all nations.

But the Japanese example should make us hesitate to try to effect a fundamental change in the system itself. The rapid growth of the Japanese economy over the last 25 years - during which time real per capita income in Japan has increased no less than

five-fold - is an outstanding example of what can be achieved in a market-orientated system. Japan is, of course, somewhat differently placed than Australia. We remain a net importer of capital while Japan is moving towards the undertaking of a traditional capital exporter role that many of the Western European countries played in earlier years. Unlike Australia, Japan will need to continue to run a surplus on current accounts. Only by this means can Japan play the role of a net exporter of capital.

The Australian Government consequently believes that moves to force Japan to adjust its external policies, so as to produce an external balanced or deficit position, are misplaced. Such moves would be inconsistent with the long term development needs, not only of Australia but also of those less developed countries that need continuing injections of development capital if they are to lift their standards of living to more acceptable levels. Australia believes that making improvements within the essential framework of the existing international economic system holds out the greatest hope for the economic progress of all nations.

Both Australia and Japan, each in our separate way, will seek in their trading in other arrangements to take positive steps to help meet the needs of countries less strongly placed than our own.

Ladies and gentlemen, I accepted this invitation with great pleasure. In concluding, I express the appreciation which I, and I believe most Australians, feel for the far-sighted imagination and dedication which bodies like the Australian Japan Society and the Australian Japan Business Cooperation Committee have shown in pursuing the task of bringing Australia and Japan together.

To an audience well versed in Australia Japan relationships, as yourselves, there is no need for me to specify the substantial work which has already been made in this Symposium and those dedicated bodies which are its sponsors.

It is sufficient to say that the Australian Japan Businesses Cooperation Committee together with the commercial interests which are its individual members, have been largely responsible for generating within the space of 25 years, the spectacular trading relationship which we have with Japan. It has been the work of the Australia Japan Society to complement the growth of that trading relationship by creating the public interest in, and information, on Japan, and to give our mutual relations new breadth and depth expanding beyond the purely commercial.

The relationship that now exists between Australia and Japan is a tribute to your efforts as much as it is to those of Government. In approaching and managing an area of broader and even stronger relations with Japan, we look to you for the same contribution of leadership and inspiration that you have provided in the past.

Excellencies, ladies and gentlemen, it is with very great pleasure that I declare the Fifth Australia Japan Relationship Symposium, open.