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Australia and Japan - into the future

Introduction

Thank you

It is a great pleasure to have another opportunity to speak at a function arranged by the Japan Institute of International Affairs. It is just over two years since my last speech.

It is a great pleasure also to see you again Ambassador Satoh (President of the JIIA and former Ambassador to Australia).

The Japan Institute for International Affairs plays an important role in the foreign policy debate in Japan and it plays a key role in the Australia-Japan relationship as convenor of our one-and-a-half track security dialogue.

Today is an opportunity for me to talk to you about Australia's foreign policy and, in particular, how we see our relationship with Japan developing in the years ahead.

Australia has no closer friend in Asia than Japan.

The reason for my visit to Japan this time is to participate in the first ever joint meeting between Australia and Japan's ministers for foreign affairs and defence. This meeting is a result of the Joint Declaration on Security Cooperation signed by our two Prime Ministers early this year, and it is a symbol of the increasing depth of our bilateral relationship.

Today I would like to talk to you about the future of the Australia-Japan relationship. But I would like to start with a bit of history.

The Australia-Japan relationship goes back a long way. In fact, our relationship, and our cooperation on matters of security, goes back all the way to the birth of modern Australia.

Many of you would have heard of the ANZACs – the name we give to the soldiers from Australia and New Zealand who fought together in World War One. The name ANZAC is particularly identified with the exploits of our troops on the Gallipoli Peninsula in Turkey in 1915. Our young men suffered and fought through a terrible campaign.

There is a part of the ANZAC story that involves Japan. In November 1914, when a 42-strong fleet of ships set sail from Western Australia to take the Australian and New Zealand troops to Egypt, the fleet's starboard side was protected from potential raiders by the Japanese cruiser, the Ibuki. From Western Australia through to the Suez Canal, the Ibuki and her crew of over 800 were by the Australians' side.

So, strategic cooperation between Australia and Japan goes back to the birth of Australia's military.

Our relationship has not always been so close. Australia and Japan were once enemies, too. But in the last 60 years Japan has made a great contribution to the international community and our cooperation has come full circle. Today again we are working side-by-side. When the December 2004 Indian Ocean tsunami hit – 90 years after the ANZAC fleet and the Ibuki had crossed the Indian Ocean together – Australia and Japan worked closely together to help Indonesia recover.

Our challenge

I have started with a little bit of history, but today I want to focus on the future of the Australia-Japan relationship.

The Asia-Pacific region is undergoing enormous change. Global economic weight is shifting to the Pacific Rim. The major powers that will shape the world in the 21st century are located here.

The United States is – and will remain for the foreseeable future – the pre-eminent global power. Australia's relationship with the United States – based on our alliance – is as strong as it has ever been.

China is growing rapidly, and this growth is good for China and good for the world. Australia welcomes a prosperous China that is positively engaged in regional and global affairs.

Japan is not just the world's second-largest economy. Japan also makes a major contribution to regional stability and prosperity through its economic, political and diplomatic influence.

For Australia, no region is more important to our future than North Asia. Just under half of our exports come to North Asia. And the region contains the potential strategic flashpoints of the Korean Peninsula and the Taiwan Strait.

History tells us that managing strategic shifts is always a challenge. In this changing region, it is crucial that we get our policy settings right. We need to guard against instability and manage uncertainties.

We need to have a vision of where our countries should be placed and we have to choose policies that take us towards that vision. We need to make decisions about our international relationships. Countries – governments – cannot let events decide the course of the future.

Australia and Japan, as liberal democracies and allies of the United States, share many common values and elements in our visions for the future. Australia and Japan want to prevent the spread of weapons of mass destruction. We want the international community to stand united against terrorism. We want prosperity for people and we believe that open markets and free trade are the best way to achieve it. And we want open and inclusive regional architecture in the Asia-Pacific.

And both governments are committed to working ever more closely together to realise our visions.

Security Cooperation

On 13 March this year, Australia's Prime Minister, John Howard, and Japan's Prime Minister, Shinzo Abe, signed the Australia-Japan Joint Declaration on Security Cooperation here in Tokyo.

We appreciate that this Declaration is the most ambitious security arrangement Japan has entered into with any country other than the United States. I am grateful for the support of the Japanese Government as we developed the Declaration.

In part, the Declaration reaffirms the importance of what we are already doing together.

We have already seen Australian and Japanese military personnel working side-by-side in Iraq. In 2005 and 2006, Australian Defence Force troops provided security for Japan's Self-Defence Force engineers working on infrastructure in Al-Muthanna. We continue to value highly Japan's contribution to the coalition effort in Iraq.

And we have seen how Australia and Japan can cooperate closely in humanitarian operations. As I mentioned earlier, following the tragic December 2004 tsunami in the Indian Ocean, Australia and Japan helped to lead the international response. Smooth cooperation between our government agencies was a crucial element to ensuring an effective, prompt response.

Australia has been a regular co-sponsor of Japan's annual nuclear disarmament resolution at the United Nations General Assembly. And our agencies work together to prevent the spread of weapons of mass destruction, including through cooperation in the Proliferation Security Initiative.

More broadly, Australia welcomes a more active regional and global role for Japan. Australia strongly supports Japan's bid for a permanent seat on the United Nations Security Council.

Both governments have worked hard in recent years to develop our strategic partnership. But I think we can do even more together. The Declaration provides a framework for us to do just that. It sets out a vision for closer cooperation in the future.

The Declaration records that the two Prime Ministers committed our countries to expand cooperation in border security, counter-terrorism, the prevention of the proliferation of weapons of mass destruction,

and peace operations.

In fact, as I said earlier, the reason for my visit to Japan this time is directly related to the Declaration. In just a few hours' time, I will participate in the first joint meeting between Australia's and Japan's ministers for foreign affairs and defence.

I am pleased that we have been able to establish this dialogue. Japan has only one other similar meeting, with the United States.

I see this meeting as a great opportunity for us to discuss the big strategic questions that both Australia and Japan face. We can share ideas about how we respond to our changing environment.

Out of these discussions and sharing of strategic assessments, we can lay the groundwork for further security cooperation. For instance, Australia and Japan share the view that North Korea's development of nuclear weapons, and its provocative action in testing those weapons and long-range missiles, poses a real threat to the security and stability of the region. We work closely together in developing our policies towards North Korea.

In response to North Korea's nuclear test in September 2006, Australia and Japan were partners in developing regional and global responses. We coordinated our efforts to implement the UN Security Council's sanctions against North Korea.

In March this year I sent a high-level delegation to Pyongyang to urge the North Korean Government to adhere to the commitments it had made in the Six-Party Talks. At the same time, my delegation urged North Korea to resolve the question of abductees.

The United States

I mentioned earlier that Australia and Japan both have alliances with the United States. For Australia, our alliance with the United States is fundamental to our national security. For Japan it is the same.

We both benefit not only from our bilateral alliances with the United States, but also from the broad US engagement with the region. The two elements reinforce each other – our alliances help keep the United States engaged in our region.

US engagement with and presence in the Asia-Pacific region has underwritten stability. And that stability has allowed first Japan, then Taiwan and Korea, and now China to develop. In doing so, millions of people have been lifted out of poverty. We are all better off because of the increased prosperity in the region. And US engagement is vital to ensuring that prosperity in the future.

Australia has worked hard to deepen its relationships with the United States and Japan. And this work, combined with Japan's more active regional and global role, has created more common ground for trilateral cooperation. Australia is committed to expanding trilateral cooperation between Australia, Japan and the United States.

The best example of this is our Ministerial Trilateral Strategic Dialogue. Through this dialogue – the TSD – I work with my US and Japanese counterparts to develop our approaches to regional security and stability.

The TSD is already producing tangible benefits. We are now more closely coordinating our regional counter-terrorism efforts, including through better information sharing. And of course we can use the TSD to discuss other security challenges and responses to them, such as countering the proliferation of weapons of mass destruction.

Prosperity and Stability

I have spoken so far about the strategic and security cooperation between Australia and Japan. But, of course, that is not the only element to our relationship.

I think it is fair to say that the modern Australia-Japan relationship really began to take off in 1957 when we signed the Australia-Japan Agreement on Commerce. Australia's Trade Minister, John McEwen, was a fierce advocate for Australian exporters. He signed the agreement along with Japan's Prime Minister Nobusuke Kishi – as you all know, the grandfather of Japan's current Prime Minister.

Less than 10 years after the agreement was signed, Japan was already Australia's top export market. It continues to hold that position 40 years later.

Australia is Japan's number one supplier for energy and for many important minerals. We also supply

nearly ten per cent of Japan's agricultural imports. Our trade is already substantial and has helped underpin both countries' prosperity.

Developments like this in trading relationships don't just happen. They are the result of policy choices. We have a great trading relationship now, but we cannot just sit back and become complacent. We need to keep driving forward.

That is why the Australian Government was pleased that we have been able to begin negotiations on a bilateral Free Trade Agreement (FTA). The pressure will be on our negotiators to deliver an agreement that brings as much benefit to both countries as the 1957 Agreement.

Both countries have agreed to conclude a comprehensive, WTO-consistent FTA through a single undertaking. But as developed countries we should go further to make sure any agreement is not just WTO-consistent, but is WTO-plus.

The negotiations will be challenging and they will cover a comprehensive range of issues, from goods, services and investment to people movement and competition policy. But they have started and we plan to hold negotiation rounds every two to three months.

Both governments believe we can open up more opportunities to realise our potential through an FTA.

For example, services account for over two-thirds of our respective economies, but they are a relatively small part of our total trade. By addressing regulatory barriers and improving access, an FTA could help us increase trade in this sector.

There is also a regional element to our prosperity.

Australia and Japan approach the question of regional organisations with a similar view. We both want an open, inclusive regional architecture and we want regional organisations that value substance and results over form. That is why we are both at the forefront of driving the development of regional bodies.

There was a high level of cooperation between Australia and Japan in the establishment of APEC in 1989. For Australia, APEC is still the most important forum in the Asia-Pacific region. It brings together all of the key players. Its agenda is focused on trade and investment liberalisation, but also naturally encompasses some security issues in recognition of the fact that human security is essential to the prosperity and well-being of people in the region.

This year Australia is hosting APEC. In September we will host the Leaders' Meeting. We look forward to welcoming Prime Minister Abe in Sydney then. As host, we are working hard to ensure that APEC delivers some real outcomes.

One of the most important things we have done is put climate change on the agenda for the Leaders' Meeting. This recognises the fact that climate change should be dealt with as a core economic issue. We need to address climate change, but we need to think through carefully the actions we take.

Australia will be working very closely with Japan in APEC to deliver a substantial climate outcome.

On the question of climate change, Australia and Japan are showing international leadership, including in APEC. I welcome Prime Minister Abe's recent speech setting out some possible ways forward.

Australia and Japan share similar thinking on climate change. We agree that the international effort must engage all the major emitters to be effective.

We also share a focus on practical work, particularly through our efforts under the Asia-Pacific Partnership on Clean Development and Climate. We have both recognised the importance of technology and energy efficiency in delivering substantial emissions reductions. And we will continue to work closely together in finding solutions – diplomatic and technological – to climate change.

I was very pleased that Australia and Japan both participated in the inaugural meeting of the East Asia Summit (EAS) in December 2005. The EAS is still carving out a role for itself and I believe it is making an important contribution to regional relations. In particular, the EAS work to enhance regional financial integration and cooperation (RFIC) will deliver tangible benefits to EAS members and contribute to East Asia's long-term stability and development.

Australia and Japan are active participants in the ASEAN Regional Forum, too. We are both keen to see the ARF develop a more active and robust role in security affairs.

Also on the regional security side, Australia is interested in the question of the possible evolution of a North-East Asian security mechanism. This might emerge eventually out of the Six-Party Talks on the North Korean nuclear issue. We are in close touch with Japan and the United States on this issue. With our top three export markets in North Asia, Australia has vital interests at stake in the region.

One final area where Australia and Japan cooperate that I would like to mention is our work with the Pacific Island countries. The countries of the Pacific face a great number of challenges. We need to work with them towards a sustainable future.

A central part of our effort is to work with the Pacific Island countries to help improve their internal governance structures – we aim to give them the tools and systems to ensure their own future.

Australia and Japan have worked much more closely together over recent years on Pacific Island issues. For Australia, the South Pacific is an area of key strategic interest.

We value the opportunity to work closely with Japan in assisting those countries and we welcome Japan's support for stability in the South Pacific.

Conclusion

The relationship between Australia and Japan is as good as it has ever been. Our trade relationship is still strong and of great benefit to both countries. The people-to-people links through tourism, working holidays and exchange programs have incredible depth. Our strategic relationship is maturing.

We can look back at what we have achieved in the past 50 years and be proud. But I think we should also look forward.

Both the Australian and Japanese Governments are committed to further developing our relationship. We have a vision of closer cooperation and we are taking steps to realise that vision. Our Joint Declaration on Security Cooperation and our FTA negotiations are the first steps. We both have a lot to gain from continuing to build our relationship into the future.

Thank you.

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