On the occasion of the visit to Australia of the Japanese Prime Minister, Malcolm Fraser, recently reviewed the course of Australia's relationship with Japan over the years since the last World War.

Before that time Japanese goods coming into Australia were under-cutting the prices of infant Australian industries and business relations generally between our two countries were bad. Then came the World War and we know what that meant to Australia and to many thousands of her people.

The Japanese Trade Treaty was negotiated in 1956, more than 10 years after the end of the war but only 5 years after the signing of the Japanese Peace Treaty. At the time, many people were taken by surprise by this move that was boldly pioneered by the Minister for Trade, John McEwen. In reply to objections raised during the debate on this Treaty, the Government pointed out that there were safeguards built into it to protect our own industries. But in fact, the greatest safeguard of all has been the spirit of co-operation which has developed between the two countries and between the business communities of Japan and Australia.

In Mr. McEwen's speech of welcome to Mr. Sato he pointed out that both the Japanese and Australians were realists and that trade between the two countries has expanded on the basis of mutual benefit, understanding, responsibility and trust, coupled with a recognition of each other's problems. We understand Japan's need to protect her farm industries from destruction by other countries, and Japan understands our need to protect manufacturing industries in this country. Mr. McEwen pointed out that over the last ten years trade between Japan and Australia has greatly expanded to our mutual advantage without harming industries in the other country.

In the 10 years since the Treaty was signed, Japan's exports to Australia have grown eight times and Australia is now Japan's seventh most important market. We are in fact her second biggest customer for cotton textiles and motor vehicles. On the other hand, Japan is now Australia's largest single export market. Ten years ago we exported $278 million worth of goods to Japan. Last year we exported $588 million dollars worth, or 19% of our total exports. In total figures, imports from Japan have risen from $26 million in 1956 to $297 million in 1966, which represents 10% of our total imports. Japan is our largest single customer for wool, coal, iron ore, barley, dried and condensed milk and cheese. She is our second largest customer for butter, sugar and for mutton and lamb. She is our third largest customer for beef and veal, wheat and iron and steel. One has only to look at the great increase in exports to Japan from our rural industries to understand what the Japanese Trade Treaty has meant to Australia and to primary producers in particular.
The standard of living and level of productivity in both our countries is rising very rapidly. Thus, there is potential for an even greater increase in our trade and so we can look forward to an even closer relationship with Japan.

Our trade relations have inevitably extended mutual co-operation and understanding in other areas. We have the same basic aim to provide a rising standard of life throughout the Asian and Pacific area, and to do whatever we can to achieve stability for the whole region. Mr. Fraser suggested that it could be expected that Japan would play an increasing part in future years in working towards this goal. In the immediate post-war years she devoted herself to the reconstruction of her own country and economy, and it is only in recent times that she has begun to use her undoubted influence in world affairs. Under present policies and direction, it is likely that this influence will be used with increasing emphasis to the good of the whole region.
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