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PRIME MINISTER

SPEECH BY THE PRIME MINISTER
THIRD AUSTRALIA-JAPAN BILATERAL CONFERENCE
OF EDITORS AND PUBLISHERS - 8 MARCH 1984

Mr Chairman, Ladies and Gentlemen

It gives me great pleasure to be here with you this morning to open the third Australia-Japan Bilateral Conference of Editors and Publishers.

To have in Australia so many leading representatives of the Japanese media is a very real plus for both our countries.

You, individually and collectively, have an important role to play in contributing to the further development of the Australia-Japan relationship.

The media, editors, publishers, and writers today make a major contribution to shaping the views of the general public and their perceptions of the relationship between nations.

You have all now seen something of our country and our society and met with many prominent Australians.

You will obviously draw your own conclusions.

On one thing I am sure you will agree - relations between our two countries are as close now as they have ever been. There is a very real warmth of feeling between our countries.

My own recent visit to Japan brought home to me how close and how important our countries have become to each other.

Indeed that visit was significant in another sense: it laid the basis for a revitalization of the relationship between our countries - new directions and new emphases appropriate to the changing national and international circumstances of our countries were mapped out and given substance.

There is without doubt substantial goodwill in Japan - particularly at the highest political level - towards Australia.

This was also apparent in the attitudes of the leaders of industry and of Japan's financial community whom I met during my recent visit.

I can assure you the same goodwill exists towards Japan among Australian Government and business leaders - indeed it is something which now extends deep into the Australian community. I know you would all have recognised and appreciated this during your current visit.

Australia and Japan have substantial and shared interests in the trade and economic fields.

The interdependence between our countries is widely recognised - it stems directly from the complementary character of our two economies. The stability and quality of the economic relationship has contributed directly to the close political relationship that has grown up between our countries. That relationship hinges on mutual trust and an awareness of the importance of each of our countries to the other.

It is against this background that the Joint Statement issued following my discussions with Prime Minister Nakasone assumes a particular significance.

In that statement both Prime Minister Nakasone and I reaffirmed the immense importance to both our countries of our bilateral relationship. We reaffirmed our common commitment to the ideals of freedom and democracy and the commitment of both our countries to further strengthening our co-operation with other countries in the region to ensure peace, stability and prosperity.

Both Prime Minister Nakasone and I were in particularly strong agreement on the need for liberalisation of international trade. I was strongly supportive of Prime Minister Nakasone's call for a new round of multilateral trade negotiations. Prime Minister Nakasone in turn endorsed my 22 November 1983 Bangkok call to countries of the region to work together to secure generally agreed objectives in such negotiations.

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 early May to address the issues involved.

This meeting is a crucial step, providing as it will an opportunity for countries of the region very deliberately and methodically to identify their concrete interests in a multilateral round and to consider how best to secure attention to those interests. The long-term benefits to the region of this workman-like, co-operative approach will I believe be very considerable.

The assurance given me by Prime Minister Nakasone that Japan would not solve its trading problems with third countries at the expense of Australia-Japan trade is of critical significance to a number of Australian trading interests. I recognise the considerable pressure being applied by some others for major trading concessions by Japan. The assurance given by Prime Minister Nakasone - and reiterated by him in a telephone discussion we have had following my return to Australia - represents, however, a recognition both of the enduring qualities of Australia as a reliable and competitive supplier and the dangers posed to orderly international trading arrangements of any surrender to bilateralism. Trading arrangements struck on the basis of anything other than the competitive edge of suppliers are inherently fragile and destructive of good relations between countries.

These principles find immediate application in the talks between Australian and Japanese officials about Australian access to the Japanese beef market in 1984/85 and beyond. Australia is naturally concerned to maintain its position in the Japanese beef market. Indeed Australia should like to see Japan be somewhat more forthcoming on these negotiations than they have been to date. As a reliable and competitive supplier I believe Australia can expect to sustain its position and see continued growth in its beef exports to Japan.

This is not to say that there is no scope for change in the pattern of Australia's trade with Japan. Indeed one of the dominant themes of my recent visit to Japan was an acknowledgement of the need to diversify Australian trading interests in Japan - to broaden the basis of our trading relationship.

The face of Japanese industry is changing and with it Japanese industries' resource requirements. The adjustment of Japan to a lower long-term GDP growth path also imposes a need to review established assumptions about traditional trading patterns with Japan.

The Australian Government, and I believe many of our exporters, recognise this and are moving to make the necessary adjustments.

Action is already underway to develop new markets for Australian products in Japan. Japanese consultants have already been engaged by the Australian Department of Trade to assist in the identification of areas where Australia should be targeting its marketing effort in the future. We recognise that Japan is a specialised market with problems of trade penetration quite different from those in other traditional Australian overseas markets.

Already, we see prospects in Japan for increased Australian exports of manufacturing goods, services and processed foodstuffs.

We also aim to take full advantage of Japan's import expansion scheme. With this in mind Australia will this year be sending a senior trade mission to Japan. We expect as well a Japanese import expansion mission similar to those that have gone to the United States and EC to come to Australia.

There is then considerable momentum in the efforts now underway to expand and diversify Australia's trade links with Japan.

The trading relationship will be further enriched by changes now taking place in Australia's own economic situation.

Economic recovery is now well underway here in Australia. Real Australian GDP is now expected to grow by 8 per cent this financial year. Inflation has dropped from over 11 per cent to 8.6 per cent and will fall further; employment is growing and unemployment has fallen to 9.5 per cent.

Critical to this recovery has been the Prices and Incomes Accord agreed between my Government and the Australian Trade Union movement. Adherence to the Accord by all parties gives confidence of restraint in wage demands and underpins a more orderly pattern of Australian industrial relations. Indeed in the 12 months period to November 1982 the number of days lost due to industrial disputes dropped by over 30 per cent and was at the lowest level for 15 years. This trend can only serve to reassure Australia's trading partners of her reliability as a supplier.

With economic recovery - and with the quite deliberate attention the Australian Government is giving to securing conditions conducive to medium and longer-term growth - you can also expect to see a healthy measure of industrial restructuring taking place here in Australia.

Already my Government has put into place a steel industry assistance plan which has assured the survival of the steel industry as a viable, efficient and critically important Australian industry. In the process we have put in place arrangements designed to sustain employment within the industry and ensure its long-term competitiveness. This was achieved through the combined efforts of Government, unions and the industry itself. Government provided constructive assistance, industry the needed investment and unions productivity guarantees.

Both the objectives and approach adopted in this case stand as precedent for the manner in which the Government is addressing the problems of the Australian motor vehicle industry.

Our own experience in this area served as useful background to the discussions I had in Japan about Japanese experience in industry restructuring. Those discussions were a particularly valuable feature of my recent visit to Japan. An especially stimulating account of Japanese experience was given me by Mr Amaya, formerly Vice Minister for International Trade and Industry. I am pleased that he has been able to accept our invitation to visit Australia, probably next month, to discuss further Japanese experience in the handling of issues involved in restructuring.

For Australians the inevitability of gradual change in our industry structures poses the particular challenge of anticipating that change rather than merely reacting to it. It will be individual firms which will take the crucial decisions upon which Australia's competitive edge will hinge; it is not for Government to get into the business of picking "winners" and "losers".

But Government can provide a framework, can define more precisely the context within which industrial change will occur. Already work has been set in train through the Economic Planning Advisory Council (EPAC) to establish the necessary data base on macroeconomic and industry trends. I have also formed a committee of Cabinet Ministers under the chairmanship of the Minister for Industry and Commerce, Senator Button, to consider what policy instruments need to be developed and to see that required integration of the diverse policy elements - education, trade, industry, and finance - takes place.

I believe there is a role, and an important one, in this area for the Australian media. Let me comment on this point more generally.

I was struck in Japan by the extent to which the media is accepted as an integral - even if at times highly critical - part of the process of developing community understanding of policy issues.

I have long thought the media has a vital role to play in ensuring public awareness of the issues involved in Government policy. Particularly where change is involved, it will only be managed satisfactorily if underlying community attitudes and assumptions shift to meet it. This presumes understanding both of the consequences of change and of the costs likely to be associated with failure to meet it.

This is not to suggest that the media adopt the role of apologist. Rather it is an invitation to a more analytical, more involved approach from the media.

A far more intimate relationship exists in Japan between Government policy makers and the media than is the case here in Australia. In part this reflects different institutional traditions - traditions I am certain we cannot and should not try to emulate here in Australia. But as a well developed system of access to the decision-making process and of responsibility in the handling of this access, the Japanese pattern makes for both a healthy openness in Government and for greater community awareness of the basis or background to options for decision.

This of course does not guarantee immunity from criticism - nor should it. This process, called in Japan "nemawashi" or "root-binding", does however help narrow differences and contributes to the building of a national consensus on matters of long-term significance.

Crucial to this process is public access - something my Government has appreciated from the outset.

Indeed the Australian Labor Government has been more open than any before it. Whether in economic policy, foreign policy, industry policy, education policy, or welfare policy - to name but a few areas - we have laid out our assumptions and proposals and invited community response before definitively locking policy decisions into place.

The role the media can play in exposing these assumptions and in communicating what is proposed is critically important. It is also a heavy responsibility - one I am sure none of you would underestimate.

But, Mr Chairman, understanding between nations hinges on more than this.

Cross-cultural links and exchanges between our peoples are a particularly effective method of strengthening relations.

In the case of Japan and Australia, working holiday schemes and personal initiatives have seen substantial numbers of our young people, including my own daughter, go to each other's country - with lasting benefits in terms of a greater understanding of our different cultures. A frequent exchange of visits by parliamentary delegations, journalists, trade union leaders and other special overseas visitors also ensures that the depth of contact between our two nations increases each year.

Evidence of the importance of these visit schemes was the fact that most of the leaders I met while on my recent visit to Japan had visited Australia during the past decade or so.

There is, however, as both Prime Minister Nakasone and I agreed, scope for development of still closer political relations between Australia and Japan.

Prime Minister Nakasone and I have established a "hot line" between us. Beyond this we also intend significantly to extend the range of contact and consultations between our Governments on matters of common political interest. This will be the case on particular crises - whether regional or global - as they arise, as well as on matters of broader policy interest such as disarmament.

Indeed on disarmament I was impressed by the degree of coincidence between Australia's and Japan's views. 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 horizontal proliferation of nuclear weapons.

The United Nations and other relevant multilateral fora will be the obvious place to focus this collaborative effort. Indeed in those fora I should expect the pattern of consultation to extend beyond disarmament issues alone into a wide spectrum of issues of mutual interest. 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 also be of benefit to all countries within the region.

Even where differences exist, we have been able to discuss them constructively. On the matter of the dumping of nuclear waste in the Pacific, for example, Prime Minister Nakasone and I discussed frankly Japan's concerns regarding safe disposal of waste from its nuclear industry. I made clear Australia's and the South Pacific region's strong concern about the proposals for ocean dumping, welcoming at the same time indications that the Japanese were exploring other possibilities for disposal. Australia certainly hopes that land-based nuclear waste disposal methods continue to be pursued.

Mr Chairman

It will be obvious from what I have said that between Australia and Japan today there is a rich and diverse relationship.

Neither country can afford to be complacent about the relationship; but if my recent visit is any guide, I think we can be confident that all concerned are working together, both here in Australia and in Japan, to consolidate and extend the already strong bonds which exist between us.

This is as it should be and augers well for the future prosperity of both our countries.

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Ladies and Gentlemen, I wish you every success with your conference, and our Japanese visitors a memorable stay in Australia.

It gives me much pleasure to declare this Conference open.
