



14

## **PRIME MINISTER**

**ADDRESS BY THE PRIME MINISTER, THE HON P J KEATING MP  
KEIO UNIVERSITY, TOKYO - THURSDAY, 25 MAY 1995**

**It is a very great pleasure to be here at one of Japan's most eminent academic institutions. I thank Keio University both for its kind invitation to speak and for the honour which has been bestowed on me today.**

**I am very much aware of the role that Keio University has played in Japan's history. Its fame parallels that of its founder, Yukichi Fukuzawa, a man of remarkable vision who believed that Japan had nothing to fear and much to gain from being open to the world, and through education, economic development and modernisation, made an outstanding contribution to this country.**

**Today, the University he founded continues to play an influential role in the life of modern Japan. I understand that about one in every five of Japan's Diet members and many senior business executives attended this University.**

**I am pleased to see some of these illustrious Keio graduates here today, and I look forward to meeting others during my visit - among them MITI Minister, Mr Hashimoto, for whom I have a very warm personal regard.**

**Keio University has strong ties with Australia. Its Australian Studies course is a constructive link in the relationship between Australia and Japan and a practical example of our mutual recognition that we must continue to broaden knowledge and understanding of each other.**

**We would like to see the ties made stronger, and I will be doubly honoured by this occasion if in some way it serves to strengthen them.**

**For all these reasons this seems an appropriate place to offer an Australian's view of modern Japan - a very friendly Australian's view, I might say.**

**It is part of my privilege today to know that among this distinguished audience are some of the next generation of Japanese leaders. The young people here carry a share of the responsibility for Japan's future, and hence for the future of our friendship.**

**Today, in part, my remarks are addressed specifically to you.**

**I want you to understand the significance and the magnitude of our relationship, the good it does now and its potential for good. I want you to form an understanding of Australia and Australia's view of the region and the world.**

However, the weight of my remarks must be directed to the older members of the audience. This is where the weight of responsibility falls - as it always does, in every country - on the present generation of leaders. Ultimately the future depends on their capacity and willingness to renew their vision.

This visit - my third to Japan in three years - occurs against the backdrop of the fiftieth anniversary of the end of the Pacific War.

The Second World War brought vast suffering and destruction to the peoples of the Asia-Pacific. Millions died, including 2.4 million Japanese. More than 17,000 Australians died, nearly half of them as prisoners of war.

We should not forget these things or fail to reflect upon the reasons for them - not to keep an old animosity alive, but to strengthen the foundations of understanding on which friendships are built.

We ignore history at our peril. I don't believe we can deliver a secure future to our young people without coming to grips with the realities of our past. That is a lesson I think we are learning, in other contexts, in Australia.

I am encouraged to hear that Japanese students are also beginning to learn more about the war. It is knowledge which will serve them well: and it will serve Japan well as this new generation takes on the responsibility for the future.

In particular, it will help as Japan seeks acceptance and legitimacy for leadership in the region - a status which is in every practical sense Japan's due.

I said on another occasion that among the countries of our region "a common awareness of the history we share will strengthen the basis of trust and cooperation between us." I am no less convinced of that now.

That is why I think that, on this anniversary of the end of the war in the Pacific, Japan can make a very substantial contribution to the region's future if, as you decide upon the way forward, you also decide to confront the past.

Learning the *right* lessons from the past is, of course, the essential task.

I believe the lesson is openness.

The global economy becomes a more and more pervasive fact of life. The revolution in information technology and communications speeds that process while reaching into all our lives.

Today we might be forgiven for thinking that openness is not a path we can choose to take, but rather one we are being forced down. And, if we take that view, we might easily take it as a corollary that the national imperative is resistance - that we must close our shutters and protect both our industries and our cultural differences.

I don't take this view. I think the internationalisation of economies and the revolution in telecommunications offer unprecedented opportunities, not only for business but for cultural expression and creativity.

**It puts a premium on our cultural differences. It encourages cultural definition and renewal. With such a rich and famously resilient culture and such a strong sense of identity, it therefore seems to me that Japan has little to fear and everything to gain from an open, pluralist regional and world environment.**

**The option certainly remains to turn inwards and shut out the world - but it was always a poor option, and it is a worse one now.**

**It is the option Australia took for years. For generations we isolated ourselves behind high tariff walls and racially based immigration policies. We looked through a narrow window on the world which afforded a view of little more than the country in whose Empire we had once been a colony.**

**Long after we became a nation we continued to look to there for our political, economic and cultural sustenance.**

**We Australians were delivered an enormously rich British and European heritage and the best of it we will always cherish and maintain - but when we began to lift our heads and looked to Asia and the Pacific we saw how much more was open to us.**

**We saw how much more there was to being Australian.**

**This awareness of the region has been a major factor obliging us to realise that economically and culturally, we have to be open. And that we have to change. Indeed it was our awareness of Asian rates of growth which more than anything else propelled us in the eighties into a decade of radical economic reform.**

**We have pulled down the tariff wall, floated our currency, deregulated our financial markets and restructured our industries.**

**In short we have done the hard things we had to do if we were going to succeed in the world and give new generations of Australians a chance in the future.**

**There have been great rewards - life-saving rewards.**

**Our productivity and competitiveness have dramatically improved in the past decade.**

**Our culture has been enriched by new waves of migration, including from Asia - one half of our immigrants each year come from Asian countries - and by vastly increased awareness of other societies.**

**From our diversity has come strength. Australia is a rich multicultural society, a much more worldly one - and a peaceful one.**

**The arts have flourished: exposure to the world has stimulated them and with that we have seen a reappraisal of who we are, a redefining of our national identity.**

**At the same time we have begun to confront difficult truths about our own past. The dispossession of Australia's indigenous peoples and the**

**destruction and brutality which accompanied it are notorious facts of our history.**

**In the past two years we have begun to set a few of the wrongs right. Our courts have acknowledged the claims of indigenous Australians to land. And the Australian Government has responded by legislating to protect those rights and to compensate Aboriginal Australians from whom native title has irrevocably passed.**

**In seeking reconciliation with indigenous Australians we are reconciling ourselves with the past - and, for all the legal and political turmoil it has brought, I believe it is making us stronger.**

**As the Japanese people well know, the process of change is rarely easy and never painless. But nothing is so rewarding as a hard decision well made.**

**Change can be exhilarating as well as painful.**

**We have a lot more to do in Australia, but with such recent measures as massive improvement in our savings position through a new national superannuation policy, the implementation of a national competition policy, and a huge investment in training and education, we are doing it.**

**We are seeing the nation fundamentally re-shaped and re-oriented: re-shaped as a modern, multicultural society and a diverse, productive and competitive economy; and re-oriented towards the countries of the region in which we live and where we know our future so substantially lies.**

**For several years now, Japan - like other developed nations including Australia - has been faced with a complex range of economic, social and political challenges.**

**As a friend and partner of Japan, Australia has a close and sympathetic interest in how Japan responds to these challenges.**

**While the process is some way from complete, Japanese politics and society and the Japanese economy are undergoing an historic transformation.**

**Political debate in Japan has intensified in recent times. Some may see this as a sign of uncertainty and a fissure breakdown in the cohesion of Japanese society.**

**But I am firmly convinced it is a healthy development. Perhaps even a necessary development.**

**Similarly, Japan's economy is gradually opening up to the world and to the imperative of structural change, promoted by its own success which is reflected in the value of its currency.**

**Japan has identified the challenges it must confront to remain a dynamic mature economy - in areas such as the taxation structure, the agricultural sector, reducing government regulations and understanding the key ingredient of ministerial initiative and political authority.**

**Japan has also been feeling out a role in regional and international affairs which will better align its responsibilities with its economic power - in the United Nations, in APEC and through its generous development assistance.**

**As a friend, Australia warmly welcomes these developments.**

**And as a friend, we feel we can encourage - indeed urge - Japan to sustain the momentum of reform**

**Only a robust and responsive political system which promotes political accountability and is capable of generating genuine political leadership can make vital decisions of reform.**

**We are confident Japan can build on the foundations of political reform it has laid over the last few years to establish both healthy public debate about policy ideas, and a bureaucracy which is not only responsive to government leadership but capable of acting creatively with Ministers.**

**Political parties have to work hard to make themselves relevant to the needs and the aspirations of the Japanese people - especially young people like those at this university. Cynicism about the political process is not unique to Japan, but it is corrosive wherever it occurs:**

**It dims a country's vitality and diminishes its faith in itself.**

**I have no doubt that Japan's young people want to make a contribution, just as I know Australia's do. It is not good enough to meet their doubts with cynicism of our own, or to attempt to sell them stale goods from another age.**

**It is incumbent on our generation, if not to fire their imagination, then at least to give them an environment where the imagination *can* flourish - where the future can be imagined.**

**We have no greater responsibility than to give our young people reason for confidence and optimism. Nothing short of that will release the human potential on which the future depends.**

**Above all, it is crucial that Japan's political and economic leadership itself is infused with imagination. - to imagine something better and to craft the economic and social reforms which will make it a reality.**

**Success or failure in this will not only determine whether the Japanese people are able to fully enjoy the high standard of living that they have worked so hard to achieve: it will also determine whether Japan lives up to its full potential as a major financial and trading hub within the global and East Asian economies.**

**Japan cannot rely on other countries to fix its exchange rate problems.**

**Only Japan can make the hard decisions needed to push ahead vigorously with deregulation in order to release the energy it needs to prosper as a mature economy.**

**Only Japan can tackle the structural problems which obstruct better land utilisation and control the amount of savings that is invested in housing and other social infrastructure.**

**Australia, like all Japan's foreign partners, wants Japan to engage in large-scale deregulation and economic reform because we know it will improve our access to your markets.**

**But the main stimulus for reform of this magnitude cannot come from abroad.**

**It must come from a conviction within Japan itself that this is the best way to break out of the current cycle, and the best way to improve the economic and social well-being of Japan and its people.**

**I have no doubt that the wisdom which underlies Japan's phenomenal success in the past 50 years will prevail again; that the people themselves who are the source of Japan's great strength will accommodate the change and embrace it.**

**Japan has one of the best educated, most innovative and hardest-working populations in the world.**

**It is no less a strength of yours in the present circumstances that the Japanese people are committed to democracy; or that they are generous enough to make Japan one of the world's largest aid donors.**

**And their stoicism is legendary - I need only mention the dignified resolve with which the people of Kobe have set about rebuilding their city and their lives since the terrible earthquake.**

**Knowing this about the Japanese people, no one can ever doubt that they will make these crucial reforms and profit by them.**

**Some argue that Japan's social and cultural traditions stand in the way of far-reaching political and economic reform. I am sure that this is not the case. I have no doubt that, on the contrary, Japan's traditional values and identity will be a source of strength in seeing through reforms.**

**So will the national cohesion, that sense of national purpose and community for which Japan is renowned.**

**Japan's sheer economic weight should also provide Japan - and indeed the world - with cause for confidence about Japan's future. We hear a lot about the growth rates of Asia's emerging economies.**

**But it is important to remember that, at today's exchange rates, Japan's economy still constitutes over 70 per cent of the whole East Asian economy. An economy of that size will maintain its impact on the global economy and continue to command global attention and respect.**

**Japan has always been and remains a driving force behind the Asia-Pacific region's economic integration. It remains for many countries the model.**

**A heavy responsibility accompanies this influence: Japan's weight in the international economy means that policy decisions taken here have far-reaching effects.**

**It also means that Japan's reform efforts should enjoy the support of its friends in the international community. Far from resenting Japan's economic success, I am sure the world wants to see it continue. It is a balanced equation: Japan needs the world, and the world needs Japan.**

**That is why I am concerned about the present trade dispute between Japan and the United States. This is not an easy issue and I understand some of the frustrations on both sides.**

**But I would urge both sides to look beyond their present differences and consider the ramifications not just for themselves - and for smaller trading countries like Australia which stand to get caught in the crossfire - but, more importantly, for the entire Asia-Pacific region.**

**The US-Japan relationship is a linchpin of regional stability and prosperity. The US-Japan Security Treaty is absolutely fundamental to the security of the Pacific and more widely.**

**Quite simply, no-one can afford to allow bilateral trading differences between these key Asia-Pacific partners to jeopardise any part of political and security structure of our region or to imperil the sense of regional community which is now emerging.**

**The last countries to countenance this should be Japan and the United States themselves.**

**And, of course, no one can afford the economic consequences of a prolonged Japan- US trade dispute.**

**I believe these are key reasons for Japan and Australia's shared commitment to APEC as the primary vehicle for regional economic co-operation and integration and, in particular, to implementing the APEC leaders' historic agreement in Bogor last year to free regional trade and investment.**

**APEC is, in many respects, tailor-made to meet Japan's interests. A former Japanese Prime Minister told me that Japan of all countries stood to benefit the most from APEC. I would now go further and say that Japan, for its own economic and strategic interests, has to ensure that APEC succeeds.**

**APEC provides a means for Japan to manage its trade problems with the United States in a way which will strengthen the international trading system.**

**APEC provides a regional framework in which governments can take the hard decisions on economic deregulation and structural change. Because this growth will always be able to show something in return - a reciprocal benefit.**

**This will help to ensure further opening of markets and continued high growth rates in the region and thus enable structural adjustment to take place in a multilateral context where everyone is a winner.**

**In a period when there seems to be no enthusiasm in Europe or the United States for further global trade liberalisation, APEC is the only body in the world which can act as a catalyst for a new global round.**

In helping to meet these objectives, APEC provides a multilateral framework, bringing Japan together with the United States and China in a way which emphasises their common interests in regional stability and prosperity. APEC can multilateralise the interests of these three great states in the Asia-Pacific.

Japan has an unprecedented chance to take the reins of leadership when it chairs the APEC leaders' meeting in Osaka. If it seizes the chance it will secure its interests.

It is essential that we agree in Osaka on a comprehensive action plan for implementing the historic decisions we took in Bogor last year.

This should, in my view, not only map out in as much detail as possible how we each plan to meet our free trade and investment commitments by 2010 or 2020, but also include concrete steps to address impediments to trade and investment in the APEC region.

Our business communities now rightly expect APEC now to deliver real results.

This meeting points to a future in which all countries have a common interest in peace and stability. Above all else, it demonstrates how far the region has come in the 50 years since the war ended - indeed how far it has come in the last five years.

You can be assured of Australia's full and active support on this. Australia has been delighted to play a role in the creation of APEC and its transformation into an executive body without parallel in the region.

Australia also has confidence in Japan's capacity to take on a more active independent international role beyond the region.

However great the temptations to resist the tides of globalisation and economic integration, the logic of Japan's economic stature, its central place in the international trading system, its importance as a source of investment and technology and its post-war record as one of the most democratic and stable countries in Asia, make it inevitable that Japan's international role will grow.

It is for that reason that Australia firmly supports permanent Japanese membership of the United Nations Security Council.

For while Australia sees Japan remaining a central player in Asia, we see Japan's links outside Asia - particularly with the United States, but also with Europe - as fundamental to its future role. As a trading and investing economy, Japan has long recognised its critical interest in the maintenance of an open international trading system.

Japan will remain pivotal to regional economic integration. But it will also be a vital force for continuing *global* economic integration.

So Japan can be confident that its friends want it to play an important role in the world.

And those of you here today who have personal experience or understanding of the unique partnership between our countries will know that Australia is one of the best friends Japan has.



**It is entirely appropriate to enthuse about the bilateral relationship between Japan and Australia, but we cannot take for granted what we have achieved together over the last fifty years.**

**During this visit I hope to highlight this unique and dynamic partnership. But having emphasised the value of our relationship, I also want to make people think hard about what we have to do to sustain its momentum and vitality.**

**This demands that we build on the traditional complementarities between our economies and find new areas for profitable co-operation as our economies evolve.**

**There is no doubt about Japan's critical importance to the Australian economy. Japan was the earliest influence on Australia's reorientation towards Asia. In the late 1940s and early 1950s Japan took just 5 per cent of Australia's exports.**

**By the mid-1960s Japan had become Australia's largest overseas market. Today Japan takes 25 per cent of our total exports.**

**Today, Japan is by far Australia's largest trading partner and Australia is Japan's third-largest source of imports. Last year our exports to Japan were worth \$16 billion.**

**Bilateral investment links between Australia and Japan have also been extremely important, particularly for Australia's economic development. Japanese investment in Australia stands at just over \$50 billion. And Japan is Australia's fourth largest destination for foreign investment.**

**For its part, Australia has made a crucial contribution to Japan's industrialisation and economic advancement as a leading supplier of industrial raw materials and energy.**

**We supply over half of Japan's coal imports and a growing proportion of its LNG needs. Australia is the single largest supplier of Japan's non-oil energy needs. Australia, quite literally, has fueled Japan's post-war growth.**

**But our trading relationship has expanded beyond its traditional focus on raw materials and energy. As Japan exports more and more high-technology manufactures and services, new complementarities with Australia are emerging.**

**Where once Australia just fed Japan's smelters and furnaces, we now increasingly feed its people - for example we supply 30 per cent of your beef consumption and are the largest supplier of your imported dairy products.**

**Last year, Australia supplied 183,000 tonnes of fresh rice of the highest quality to the Japanese market. The opening of this market was a very bold step for Japan, but because of the decline in your own farming population, a vital one.**

**The Australian rice industry - among whose founders in the early years of this century was a visionary Japanese farmer named Jo Takasuka -**

will be a reliable supplier of fresh rice between Japan's own harvests. We want to build up this market.

"Food security" is an issue which has preoccupied Japan for many years, and it is an understandable concern.

But it is a term which has to be redefined by the changes taking place in Japan itself and by the realities of interdependence in the global economy.

Food security for Japan needs to embrace the concept of reliable suppliers of quality foods from non-Japanese sources. As the long record of our economic relationship shows, you can have no better partner in this than Australia. And it helps to have a partner with complementary seasons.

Australia has become one of the most popular places for Japanese to holiday. In 1994, nearly 730,000 tourists came to Australia from Japan, and the Australian Tourist Commission estimates that more than one million Japanese will be visiting Australia annually by the year 2000.

At the heart of the post-war expansion of Australia-Japan commercial relationship lies a dense web of person-to-person ties. These are essential to the future of our relationship. And there is no better medium for their expansion than education.

Australia now ranks behind only China and Korea (and Japan itself) in the number of students studying the Japanese language. In 1990, 50 per cent more students were studying Japanese in Australia than in the United States, the United Kingdom and Canada combined. In 1993 more Australian year-12 students studied Japanese than any language other than English. And Australia is unique in the proportion of primary and high-school students studying Japanese.

Moreover, there is lively exchange of students between the two countries. At the school level, Australia and Japan have exchanged more than 10,000 students.

More Australians go to Japan to experience life in a Japanese secondary school than from any other country. And more than 4,000 Japanese students are studying in Australia at post-secondary level and above.

Australia's hosting of the 2000 Summer Olympic Games and Japan's hosting of the 1998 Winter Olympic Games presents enormous new opportunities to build a new range of personal, sporting and commercial contacts between Australia and Japan.

It is fifty years since the war ended. The friendship which exists between us now was not then within the reach of anyone's imagination.

That it has grown into relationship of such strength is a tribute to Australians and Japanese who saw beyond the enmity and recrimination and the vast cultural gulf dividing us.

There are always a few who see beyond the conventional wisdom of their own generation: people who see the wave forming well before it begins to break; who see necessity before it becomes oppressive - and who have the conviction to confront it, the wit and skill to make a virtue

**of it. People who, like the founder of this great university, do not fear change and welcome the future.**

**We must leave the way clear for people of vision. We have to resist that conservative pressure which, with age and experience, tends to close the eyes - and the minds - of every generation. We have to keep our minds and our eyes open.**

**This relationship of ours is the product of such a way of thinking. And that is how it will be sustained. Our friendship has been a source of immeasurable good for both our countries. It can be so for generations to come.**

**We must never undervalue it, never take it for granted, never cease to encourage and expand it. We must remain open to each other and to the opportunities which exist for us.**

**And we have to keep alive the faith and engagement of the young.**

**This has been the role Keio University for a very long time. It is why Keio has been, and remains, such a vital part of Japan's modern history.**

**And that is why I am so honoured by this occasion.**

**ENDS**