



## PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER  
AUSTRALIA - JAPAN RELATIONS SYMPOSIUM  
25 MARCH 1986 - MELBOURNE

I AM DELIGHTED TO RETURN TO ADDRESS THE AUSTRALIA-JAPAN SYMPOSIUM AND TO WELCOME THE VERY DISTINGUISHED VISITORS FROM JAPAN WHO ARE HERE AS PARTICIPANTS. IN PARTICULAR, I WELCOME MR OKAWARA BACK TO AUSTRALIA. AS JAPANESE AMBASSADOR TO AUSTRALIA SOME YEARS AGO, HE MADE MANY FRIENDS FOR JAPAN AND WAS A MOST EMINENT ENVOY.

TWO YEARS AGO I HAD THE PLEASURE OF ADDRESSING YOUR CANBERRA SYMPOSIUM. ON THAT OCCASION I REPORTED, AMONG OTHER THINGS, ON MY FIRST TRIP TO JAPAN AS PRIME MINISTER. ON THIS OCCASION, I AM ADDRESSING YOU PRIOR TO MY SECOND TRIP TO JAPAN IN MAY. IN 1985 PRIME MINISTER NAKASONE VISITED AUSTRALIA. THESE VISITS AT THE HEAD OF GOVERNMENT LEVEL DEMONSTRATE CLEARLY THAT THE AUSTRALIA-JAPAN RELATIONSHIP IS OF GREAT SIGNIFICANCE TO BOTH OUR COUNTRIES.

IN 1984 I SAID THAT OUR RELATIONSHIP WAS AN EVOLVING ONE, POISED TO MOVE IN NEW DIRECTIONS. NOW, I AM ABLE TO REPORT THAT THIS HAS IN FACT OCCURRED.

DURING THE PAST TWO YEARS WE HAVE BUILT UPON THE COMPLEMENTARITIES AND THE INTER-DEPENDENCE OF OUR RESPECTIVE ECONOMIES. NEW AND BENEFICIAL TRADING OPPORTUNITIES HAVE BEEN FORGED OVER AND ABOVE OUR EXTENSIVE TRADITIONAL TRADE IN RAW MATERIALS.

THE BASIS OF THE NEW TRADING OPPORTUNITIES HAS BEEN THE DEVELOPMENTS IN INTERNATIONAL FINANCE. A MAJOR POLICY INITIATIVE OF THE GOVERNMENT HAS BEEN THE FURTHER LIBERALIZATION OF THE AUSTRALIAN FINANCIAL MARKET AND, IN PARTICULAR, THE GRANTING IN 1985 OF 16 NEW FOREIGN BANK LICENCES, OF WHICH 3 WENT TO JAPANESE BANKS. SIMILAR LIBERALIZATION OF JAPANESE FINANCIAL MARKETS HAS INCLUDED THE NEGOTIATION OF RECIPROCAL ARRANGEMENTS FOR THE 4 MAJOR AUSTRALIAN BANKS TO ESTABLISH IN JAPAN.

GIVEN THAT JAPAN HAS BECOME THE WORLD'S LARGEST NET EXPORTER OF CAPITAL AND AUSTRALIA'S LARGEST SOURCE OF FOREIGN FUNDS, THESE FINANCIAL INNOVATIONS SHOULD FURTHER FACILITATE THE EFFICIENT CHANNELLING OF THESE FUNDS INTO BOTH THE EQUITY AND SECURITY MARKETS IN AUSTRALIA. THESE RECIPROCAL ARRANGEMENTS WILL IMPROVE AUSTRALIAN UNDERSTANDING OF THE FUNCTIONING OF THE JAPANESE DOMESTIC MARKET, ENHANCING OPPORTUNITIES IN JAPAN FOR AUSTRALIAN EXPORTERS. THIS WILL BE ESPECIALLY IMPORTANT AT A TIME OF EXPANDING JAPANESE DOMESTIC DEMAND FOLLOWING THE DRAMATIC FALL IN OIL PRICES.

AGAIN, WE SHOULD BE ABLE TO DIVERSIFY OUR EXPORTS TO JAPAN BY INCREASING THE CONTRIBUTION OF MANUFACTURES AND SERVICES.

INDEED AUSTRALIA IS WELL PLACED TO EXPAND OUR SHARE OF TRADE IN THESE ITEMS TO JAPAN. REAL UNIT LABOUR COSTS HAVE FALLEN IN AUSTRALIA BY ABOUT 2 PER CENT IN EACH OF 1983-84 AND 1984-85 AND WE ARE EXPECTING A FURTHER FALL OF THAT ORDER IN THE CURRENT FINANCIAL YEAR. THIS HAS BEEN ACHIEVED IN THE CONTEXT OF A SHARP REDUCTION IN INDUSTRIAL DISPUTATION. ALLOWING ALSO FOR THE 25 PER CENT DEPRECIATION OF THE \$A SINCE EARLY 1985 AGAINST THE WEIGHTED AVERAGE OF OUR TRADING PARTNERS, THIS HAS PUT AUSTRALIAN ENTERPRISES IN THEIR BEST COMPETITIVE POSITION FOR A DECADE AND A HALF. JAPAN, I BELIEVE, CAN LOOK TO AUSTRALIA BOTH NOW AND IN THE FUTURE AS ONE OF THE WORLD'S MOST RELIABLE AND EFFICIENT TRADING PARTNERS.

AND ON THE JAPANESE SIDE, THE PROGRAM OF MARKET OPENING MEASURES INITIALLY ANNOUNCED BY PRIME MINISTER NAKASONE LAST APRIL IS WELCOME AS A SERIOUS EFFORT TO IMPROVE ACCESS FOR FOREIGN GOODS. WHILE THE MEASURES SHOULD CONTRIBUTE TO STRENGTHENING THE WORLD TRADING SYSTEM IN THE FACE OF A MOUNTING PROTECTIONIST TREND, WE HOPE AND EXPECT THAT THEY WILL ALSO ASSIST THE DIVERSIFICATION OF OUR EXPORTS.

THE AUSTRALIAN GOVERNMENT IS ACTIVELY PROMOTING DIVERSIFICATION THROUGH THE PROCESS OF RESTRUCTURING OUR DOMESTIC INDUSTRY AND THE DEVELOPMENT OF A JAPAN MARKET STRATEGY. AUSTRALIAN AND JAPANESE COMMITTEES ARE IDENTIFYING AREAS IN WHICH INDUSTRIAL CO-OPERATION CAN BE EXPANDED BETWEEN OUR TWO COUNTRIES. IN THESE DELIBERATIONS AN EMPHASIS IS BEING PLACED ON AREAS WITH THE GREATEST EXPORT POTENTIAL FOR AUSTRALIA.

NOTWITHSTANDING THESE DEVELOPMENTS, THE GOVERNMENT RECOGNISES THAT IT IS VITAL FOR AUSTRALIA TO MAINTAIN OUR POSITION AS A COMPETITIVE, RELIABLE SUPPLIER OF TRADITIONAL PRIMARY PRODUCTS TO THE JAPANESE MARKET. IN THIS REGARD WE VALUE THE ASSURANCES OF THE JAPANESE GOVERNMENT THAT PURCHASES OF PRIMARY PRODUCTS - WHETHER THEY BE COAL, BEEF OR OTHER COMMODITIES - WILL BE MADE ON A STRICTLY COMMERCIAL BASIS AND NOT IN RESPONSE TO THIRD COUNTRY BILATERAL PRESSURES.

ONE OF THE MATTERS I ESPECIALLY WISH TO TALK ABOUT ON MY VISIT TO JAPAN AND, BEFORE THAT, IN THE UNITED STATES AND EUROPE IS THE REGIME FOR INTERNATIONAL TRADE IN AGRICULTURAL PRODUCTS.

UNFORTUNATELY, AGRICULTURE HAS ALWAYS BEEN EXCLUDED FROM THE VARIOUS POST-WAR TRADE LIBERALIZATION ROUNDS. FURTHERMORE, THE GATT RULES ON AGRICULTURE ARE FAR LESS DISCIPLINED ON THE USE OF SUBSIDIES, ESPECIALLY EXPORT SUBSIDIES, THAN THE RULES FOR WORLD TRADE IN MANUFACTURES.

IT IS THE GOVERNMENT'S POSITION THAT IF AGRICULTURAL TRADE IS TO BE PLACED ON A SOUND ECONOMIC FOOTING, IT IS ESSENTIAL FOR PROGRESS TO BE MADE FIRSTLY ON THIS CENTRAL ISSUE OF SUBSIDIES IN THE UPCOMING NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS. THIS IS NOT AN ACADEMIC MATTER. IT HAS A DIRECT BEARING ON AGRICULTURAL PRICES AND PROFITABILITY FOR ALL EFFICIENT PRODUCERS. AND AUSTRALIAN FARMERS ARE AMONG THE MOST EFFICIENT PRODUCERS IN THE WORLD.

GATT RULES ON AGRICULTURAL SUBSIDIES THEREFORE NEED SIGNIFICANT CHANGES. AUSTRALIA IS STRONGLY OF THE VIEW THAT A SOLUTION NEEDS TO COMPREHEND A PHASE OUT OF AGRICULTURAL EXPORT SUBSIDIES OVER AN APPROPRIATE TRANSITIONAL PERIOD TO BRING THEIR TREATMENT IN LINE WITH THAT APPLICABLE TO MANUFACTURES TRADE. THIS SHOULD BE COMBINED WITH A STRENGTHENING OF THE RULES ON OTHER SUBSIDIES, SUCH AS PRODUCTION SUBSIDIES, TO REQUIRE A COUNTRY USING THEM TO REMOVE OR REDUCE THEM IF THEY DAMAGE THE TRADING INTEREST OF OTHERS.

AUSTRALIA HAS CONSISTENTLY ARGUED OVER THE YEARS THAT ILLEGAL TRADING PRACTICES - VOLUNTARY RESTRAINT ARRANGEMENTS, ORDERLY MARKETING AGREEMENTS, IMPORT LICENSING, SUBSIDIES AND THE LIKE - ARE CAUSING FUNDAMENTAL DAMAGE AND UNDERMINE THE MULTILATERAL TRADING SYSTEM AND THE CREDIBILITY OF THE GATT AS A CHIEF REGULATORY BODY OF THAT SYSTEM. WE WERE THEREFORE ONE OF THE FIRST COUNTRIES TO WELCOME AND SUPPORT THE LAUNCHING OF A NEW ROUND OF MTNS PROVIDING THEIR PRIMARY FOCUS WAS ADDRESSING THE PROBLEMS AT THE ROOT OF CURRENT TRADE DISPUTES - NAMELY NON-TARIFF BARRIERS AND SUBSIDIES, PARTICULARLY AGRICULTURAL EXPORT SUBSIDIES.

WELL OVER ONE HALF OF WORLD TRADE IN AGRICULTURAL PRODUCTS IS DEPENDENT ON GOVERNMENT SUBSIDIES, CREDITS AND SPECIAL ARRANGEMENTS. FROM AN AUSTRALIAN PERSPECTIVE, THE CHIEF PRIORITY FOR THE NEW ROUND IS TO PLACE AGRICULTURAL TRADE ON A FAIRER, MORE MARKET-ORIENTED BASIS BY BRINGING THE INTERNATIONAL RULES ON AGRICULTURAL TRADE INTO LINE WITH THE RULES ON TRADE MANUFACTURERS.

I SUGGESTED IN BANGKOK IN NOVEMBER 1983 THAT COUNTRIES IN THE WESTERN PACIFIC REGION - AND JAPAN OBVIOUSLY IS CENTRAL IN THIS CONNECTION - MIGHT ADOPT A CO-OPERATIVE AND MUTUALLY SUPPORTIVE APPROACH TO WORKING TOWARD IMPROVEMENTS IN THE MULTILATERAL TRADING SYSTEM.

PROGRESS IN THE REGIONAL CONSULTATIONS WHICH HAVE FOLLOWED THIS SUGGESTION HAS BEEN MOST PLEASING. AT THIS KEY STAGE IN THE PREPARATORY PROCESS TOWARDS A NEW ROUND WE SEE VALUE IN THESE CONSULTATIONS BEING MAINTAINED AND STRENGTHENED. AND WE ARE DETERMINED TO ENSURE THAT THE NEW ROUND ADDRESSES ISSUES WHICH ARE IMPORTANT TO THE SMALLER TRADING COUNTRIES IN THE REGION.

IN THE CONTEXT OF THE CO-OPERATION IN REGIONAL TRADE MATTERS, THE AUSTRALIAN GOVERNMENT HAS BEEN KEEN TO TAKE EVERY OPPORTUNITY TO DEVELOP CLOSE CO-OPERATIVE ARRANGEMENTS WITH OUR PACIFIC NEIGHBOURS. WE WELCOME, FOR EXAMPLE, THE CO-OPERATIVE RELATIONSHIPS ESTABLISHED IN THE BUSINESS SPHERE THROUGH ORGANISATIONS LIKE THE PACIFIC BASIN ECONOMIC COUNCIL AND IN THE RESEARCH PROGRAMS OF THE PACIFIC TRADE AND DEVELOPMENT CONFERENCE.

WE ARE ALSO PLEASED WITH THE WAY IN WHICH THE PACIFIC ECONOMIC CO-OPERATION CONFERENCE (PECC) HAS BEEN ABLE TO DRAW TOGETHER BUSINESS LEADERS, ACADEMIC RESEARCHERS AND GOVERNMENT OFFICIALS IN EXPLORING AVENUES FOR GREATER ECONOMIC COOPERATION. A NUMBER OF JAPANESE LEADERS IN THESE FIELDS HAVE MADE VALUABLE CONTRIBUTIONS TOWARDS THIS PROCESS WHICH BEGAN IN 1980.

IN OUR POLITICAL RELATIONSHIP WITH JAPAN, REGULAR FOREIGN POLICY CONSULTATION BETWEEN OUR NATIONS IS NOW FIRMLY ESTABLISHED. IN JUNE LAST YEAR BILL HAYDEN REFERRED IN TOKYO TO AUSTRALIA'S APPRECIATION OF THE EFFORTS JAPAN HAS CONTINUED TO MAKE TO ENSURE THIS CONSULTATION OCCURS. HE ALSO MENTIONED (AND IN THE PRESENCE OF TWO DISTINGUISHED AMBASSADORS OF JAPAN, ONE PRESENT AND ONE PAST, I ENDORSE THIS) THE COMPLIMENT AUSTRALIA TAKES FROM THE SENIOR APPOINTMENTS WHICH ARE MADE HERE BY THE JAPANESE GOVERNMENT.

AS OUR RELATIONSHIP WITH JAPAN HAS GROWN TO MATURITY, WE HAVE UNDERSTOOD THE VALUE OF REGULAR AND OPEN CONSULTATION. BEGINNING WITH THE AUSTRALIA-JAPAN MINISTERIAL COMMITTEE, WHICH MET FOR THE EIGHTH TIME IN 1985, WE HAVE BUILT UP A FRAMEWORK OF CONSULTATIONS WHICH HAS STOOD FIRM THROUGH POLITICAL CHANGES AND NEW ECONOMIC CIRCUMSTANCES. WE HAVE BECOME ACCUSTOMED, AS PARTICIPANTS IN A MATURE RELATIONSHIP MUST, TO AIRING OUR DIFFERENCES FRANKLY AND SEEKING SOLUTIONS WHICH ALL CAN ACCEPT.

AT AN OFFICIAL LEVEL, THE RANGE OF OUR CONSULTATIONS IS WIDENING: A HIGH-LEVEL MEETING ON TRADE IS BEING HELD THIS WEEK IN TOKYO, TO BE FOLLOWED SHORTLY AFTERWARDS BY THE EIGHTEENTH IN THE SERIES OF TALKS BETWEEN FOREIGN MINISTRY OFFICIALS. AT THIS YEAR'S MEETING, IN ADDITION TO SHARING VIEWS ON ISSUES OF BROAD INTERNATIONAL CONCERN, THE FOCUS OF ATTENTION WILL ALSO BE ON POLITICAL DEVELOPMENTS IN OUR REGION, ESPECIALLY IN THE PHILIPPINES.

AUSTRALIA AND JAPAN HAVE A SHARED INTEREST IN STABILITY, ECONOMIC DEVELOPMENT AND DEMOCRACY IN THE PHILLIPINES. FOR OUR PART, WE HAVE INCREASED BY 50% OUR AID COMMITMENT TO THE PHILLIPINES, AS ANNOUNCED BY THE FOREIGN MINISTER, BILL HAYDEN, DURING HIS RECENT VISIT TO MANILA. WE HAVE ALSO INDICATED OUR WILLINGNESS TO CONTRIBUTE TO MULTILATERAL EFFORTS BY SYMPATHETIC DEVELOPED COUNTRIES TO ASSIST THE PHILLIPINES IN ITS CURRENT VERY DIFFICULT ECONOMIC SITUATION.

JAPAN AND AUSTRALIA HAVE MUCH TO GAIN FROM THE PRESERVATION OF PEACE, WHETHER THROUGH THE AUSPICES OF THE UNITED NATIONS OR THROUGH STRONG SUPPORT FOR DISARMAMENT INITIATIVES. LATER IN THE YEAR, JAPANESE AND AUSTRALIAN OFFICIALS WILL HOLD SPECIALISED CONSULTATIONS ON DEVELOPMENT ASSISTANCE AND DISARMAMENT MATTERS. I LOOK FORWARD TO THE OUTCOME OF THOSE DELIBERATIONS.

LADIES AND GENTLEMEN,

THE RELATIONSHIP BETWEEN AUSTRALIA AND JAPAN IS NOT JUST A RELATIONSHIP BETWEEN TRADERS AND BETWEEN GOVERNMENTS.

THE RELATIONSHIP BETWEEN OUR TWO NATIONS HAS BROADENED AND DEEPENED INTO AREAS BEYOND THE ECONOMIC AND THE POLITICAL.

OVER 3,000 YOUNG JAPANESE HAVE VISITED AUSTRALIA ON WORKING HOLIDAY VISAS: MANY AUSTRALIANS HAVE ENJOYED A MATCHING EXPERIENCE IN JAPAN. JAPANESE TOURISTS TO AUSTRALIA HAVE REACHED THE 100,000 MARK THIS YEAR, AFTER SEVERAL YEARS OF RAPID GROWTH.

OVER 20,000 AUSTRALIANS A YEAR ARE NOW STUDYING JAPANESE, AND SOME 19 TERTIARY INSTITUTIONS IN AUSTRALIA - UNIVERSITIES, COLLEGES OF ADVANCED EDUCATION AND THE LIKE - NOW OFFER COURSES IN JAPANESE STUDIES.

AUSTRALIAN ARTS FESTIVALS ARE INTRODUCING BOTH CONTEMPORARY AND TRADITIONAL JAPANESE CULTURE TO AUSTRALIAN AUDIENCES, AND THE SPONSORSHIP OF JAPANESE COMPANIES IN AUSTRALIA IS MAKING AN IMPORTANT CONTRIBUTION TO THE EXHIBITIONS, CONCERTS AND PERFORMANCES WHICH ENRICH THE RELATIONSHIP IN A WAY THAT IS NO LESS VALUABLE FOR BEING INTANGIBLE.

IN JAPAN, TOO, AUSTRALIA IS MAKING AN IMPACT AS A VIBRANT, YOUNG COUNTRY WHOSE TALENTED ARTISTS, MUSICIANS, DANCERS, FILM-MAKERS AND WRITERS CAN COMPETE WITH ANY INTERNATIONAL COMPETITORS FOR A PLACE IN THE DYNAMIC JAPANESE ARTS SCENE. WE WERE PLEASED WITH THE RESPONSE IN OCTOBER LAST YEAR TO THE FIRST MAJOR EXHIBITION OF AUSTRALIAN 20TH CENTURY ART IN TOKYO, AND WE HOPE TO FOLLOW IT WITH OTHERS. AUSTRALIAN STUDIES ARE NOW TAUGHT IN SEVERAL UNIVERSITIES IN JAPAN, AND THE OPENING THIS YEAR OF THE FIRST FULLY FLEDGED AUSTRALIAN STUDIES CENTRE, AT NANZAN UNIVERSITY IN NAGOYA, IS A SIGNIFICANT MILESTONE FOR US.

THERE IS, AS YOU KNOW, CONSIDERABLE INTEREST IN JAPAN IN THE CULTURE AND TRADITIONS OF THE AUSTRALIAN ABORIGINAL PEOPLE, AND SCOPE EXISTS FOR WIDENING THE EXPOSURE IN JAPAN OF THIS RICH AUSTRALIAN HERITAGE.

IN 1988, THE AUSTRALIAN BICENTENNIAL CELEBRATIONS WILL INVOLVE THE PEOPLE OF OUR TWO COUNTRIES IN MORE CONCENTRATED CONTACT THAN AT ANY PREVIOUS TIME.

OUR BICENTENARY IN 1988 IS ESSENTIALLY A DOMESTIC CELEBRATION, BUT SUCCESSIVE AUSTRALIAN GOVERNMENTS HAVE ALSO WANTED TO OFFER OTHER NATIONS THE OPPORTUNITY TO CELEBRATE WITH US. NO COUNTRY HAS RESPONDED WITH GREATER ENTHUSIASM TO OUR INVITATION THAN JAPAN AND THAT GIVES ME AND, I AM SURE, ALL AUSTRALIANS GREAT PLEASURE.

AT THE INSTIGATION OF FOREIGN MINISTER ABE, A MOST PRESTIGIOUS GROUP OF PRIVATE SECTOR INDIVIDUALS HAS COME TOGETHER IN TOKYO TO FORM THE JAPAN AUSTRALIA BICENTENNIAL COMMITTEE, UNDER THE CHAIRMANSHIP OF A GREAT FRIEND OF AUSTRALIA, MR EISHIRO SAITO, WHO IS ALSO THE CHAIRMAN OF THE JAPAN AUSTRALIA BUSINESS COOPERATION COUNCIL AND THE CHAIRMAN OF NIPPON STEEL.

THAT COMMITTEE WILL BE PLANNING AND OVERSEEING THE MANY AND VARIED FORMS OF JAPANESE PARTICIPATION IN 1988. THEY ARE CONSIDERING, FOR EXAMPLE, OUR INVITATION TO BE ASSOCIATED WITH THE NATIONAL BICENTENNIAL SCIENCE CENTRE, AN IMPORTANT AND LASTING PROJECT FOR 1988.

SUCH A PROJECT HAS A PARTICULAR APPROPRIATENESS FOR JAPAN, AS ONE OF THE MOST TECHNOLOGICALLY ADVANCED NATIONS IN THE WORLD.

THERE WILL BE MANY OTHER FORMS OF JAPANESE PARTICIPATION, ESPECIALLY IN THE TALL SHIPS EVENT, IN EXPO' 88, AND IN THE ARTS AND ENTERTAINMENT PROGRAM. JAPANESE INVOLVEMENT HAS BEEN PROMOTED BY PRIME MINISTER NAKASONE'S GENEROUS OFFER, DURING HIS VISIT HERE LAST YEAR, OF A GIFT OF 3,000 CHERRY TREES. SOME OF THESE WILL BE USED AT THE SITE OF OUR NEW PARLIAMENT HOUSE, THE OPENING OF WHICH WILL BE A CENTRAL EVENT OF 1988.

WE LOOK FORWARD TO SHARING AND ENJOYING THE VARIED EXPERIENCES OF 1988 WITH JAPAN OFFICIALLY AND AT A POPULAR LEVEL, AND TO THE FURTHER STRENGTHENING OF OUR RELATIONSHIP WHICH THAT SPECIAL YEAR WILL GENERATE.

LADIES AND GENTLEMEN,

SINCE THESE MEETINGS COMMENCED IN 1973 THEY HAVE GROWN AND DEVELOPED INTO A MOST IMPORTANT FORUM FOR THE EXPLORATION AND FURTHER DEVELOPMENT OF CO-OPERATION IN A VARIETY OF ECONOMIC, POLITICAL AND CULTURAL FIELDS.

IT IS NOW MY PLEASURE TO DECLARE OPEN THE 14TH SYMPOSIUM AND I LOOK FORWARD TO RECEIVING A REPORT ON YOUR DELIBERATIONS.

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