

AUSTRALIA AND JAPAN : OLD FRIENDS, NEW CHALLENGES

Speech to the 19th Australia-Japan Relations Symposium by Senator Gareth Evans QC, Minister for Foreign Affairs, Canberra, 24 February 1995

It gives me great pleasure to be invited to address another in this long-running series of symposia on Australia-Japan relations, sponsored by the Embassy of Japan. They are an irreplaceable feature of the Australia-Japan bilateral agenda.

The continued strong commitment of the Japanese Embassy to this event is reflected in the distinguished calibre of the guest speakers from Japan. The Seminar is fortunate to have heard this morning from Mr Yoh Kurosawa, the President of one of the keystones of Japan's financial system, the Industrial Bank of Japan, and to be hearing this afternoon from Mr Yoshio Okawara, a former Ambassador to Australia, who has of course made an enormous contribution to Australia-Japan relations, and has earned further great respect in his subsequent roles as Ambassador to the United States and Special Adviser to Keidanren. On behalf of the Government, I very warmly welcome them both to Australia

As I never tire of telling Ambassador Hasegawa, and anyone else who will listen, I have a special personal attachment to Japan based on the fact that this is the first overseas country I ever visited, back in my student days in the mid 1960s. Anyone's first overseas visit always makes a lifetime impact, and that was consolidated in my case by the marvellous set of experiences I had as I travelled around the country for six weeks by third class train - eating nothing much else but *soba* and *yakitori*; sleeping in *ryokan* (because they were just about as cheap then as youth hostels); immersing myself in Japanese culture; learning survival Japanese (not that I had much choice about the language - because practically nobody then spoke English); and coming to grips with a country that was just beginning to come to terms with itself as the horrible legacy of the War years dropped away.

I have been a close observer of Japan, and the Japan-Australia relationship, ever since, and it is with great pride, and I believe real accuracy, that I can say that Australia's relationship with Japan has never been better. There simply is a real and intense closeness between our countries, that has grown up over more than

four decades of trust-building and constant interaction across almost every field of activity - from commerce, tourism and education, to science and technology, cultural exchange and political dialogue.

The friendship and interdependence we know today had its origins in the late 1950s, the stage being set by farsighted actions on both sides, such as the visit by Prime Minister Kishi in 1957 whose apology for the war was accepted on both sides as a formal reconciliation, and Australia's decision a little later to lift the ban on the export of iron ore.

What developed from this has been a remarkable successful story. A pattern of bilateral trade was established that increasingly reinforced the underlying complementarity between the two economies. Interdependence in raw materials and energy linked Australia in a strategic relationship to the heart of Japan's process of industrialisation and modernisation. This led to great gains in prosperity and wealth for both sides. Australia became a crucial partner in Japan's economic advancement. In turn, Japan's increasing demands for Australia's minerals in addition to our traditional rural exports contributed strongly to Australia's growth.

By 1970 Japan had become, and has remained ever since, our largest trading partner. But the pattern of our trade has steadily evolved. In 1995 our exports to Japan are made up not just of minerals and energy commodities, but of an increasingly high proportion of sophisticated, high value-added manufactures and services : the latter having grown over five years from much less than \$1 billion to well over \$3 billion. And diversification has cut both ways, with Japanese investment in Australia, originally concentrated in mining, now spread out to tourism, real estate and mainstream manufacturing.

Human contacts have grown even more dramatically. Japan remains by far our largest source of tourism, Japanese visitors to Australia reaching 710,000 in 1994 and projected to rise to 1.5 million annually by 2000. This projection was bolstered by the 1994 attitudes survey commissioned by the Australian Embassy in Japan, where Australia again scored convincingly as the most *desired* tourist destination.

In addition to these connections, there is a tapestry of institutional links between our two countries which is unrivalled among Australia's bilateral relations. Both sides have materially encouraged closer cultural links and people-to-people

contacts and exchanges through the establishment of bodies such as the Australia-Japan Foundation and the activities in Australia of the Japan Foundation.

The capstone, institutionally, is the AJMC (Australia-Japan Ministerial Committee) held biennially for almost twenty years now, which involves teams of half a dozen or so Ministers on each side talking intensely about - and finding a wide measure of common policy agreement about - every dimension of the relationship, economic and non-economic, against the background of current regional and global developments.

So what was not very many years ago a one-dimensional economic relationship, in which we traded commodities for manufactures and spent most of our time together talking about coal prices, has become both a much more diversified economic relationship, and a much more multi-dimensional overall relationship.

None of this happened accidentally or automatically. It came about because of an unassailable conviction on the part of both sides of the importance - now and in the future - of the relationship, and because of the commitment of people like the late Sir Geoffrey Yeend (whose presence we miss so much on this occasion) constantly to work at, and develop, the relationship, to continue to build up and extend the trust between the two sides, and to not allow the relationship to remain static. The most successful relationships are those where both sides can enjoy and profit from them as they stand, but are always alert to ensure they also do not become complacent and self-satisfied - and are always seeking to add new dimensions to the shared experience.

The question, then, is where should we be looking to take the Australia-Japan relationship next. How should we be looking at each other in the world of the mid-1990s and beyond? What should we be asking each other to contribute as we look out upon a region and a world that, with the end of the Cold War, and with the technological revolution in full flight, already looks very different from the way the region and the world did even less than a decade ago?

Australia, for its part, had developed a reasonably clear idea of what it is, as a middle power, that we can reasonably hope to achieve. On the global stage, if we are selective in our focus and creative and energetic in those areas we do target, we can make a difference on at least some issues that matter - in arms control and disarmament, in human rights and environmental protection, in global trade liberalisation and in UN reform.

On the regional stage we can make even more of a difference, provided we continue to throw ourselves into the role with genuine national conviction, recognise the distinctiveness of our neighbourhood, and learn to relate effectively to our neighbours. Australia has I think, over the last decade, managed the necessary psychological transition. We are now comfortably at home not only in the Asia-Pacific, but in the East-Asian hemisphere : Australians now accept, enthusiastically and unselfconsciously, the idea that this East-Asian hemisphere is where we now live, where we must find our security and where we can best guarantee our prosperity. We have much more to learn about our region, and much more to achieve, but at least we feel we are moving in the right direction, and the reaction of our friends in the neighbourhood has not suggested otherwise.

By contrast, it is not quite so clear that Japan has yet fully come to terms with its place in the world of the mid-1990s. Until now economic success has been the dream, the aspiration - and the measure of achievement. Japan has been a brilliantly successful economic player, but an uncomfortable political player, on both the regional and the world stage - with that discomfort perhaps reflected in an internal political system that until quite recently has been set in a very rigid institutional mould, and is not yet completely at ease with idea-driven politics, or an environment of fast-moving policy change.

Some of Japan's most visible discomfort has been in the area where politics and economics intersect, namely the domestic impact of international trade policy. Pressures from domestic lobby groups - most conspicuously in agriculture - led Japan to play a much more cautious role in the Uruguay Round negotiations than the country's overall economic interests dictated, and than its status as a world economic leader demanded.

There's no doubt that things have been changing. Japan has been slowly and incrementally growing into a more internationalist role. On the security side it has slowly expanded its cooperative security activities through:

- . an expanded UN peace keeping role;
- . the campaign for a permanent seat on the UN Security Council;
- . more active involvement in UN activities - for example, in non-military roles such as election monitoring and humanitarian relief

operations, and in current preventive diplomacy efforts in Albania and the Former Yugoslav Republic of Macedonia; and

. through its participation in the multilateral security dialogue now taking place in the ASEAN Regional Forum.

Another measure of Japan's new internationalism has been its commitment to development assistance : since the late 1980s Japan has overtaken the US to become the world's largest aid donor, with some 60 per cent of Japanese ODA going to the Asia- Pacific region.

But there is a recognition - both outside Japan, but more importantly within Japan itself - of the need for it to embrace more fully, more robustly, and more confidently, its responsibilities regionally and internationally.

Australia has a view of the kind of country we think Japan can and should be. We put that view not as a critic, but as a close friend and partner and fellow East-Asian hemisphere country, who both appreciates the distance Japan has already come on the international stage, and knows, understands and wants to work with Japan as it contributes to the region and world.

Our view is that Japan can and should:

. implement a sustained process of political reform which places full value on a healthy, robust democracy and the public debate of policy ideas;

. institute more economic deregulation, giving more weight to the economic interests of individual consumers and a complete 'fair go' to imports of foreign goods and services;

. generally be a more open and internationally-oriented society, conscious of the impact of its domestic policies on the international community and being more prepared to adjust them accordingly;

. assume a more actively participatory international role, hopefully as a permanent member of the UN Security Council;

. be prepared to contribute actively to regional security, in the

context of a continuing defence-oriented strategic posture; and

- . be conscious of its responsibility, and act accordingly, as the key stabilizing strategic and economic link between North America and East Asia.

Of course, it is entirely up to Japan to decide *when, how and how fast* it should go about positioning itself on all these fronts. But I have to say that, I sense, in talking to Japan's leading politicians, business people and opinion-makers that there is a mood, a feeling, an underlying will to change. In embracing these tasks, which will, I have no doubt, be formidable, there are a number of ways in which we in Australia would like to cooperate and work with Japan.

In many ways, the partnership between Australia and Japan is ideally placed to be a dynamic and constructive partnership in progress in the region and globally as well.

Both Australia and Japan are really neither wholly 'Western' nor wholly 'Eastern'. Japan melded its cultural Asian Buddhist/Shinto traditions with Western economic values, efficiency, enterprise and technological innovation, - with fifty years of intimate experience in the hurly-burly of, until recently US and European-dominated, world trade and investment. Australian civilization today is a distinctive blend of our European antecedents of individual liberty, social equity and openness - overlaid by strong multiculturalism, with an increasing recognition of our 'East Asianness'. Australia and Japan are, I believe, part of the core contributors to what is evolving in our region, to quote Yoichi Funabashi, as a "cross-fertilised Asia-Pacific civilization".

It should come as no surprise then that Australia and Japan - as the two most developed countries in East Asia, and sharing the closest possible bilateral relationship - increasingly have shared attitudes, interests, responsibilities and approaches to dealing with regional and international issues. It is in this area where I believe our two countries can work together, and together to persuade others, to make the region a more prosperous, secure, and exciting place to live, work and play.

Already, we have a noteworthy record of close cooperation on an active regional diplomatic agenda in areas such as:

- the Cambodia peace plan;
- . the promotion of the APEC process;
- . efforts to create new frameworks for the discussion of regional security through the ASEAN Regional Forum;
- . exploring options, in cooperation with the United States and South Korea, for resolving the DPRK nuclear problem; and
- . cooperation in development assistance programs in the South Pacific and in South East Asia.

Australia has no doubt that Japan has a major role to play in helping to guarantee the peace and security of our region, and should not feel reluctant about engaging actively and visibly not only in regional security dialogue but in any action programs that may flow from it. It is true that the legacy of the War years continues to weigh heavily on some of Japan's neighbours (though not for many years in Australia), and that this tends in turn to make Japan more cautious than it should be about contributing to regional security activity.

I have suggested on many occasions that the best way for Japan to defuse the levels of concern which do exist is not so much for it to be trying, fifty years after the event, to find new ways of expressing apology or offering compensation. Rather it would be for Japan's education system to wholeheartedly embrace the obligation to teach young Japanese, in some detail, about what exactly went wrong in the militarist years. A number of sensitivities still obviously stand in the way of the curriculum going further in this respect than it presently does, but if it were possible to do rather more, I believe it would not take very long before Japan's Asian critics were comprehensively disarmed.

Japan's and Australia's security cooperation extends to the broader international agenda. On arms control and disarmament issues, Australia and Japan are particularly close collaborators, reflected in our work towards the negotiation of the Chemical Weapons Convention and in our joint efforts in support of the indefinite and unconditional renewal of the Non-Proliferation Treaty. Also, last year, Australia strongly supported and lobbied for the Japanese resolution tabled at UNGA 49 on Elimination of Nuclear Weapons.

Recently, Australia and Japan have been involved in the discussions on the reform of the UN and in particular the Security Council. The Security Council's composition no longer reflects the realities of global and regional power, and needs to be expanded to ensure its continued legitimacy. Japan's important international economic position, its position as the second largest UN contributor, and its contributions to international security provide solid grounds for its claim to a permanent seat, which we have publicly supported and will continue to support.

The spotlight that will play most strongly on Japan this year - not only regionally but globally - will be as Chair of APEC, and host of the Leaders' Meeting in Osaka at which will be considered the implementation of last year's Bogor Declaration on free trade and investment in the Asia-Pacific, to be achieved by 2010 in the case of the developed economies, and 2020 in the case of everyone else.

It will be crucial for APEC's future that the bold commitment APEC leaders made in Bogor is followed-up with meaningful steps and some tangible outcomes. To achieve this, we need real leadership to drive the process forward. As was demonstrated in both Seattle in 1993 and Bogor in 1994, there is a need for the Chair to be very active in driving the process. Because of the significant diversity of opinion within APEC, which we all recognise, it is simply not practical to wait for a consensus to emerge.

I do not accept the suggestion that it will be any more inherently difficult for Japan to manage this process than it has been, or will be, for any other APEC member. Indeed, the process of trade liberalisation in APEC is not dissimilar to the internal process of deregulation already underway in Japan. This process has been undertaken primarily to revitalise the Japanese economy and reduce costs faced by Japanese consumers. Although the costs and benefits of free trade tend to be unevenly distributed between different sectors of just about every economy at the outset, ultimately everyone benefits : the task of all of us, as politicians, is to make that case to our own constituencies, drawing on each other's experience as to how best to do so.

Australia has found real value in its political relationship with Japan, and I believe the same is true with Japan. We are the two major developed countries in East Asia, we share a vital economic relationship, we have alliance relationships with the United States, we have increasingly close people-to-people links, and we

have a shared interest in advancing the interest, of the whole Asia-Pacific region.

The Australia-Japan relationship is a rare one - a partnership in progress, based on hard-headed self-interest and altruism as well. A strong, thriving dynamic partnership between Australia and Japan is unequivocally and unashamedly in the interests of both Australia and Japan as individual countries in the region, and for our bilateral relationship.

More than this, though, cooperation between our two countries and with the other nations of the region is also increasingly and unequivocally in the interests of the region. Regionally and internationally, we have a mutual interest in working together as partners to progress and advance the prosperity, security and quality of life of all of the people of the Asia-Pacific.

True, it demands an open mind and outward orientation; a courage to take risks and embrace change as an exciting opportunity not as a threat; a preparedness to consult, explore, and work together; and the human determination to treat each other and others as partners and friends. A tall order, but eminently do-able. Fifty years ago, no-one could have predicted the nature of Australia's relationship with Japan today. Our relationship is one that can only continue to grow and prosper, becoming as it does so ever broader and deeper, more meaningful to us both, and even more helpful for the peace, stability, and prosperity of the region in which we both live.
