

## Part II

### Australia-Japan Relations



*'Neighbours on longitude 135°'—a reproduction of the symbol first used by the Australian Organisation participating in the Japanese World Exposition, 'Expo 70', held in Osaka during 1970.*

For Australia, the changing pattern of international affairs following World War II compelled a reappraisal of its foreign relationships, with far reaching consequences. The former comparatively uncomplicated cultural and trading ties with Britain and, to a lesser extent, Europe which made Australia an outpost of Europe in the Pacific area were no longer tenable. Australia itself was changing with its population growing and its former reliance on primary production being supplemented by industrial growth. The Pacific War had emphasised Australia's need to participate more actively in the Pacific and Asian regions and as a consequence a more mature approach developed to international relationships, particularly with those nations more closely located geographically and which have vastly different backgrounds and cultures. There followed a more active participation and co-operation in the affairs of the Pacific and Asian area in trade, defence and aid programmes, with the result that it can be said with confidence that Australia has gained a status of respect and friendly relations with its regional neighbours. While this can be regarded with satisfaction, the Committee believes that for the future emphasis must be given to further stimulation of mutual understanding between ourselves and the widely differing cultures of Asian countries. This aspect of mutual understanding is discussed in a later chapter.

Australia-Japan relations have been influenced by three factors in the post-War era. The first is the fortunate circumstance of the recovery from the animosities engendered by wartime experiences, a situation not yet fully achieved by some nations where greater conflict occurred on their own soil. The second was the ability of Australia to fulfil a considerable part of Japan's needs for raw materials during the course of rapid industrial development and finally, as a consequence of trading relationships, an appreciation of the need to bridge the cultural gap and to bring about a growing phase of mutual understanding between the people of the two countries.

The Japanese market now provides an outlet for more than a quarter of Australian exports, but this fact alone does not mean that the market dominates the Australian export trade. It is true, however, that in some commodities, such as iron ore and coal, a measure of reliance has developed, but overall the degree varies greatly between items. On this point of dependence the Committee was told: 'In those items where there is a high degree of dependence, Japan's industry itself is often significantly dependent on Australia'. The two tables which comprise Appendix III show Japan's significance as a trading partner for Australia for selected commodity items. Iron ore, coal and wool clearly lead the long list of commodities. An assessment of the evidence placed before the Committee on this subject casts doubt on the general statement frequently made that Australia is the dependent party in the trading relations between Australia and Japan. It is true that the so-called 'economic miracle of Japan' has provided an alternative market for some of Australia's products previously sold to Britain prior to that country joining the EEC and has stimulated vastly

increased mineral production. Nevertheless, what frequently is overlooked is that Japan's rapid industrial growth has demanded, more and more, assured and ready sources of raw materials and that Australia ideally meets criteria which are important to Japan. In brief, these requirements are:

- an adequate and continuing source of raw materials
- a minimum of extraction and transport problems, and
- a politically and economically stable area from which supplies are drawn.

Already reference has been made to the emphasis which Japan has placed on raw material sources by the development of what has been known as its 'resources diplomacy'. It is, therefore, more accurate to say that the interests of the two countries are complementary. Since the Australia-Japan Agreement on Commerce was signed in 1957 there has been a rapid and mutually advantageous growth in trade relationships. Japan's economy maintained an ever-increasing growth rate until the early 1970s and it appears to the Committee that there was an attitude in Japan that the 'bonanza' would continue indefinitely. However, the last year or so has been a period of change which undoubtedly will affect Japan's outlook and attitudes towards foreign and internal policies which, taken together, can impact on relationships with Australia.

It is the Committee's belief that what will follow will be a moderating of Japan's growth rate and of what has previously been an overriding emphasis on industrialisation. This does not mean that a decline in trade will be a necessary consequence, but suggests that there will be a lessening of forced growth. Greater opportunity will be presented for the relations between Australia and Japan to take on more meaningful and rewarding aspects in the field of human relationships—something which does not always accompany commercially oriented associations. The Committee believes that, with sincere effort on the part of both countries, a substantial measure of co-operation can be achieved. Australia's participation in the great Japanese exposition 'Expo 70' in Osaka in 1970 was a valuable effort in this direction. The spectacular architecture of the Australian pavilion and the portrayal of many facets of the Australian way of life were brought before over 11 million visitors to the pavilion, to many a first contact with Australia.

The chapters which follow discuss economic and political relations and record the results of the Committee's search for the means of achieving greater understanding between the two countries.