

AUSTRALIA AND JAPAN: AN EVOLVING RELATIONSHIP

Opening Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the Canberra Colloquium, 'Australia-Japan in Asia and the World: Looking Ahead', Australian National University, 10 July 1991.

For most of the last thirty years, Australia's relationship with Japan - as with most other countries in Asia - has been dominated by bilateral trade issues, with Australia playing the role of efficient commodity supplier, and Japan the even more efficient manufacturer.

In a sense that has suited us both fine. Our economies have been textbook examples of complementarity, and our economic relationship has been overwhelmingly to our mutual advantage. Japan is - and has been since 1970 - Australia's major trading partner, while Australia has been Japan's third biggest supplier of imports. There is every reason to believe that the importance of the traditional elements of the relationship will continue well into the next century.

But relationships which operate in only one dimension rarely, if ever, bring out the best that each side has to offer the other. The happy thing about the Australia-Japan relationship is that its wider potential is coming to be fully appreciated by both sides. It has taken some time, but it is happening.

It has been happening, first of all, in our economic relationship. If we are going to guarantee its maintenance in the next century, we know we have to give that traditional relationship some new breadth and depth. This will involve, here as elsewhere, not just relying on our established laurels as an efficient commodity supplier. We have to make clear the extent of the structural changes that have been taking place in the Australian economy, and the opportunities this creates for Japan in Australia. While we expect that mineral resources, energy products and agricultural commodities will continue to underpin the bilateral trading relationship, we are looking to encourage a much broader, more diversified economic interchange.

This is a process which is, of course, well under way, with Japan already the

largest market for Australian manufactures (albeit largely of the "simply transformed", or processed mineral, variety), and Japanese investment in Australia accounting for about one-third of the total annual investment inflow. Obviously we would like a higher proportion of that investment flowing into the production of goods, not just property and tourism - important as the latter industry (and especially its Japanese component) is to us.

The Multi-Function Polis Project (MFP) - designed, you will remember, to unite new thinking about high technology industry and leisure in the context of a newly created working-living environment - has become an important barometer of our success in diversifying and upgrading the sophistication of our economic relationship. But while it is an important barometer, it is not the only barometer, and it would be an unhappy outcome if Japanese higher-technology investment in Australia were to depend wholly on the success or failure of this project.

The MFP happened to be initiated by the Japanese side at the Australia-Japan Ministerial Committee in 1987. The two-yearly meetings of that group have been in fact the vehicle for reviewing the whole texture of our relationship, not just its bilateral economic component, and consolidating perceptions and developing new ideas about where it is going. What I have found fascinating is the way in which at these meetings over the last three to four years - and in the wider range of contacts that we have at both ministerial and official level, in bilateral and multilateral meetings around the world - there has been a real willingness to explore the scope for adding some quite new political dimensions to the relationship.

What is in many ways even more interesting, from an Australian perspective, is that it is not just us pushing this search along. It does seem to be the case that, as Japan feels its way, still rather uncertainly, into an international political role more commensurate with its global economic status, it is looking for the kind of political support that countries like Australia - diplomatically active and with no particular competitive axes to grind - can give. And certainly we in Australia are happy to look at mutually fruitful ways in which we can do just that.

At the tenth meeting of the Ministerial Committee in January 1989, Japan proposed that our bilateral relationship be designated henceforth as one of 'constructive partnership', and made a series of quite explicit suggestions about

how that partnership could be realised. As refined at that meeting, and at the following one in Canberra in May 1991 (attended by an unprecedentedly large group of six Japanese Cabinet Ministers and two Parliamentary Vice Ministers) the concept is now agreed to embrace four key components:

- . security: in particular cooperation in securing peace and prosperity in our own Asia-Pacific region;
- . international trade: cooperation in maintaining and strengthening a free and open world economic system;
- . the resolution of international problems requiring cooperation for their solution: in particular protection of the environment; and
- . bilateral relations: cooperation in the further development and diversification of the Japan-Australia relationship.

Underlying the "constructive partnership" is a recognition that, for all the disparities of size and wealth between the two countries, we do bring together important assets. In security and strategic terms, Australia and Japan are properly described as the northern and southern anchors of the Western alliance, with both countries sharing the view that a continuing significant US presence in the region is wholly desirable. In economic terms, we are the two major advanced market economies of the region, and still (with New Zealand) the only eyes and ears of the OECD in the Asian hemisphere: Japan's ranking at the head of the regional wealth table is clear, but Australia ranks third (after China) with a GNP equal to India's, or all six ASEAN countries combined.

And Australia has a long standing record of active involvement in international diplomacy - especially in multilateral forums - which makes us a useful dialogue partner for a country still searching for its role in this area. Japan in many ways is now at a watershed in its history, having to make domestically very difficult decisions about how to respond to expectations from abroad that it accept the kind of responsibilities of international political and economic leadership that are appropriate to its status as the world's second largest economy. It has been the view of successive Australian governments that Japan should play a wider role in world affairs, but it is only quite recently - in the context of Japan's very public agonising as to the role it should play in the Gulf

conflict - that the issue has come fully into the open.

During his visit to Japan in September 1990, Prime Minister Hawke publicly supported Japan's permanent membership of the UN Security Council, and said that Japanese armed forces as a contribution to a UN peacekeeping role in Cambodia or the Gulf would be acceptable to Australia, saying that "no framework for the conduct of international affairs could be regarded as adequate or complete if it lacked Japanese commitment and involvement". I certainly believe that the overwhelming majority of Australians accept that, nearly half a century after World War II, it is time to treat Japan and its people as full participants in public affairs, and not as paymasters who are called in only to handle the bill.

Australia cannot be prescriptive about a Japanese role in world affairs. How the Japanese people and government intend to meet their national responsibilities is a matter to be determined by Japan itself. In the past, Japanese nationalism has been associated with militarism, which is what concerns foreign observers today when nationalism again asserts itself. However, the form in which Japan chose as a nation to assert itself at the end of the 19th century was copied from the aggressive nationalism of the European nation-state. Whatever we may think about the way it went about realising its ambitions, Japan was attempting to do in its part of the world nothing very different from what the European powers had been doing for centuries.

Mainstream Japanese nationalism today is associated not with military aggression so much as resistance to military alliances and strict support for the pacifist constitution. Popular and political resistance by Japanese to the suggestion that Japan should again be a military power remains substantial. In these circumstances, Japan needs to be encouraged to develop politically and militarily according to the newer concepts of security - like 'common security' and 'collective security' - that are likely to determine the shape of the 21st century, rather than according to those that shaped this century or the last.

This issue of Japan's role in world strategic and security is therefore contained within a bigger issue, which is whether a real international community is emerging and, if so, what kind of enforcement of accepted international behaviour it can provide in the interests of peace and stability. Japan, the most nationalist of nations, has also shown itself to be increasingly internationalist in

outlook and sensitive to universalist tendencies in world politics as they developed with the decline of the Cold War. If these tendencies are strengthened, as is to be hoped will be the case, Japan will have a role in the world's security affairs not in any way at odds with the spirit of its constitution.

We in Australia certainly look forward to adding more depth and substance to the dialogue on security matters in general, and on regional security matters in particular, in which we are now well and truly engaged with our Japanese friends.

Japan's role in international economic policy-making is a much less sensitive issue internationally than its involvement in strategic and security issues, but it is an area in which the country's policy-makers have again - for domestic political reasons - trodden extremely cautiously. Given the vital interests that both Australia and Japan have in strengthening the multilateral trading system, and securing the further liberalisation of trade in both goods and services, Australia has consistently urged that Japan play a leadership rather than merely subsidiary role in exercises such as the Uruguay Round of multilateral trade negotiations - not least by being prepared to make some significant further gestures in the liberalisation of access to its own markets.

So far as regional economic cooperation is concerned, while not taking a leadership role Japan has been strongly supportive of the development of the APEC process, and in particular its development not as a closed Asian-region, yen-dominated bloc established to do battle with the giants of North America and Europe, but rather as an open-textured vehicle for both global and non-discriminatory regional trade liberalisation. In all of this, Japan's policy cooperation with Australia has been very close, and it is crucially important, not just for the health of the region but the global economy, that this perspective continue.

In the area of international problem-solving generally - those matters of international concern, like the environment, that increasingly worry governments of all political persuasions and from countries big and small - Japan is increasingly playing a much more active role, and being universally encouraged to do so. Two significant initiatives in 1991 were to host a major UN Disarmament Conference in Kyoto - addressing the whole range of post-Gulf War multilateral disarmament and arms control options - and a major

meeting on drug abuse issues for the Asia Pacific region. Japan has also substantially upgraded its involvement in international environment issues, and has started to explore the scope for collaborative research work with Australia in this field, drawing on our success in developing a number of world competitive technologies. Japan's contribution, again, to aid and humanitarian programs has long been substantial in quantitative terms: what is changing in this area, as in others, has been its willingness to engage with ourselves and other countries in cooperative policy and program development, as for example in the South Pacific.

The basic course of Australia's future relationship with Japan has been set, in all the various ways I have outlined. Here as elsewhere there are plenty of competitors for our partner's attention, and Australia will have to work hard to consolidate and develop such influence as we have. And here as elsewhere this will require as much attention to broad-ranging perceptions of each country by the other as it will to high-level policy-making. Japanese and Australians are gradually getting to know each other better - through massive increases in tourism, and through cultural and educational exchanges and the like. Moreover there are, I understand, proportionately more youngsters studying the Japanese language here than in any other country in the world. But, in a bilateral relationship as important to Australia and us both as this one, this is no time to be resting on our oars.

The value of seminars and colloquia like this is that they force us to anything but that. They are a splendid opportunity for us to engage at least in mental athletics, wrestling with ideas about how to move our relationship forward in a way that is genuinely stimulating and productive. On this basis, I have a great deal of pleasure in declaring these proceedings open.

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