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PRIME MINISTER

SPEECH BY THE PRIME MINISTER AT DINNER IN HONOUR OF
PRIME MINISTER NAKASONE OF JAPAN, CANBERRA, 15 JANUARY 1985

Prime Minister Nakasone

Your visit to Australia and the South Pacific is of great importance to us and I would like to extend a very warm welcome to you, your family and to the members of your party on behalf of all Australians.

Over the past three decades, the relationship between Australia and Japan has become vital to both of us.

Our economies are inter-dependent. Our governments are linked by a network of consultative arrangements.

At the same time, friendship, mutual respect and understanding between Australians and Japanese have also developed greatly.

You and I, Yasu, are particularly fortunate that our daughters, Michiko and Susan, are able, as a result of their personal experiences of each other's country, to help us understand our respective peoples' aspirations and hopes for the future. This would have seemed remarkable to our predecessors not so long ago.

We regret that your stay in Australia cannot be longer. We are pleased however that you will have the opportunity to visit not only Canberra but also Sydney, Melbourne, and to see something of Australia outside our capital cities.

Today we have had a broad range of discussions covering global, regional and bilateral issues.

Mr Prime Minister, nothing is more important to the Australian and Japanese people and to our governments than the prevention of nuclear war and the advancement of the cause of nuclear disarmament. We have discussed these issues again today and find ourselves in total agreement on them.

There is a need and indeed an imperative for countries such as Japan and Australia to work together in the cause of peace and make our views heard by the superpowers.

We must press with all the influence at our disposal for progress in this critical area. The recent agreement in Geneva between the superpowers to re-open negotiations on

the entire range of nuclear and space arms questions is an encouraging development.

We must continue to do what we can to ensure that this essential dialogue is enduring and productive in lessening tension and bringing about major reductions in the nuclear arsenals.

Australia is addressing these concerns in all major disarmament forums.

The creation of a south pacific nuclear free zone, consistent with Australia's treaty obligations, is a high priority within our overall policy.

The zone will bear on Japanese and Australian interests in the region. In particular, regional states including Australia have a continuing strong interest in seeking a south pacific region free from the use, stationing and testing of nuclear explosive devices and an ocean environment not used for the dumping of nuclear waste products.

Both the nuclear free zone proposal and the regional environmental program work towards this.

Mr Prime Minister, I have been particularly encouraged to learn of your Government's desire to respond positively to the feelings of the countries of the region in these matters.

Our countries also share a critical interest in the health of the international economy and trading system, and a particular interest in continued strong growth in production and trade within our own Western Pacific region.

Last year in Tokyo we discussed the benefits that could be obtained through the successful launching of a new round of multilateral trade negotiations, and the need for any new round to address matters of particular importance to the Western Pacific region.

Today we have reaffirmed our support for an open international trading system. Australia shares Japan's support for a new round of multilateral trade negotiations. To produce real benefits, such a round must be founded on a genuine commitment to trade liberalisation by the advanced countries, including Japan and Australia.

A new round of multilateral trade negotiations based on a genuine commitment to trade liberalisation would address a number of flaws in the current trading system that have been particularly damaging to the trading interests of countries

in our region. These flaws include the treatment of agriculture, safeguard measures and tariff escalation.

We believe that consultation and cooperative effort between Australia and Japan, together with our Western Pacific neighbours, can enhance the prospects of a successful new round of negotiations. The Denpasar and Sydney meetings, in which our senior trade officials participated, were important parts of that process of consultation.

Australians and Japanese have also been active in the exploration and evaluation of wider forms of Pacific cooperation, through the series of meetings on the Pacific community concept which began with the Canberra seminar chaired by Sir John Crawford in 1980. Australia has recently established a national Pacific Cooperation Committee to facilitate participation in this discussion of regional cooperation.

Australia and Japan together have a great contribution to make to the development of the region, and through it to the wider matrix of global development. I notice that recent surveys by the New York Conference Board have placed Japan and Australia at the forefront of economic growth in the Western World. This is a good basis upon which to build our relationship and our mutual contribution to development in our region.

We recognise that we can play effectively our proper role in our wider region only if we ourselves conduct our trade and industry policies, and our relationship with each other, in ways that are consistent with the principles of an open multilateral trading system.

With this in mind, we today reiterated our commitment to the expansion and development of trading and economic relations between our two countries.

We each recognised the progress that has been made recently in both countries in facilitating trade expansion.

Tomorrow I will explain more about how the Australian liberalisation of financial markets, and the removal of steel import quotas which preceded my visit to Japan a year ago, have been followed by further commitments to liberalisation of Australian trade over the past year. Most important amongst these has been the adoption of a new motor vehicle plan, through which the Australian industry will take major steps to strengthen its international competitiveness as import quotas are gradually and steadily removed between now and the early 1990s.

Tomorrow's discussion will also extend to the progress that has been made to strengthen Australian competitiveness and reliability as a supplier across the whole range of our industry. It is universally recognised that unit production costs have fallen and industrial relations have improved greatly throughout the Australian economy over the past two years.

But we recognise that there is room for further improvement - a reality underlined by the disruption of rail transport in the Hunter Valley.

The Australian Government will continue to work systematically to improve even further Australia's competitiveness and reliability as a supplier.

In developing further the close and cooperative relations which Australia has with Japan, I know, Prime Minister, that you personally have taken a position of active leadership and encouragement in Japan, as I have in Australia.

This has assisted the development of productive economic relations in many areas.

At the same time, you recognise our concern that the principles of an open multilateral trading system should govern relations in all areas of our trade.

You know our worries about the beef trade.

You know also our concerns that pressures from third countries might at some time in the future stand in the way of full reflection in our trade of Australia's advantages as a competitive and reliable supplier of coal.

I welcome your reassurance, Prime Minister, that Japan will not seek to solve its trade problems with third countries at the expense of Australia generally, and particularly in relation to coal.

We in Australia recognise the changes taking place in Japan's industrial structure. These complement structural changes that will need to occur in Australia as we continue our efforts to sustain non-inflationary growth. We recognise the need to upgrade and diversify our exports to Japan into manufactures and services. We greatly appreciate the support of the Japanese Government towards our joint efforts to achieve this goal, particularly through the successful high level market survey missions.

We attach great importance to the careful follow-up of the survey mission's work.

We recognise that we cannot sit back and expect success to come - the key must be the steady application of Australian initiative and enterprise.

In no way is the goal of diversifying our trade an alternative to the established trade in commodities. Continued efforts to develop new areas of trade complement our efforts to achieve maximum mutual benefit from our vital commodities trade.

Mr Prime Minister, we have today discussed frankly many subjects with the knowledge and against the backdrop of the strong, mature and enduring relationship which exists between our countries.

We have much in common : an important economic and trading relationship which is mutually advantageous to us; similar perceptions of the security and strategic interests of our region and a commitment to development in the western pacific region; a growing enthusiasm among our peoples to know more about each other; and an unequivocal commitment to parliamentary democracy.

These are the links which bond us together.

Yasu, let us work together to realise the full potential that good relations between Australia and Japan can bring to our two peoples and to the world in which we live.
