

National Security Lecture Series
at the National Security Institute of the University of Canberra

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The Japan-Australia Relationship:
Optimism through adversity and the promise of the future

Vice Chancellor Stephen Parker, NSI Director Peter Leahy, Faculty Members and Students, Friends, Ladies and Gentlemen

It gives me great pleasure to be invited to the National Security Institute at the University of Canberra in order to address you on the topic of the relationship between Japan and Australia and how recent events in Japan have impacted upon that relationship.

My speech covers a broad range of issues in relation to Japan and its bilateral ties with Australia, but will pay particular attention to security given that today's lecture is part of the "National Security Lecture series."

As you are all no doubt aware, this year has proven particularly trying for my country and its people, as the March earthquake inflicted a tremendous amount of damage and destruction on Japan.

However, as they have so often done in the past, the people of Japan have refused to allow such calamities to render them helpless, and have engaged in reconstruction work and regional revival in the knowledge that they will, in time, produce a nation that is dynamic, vibrant, and full of potential.

This in turn underlines one of the points which I wish to convey to you today – that Japan is fully determined to recover from the disasters of March, and will do so in a manner that shall ensure its revival.

This process will, however, require the cooperation of other nations, and it is to this end that I wish to draw your attention to the second theme of my presentation – that of Japan's commitment to forging stronger, more lasting and much closer ties to Australia, and the means through which this shall be realised.

Earthquake and Australian Assistance

And so I wish to begin my talk with you by first outlining the scale of devastation caused by the events of March, and highlight the manner in which Australia so graciously offered both personnel and materials to aid Japan in its hour of need.

The Great East Japan Earthquake has been referred to as a “crisis in the midst of a crisis”. What this refers to is the belief that Japan already faced a “crisis” of economic stagnation and social occlusion before the earthquake struck. To date, approximately 20,000 people are dead or missing from the disaster and many still remain displaced. The damage inflicted on property in the disaster-hit area has been estimated at around 17 trillion yen or about 200 billion dollars.

Japan has long been prone to earthquakes, with the first recorded major earthquake taking place in the year 416. However the size of the tsunami exceeded all expectations, and was the principal reason for the large amount of devastation and loss of lives. The sole consolation following the disaster was the knowledge that no high-rise buildings collapsed as a result of the earthquake.

Yet the most prominent difference between this natural disaster and those of history was the damage done to the nuclear power plant in Fukushima and subsequent problems with radiation. It also had a severe impact on the supply of electricity to the Kanto and Tohoku regions, resulting in a 40% loss to power supply capacity.

Such was the impact on human and material resources that production had to be suspended, a situation further complicated by restrictions on power usage and the damage to the Japanese 'brand' image overseas through fear of radioactive contamination of Japanese products.

It was during the days following the earthquake and tsunami that we learned of the extent of affection and concern held by Australians for Japan and its people. The Australian Government was one of the first nations to offer assistance to Japan, with an Urban Search and Rescue Team dispatched to one of the worst affected areas, the town of Minami-Sanriku in Miyagi Prefecture. This gesture, combined with a decision to deploy RAAF C-17 aircraft to assist in the transport of supplies, equipment and personnel, proved enormously useful.

The events of March produced a spontaneous response also from state governments, countless numbers of Australian individuals, NGOs, and schools, who each undertook various forms of fundraising activities.

This spirit of generosity amidst hardship was further expressed during the visit by Prime Minister Julia Gillard to Japan in late April. Prime Minister Gillard was the first foreign leader to visit Japan after the disaster at the invitation of the Japanese government, and was the first foreign leader to visit the disaster-stricken areas.

After having good discussions on bilateral and international issues, Ms Gillard went to the disaster stricken area. I accompanied Ms Gillard during her visit and was quite impressed with her spirit of generosity and forbearance. This visit, while re-affirming the commitment of our bilateral relationship, demonstrated quite visibly to the Japanese people that they were not alone, and that Australia would be there to assist them. As a consequence, in Japan at least, Ms Gillard remains a very popular world leader.

This visit was followed by those of many other Australians, one of which I wish to bring to your attention today. Last month the Weekend Australian published a letter written by Lynda Skinner of Mission Beach, Queensland.

Mrs Skinner, in spite of the trepidations of her friends and relatives, went ahead with her plan to participate in a language study and home stay program in Japan in late April. Of the five groups that had been scheduled to visit Kanazawa, only the Australian group persevered with their trip, a decision that

was profoundly appreciated by their hosts in what was to prove a memorable experience for all involved. The Australians had, in the words of Mrs Skinner..."...managed to take a message of support to a people in need" and that ultimately Mrs Skinner was..."...bloody glad we went."

I would like to take the opportunity to express gratitude to the Australian people both personally and on behalf of the Japanese government for the warm support we received.

In the months following the events of March, Japan has slowly but steadily begun to make progress in its recovery, and has formulated a plan for reconstruction and revitalization. Now I'd like to move on to the next point in my presentation, that concerning Japan's reconstruction and revitalization strategy.

Reconstruction and Revitalization Policies

It has been a little over six months since the earthquake, however Japan has already laid out a number of strategies for reconstruction and revitalization.

After intense discussion among experts, the Basic Guidelines for Reconstruction was announced in July. This document constitutes a blue print for the government and other partners to tackle the numerous challenges in the reconstruction process. Prime Minister Yoshihiko Noda, who assumed office on September 2nd, pledged to implement each measure in turn in a steady, methodical manner.

The most important challenge at present is to bring the nuclear power station accident to an end, and then formulate an energy policy that will reduce Japan's dependence on nuclear power. Given Japan's paucity in fossil fuels but abundance of advanced technology, it must lead the rest of the world in creating a society based on new and renewable forms of energy.

Another significant challenge facing the government is to secure the financial resources to cover the huge cost of reconstruction. Japan's ruling party and government have drafted proposals to introduce a limited period tax increase to cover such expenses.

Of course, promoting economic growth is a vitally important part of the recovery process.

Japan's economic growth cannot be achieved in isolation. Prime Minister Noda has already announced his government's intention to go ahead with negotiations on EPAs (Economic Partnership Agreements) and FTAs (Free Trade Agreements) with a number of Asia Pacific partners including Australia. As for the Trans Pacific Partnership Agreement or TPP, a decision on whether to enter negotiations for joining the agreement will be made as soon as possible.

Although the process of revitalization will be long, and certainly arduous, the Japanese government is firmly resolved to bring about economic and societal changes that shall benefit all Japanese citizens, along with those of our partners and allies overseas.

National Security and Defence

Yet no strategy or guidelines for economic growth and reconstruction can exist without consideration of the environment in which Japan finds itself, specifically its relations with other countries and how this impacts upon Japan's security.

Recent years have witnessed a global shift in the balance of power with the rise of emerging powers along with the relative change of influence of the United States. Japan has certainly not ignored the implications that accompany such developments.

In December of last year the Japanese government announced its new National Defense Program Guidelines or NDPG. The guidelines are a national security document providing strategic guidance and outlining the long term defence force framework for Japan. The new guidelines are the fourth of their kind and have a timeframe of about ten years.

The primary objective in Japan's security policy is firstly to prevent any threat from reaching Japan and to eliminate any threat that has reached Japan. In addition, Japan has resolved to prevent the emergence of any threats by ensuring the peace and stability of the Asia Pacific region and improve the overall global security environment. This compliments the third objective,

which is to contribute to global peace and security and provide a stable future for humanity as a whole.

So that these objectives can be met, Japan has pledged to operate both on its own and in cooperation with its principal ally, the United States, and other nations.

Japan believes that greater levels of interdependence between nations have reduced the likelihood of a major conflict erupting between major powers. Yet the growing prevalence of “gray-zone” disputes, or disputes that fall just short of provoking war, are one consequence of the changed conditions that nations now find themselves.

Japan, given its proximity to the Asian mainland, is, to use military parlance, almost front and centre to the global shift in power towards the Asia Pacific region. Large, well armed military forces are concentrated in nations adjacent to Japan, while an expansion in territorial claims within the region run the risk of providing a *casus belli* for inter-regional confrontation and/or conflict.

It is in this climate of uncertainty that Japan recognizes the need to produce a defence force that is capable of sustaining a higher operational tempo in peacekeeping and disaster relief activities at home and abroad while also possessing the ability to respond immediately to any direct threats to Japan.

Japan has therefore resolved to create what is described as a ‘Dynamic Defence Force’, the purpose of which will be to equip Japan’s Self Defense Forces or SDF with advanced technological and intelligence gathering capabilities so that they may possess the characteristics of “readiness, mobility, flexibility, sustainability, and versatility.”

This development takes place in unison with an enhancement in the Japan-US alliance. This alliance has been an integral part of Japan’s security arrangements for over half a century, and has in turn proven beneficial to other nations within the Asia Pacific by providing stability.

Japan does recognize, however, that a greater degree of cooperation with other nations across the Asia Pacific and other parts of the world is necessary to secure peace and stability, and so is committed to strengthening its security relationship with Australia.

Australia, as a fellow ally of the United States, shares many fundamental values with and has many security-related interests in common with Japan. Our nations are ideal partners for the formation of bilateral and multilateral initiatives aimed at securing the peace and stability of the Asia Pacific.

The defence guidelines or NDPG contain two reviews, the outcomes of which may have significant implications to Japan's security and defence cooperation with the rest of the world. One concerns overseas activities by the SDF. The other relates to Japan's arms export policy.

The NDPG states that Japan will actively participate in "international peace cooperation activities" such as disaster relief, UN peacekeeping and anti-piracy operations, which are currently based on the "five basic principles" and other conditions that must be met for Japan to deploy its forces overseas. As you know, Japan has a pacifist constitution, which restrains the manner in which forces can be utilised. The first review addresses the concerns of some people in Japan who have been calling for an easing of requirements for deployment in order to enable swift and effective cooperation in UN and other multilateral operations while ensuring the safety of those dispatched.

The second review concerns the transfer of Japanese armaments and arms technology to other countries. The current Japanese policy virtually prohibits Japan from exporting arms or arms technology to any country other than the US. The defence guidelines do state, however, that the use of heavy equipment by the SDF and provision of such equipment to nations affected by disaster more effectively contributes to peace and international cooperation. The NDPG also says that developed countries are following a trend in which participation in international joint development and production allows them to keep costs down while improving the capabilities of their equipment. The NDPG therefore calls for further study on measures to deal with dramatic changes now taking place.

Some Tough Issues Ahead

As outlined above, Japan has already put a number of strategies in place for its recovery and revitalization, yet no-one imagines that the processes involved will be easy, or that they won't involve some difficult choices for the Noda government.

On the economic front, reforms always run into opposition from vested interests. Two of the key elements of the above strategies, tax increases and trade liberalisation, are particularly unpopular among the Japanese population.

On the security front, one prominent issue facing us is how to constructively manage relations with China. The rise of China presents opportunities and challenges for many nations across the Asia Pacific. The Japanese government has long encouraged growth in China's economy and has provided enormous quantities of development assistance since the beginning of China's economic reform process in the belief that China's economic development is in Japan's and the whole region's interests.

At the same time, the rapid expansion of China's military forces, its acquisition of power projection technologies, and an insufficient degree of transparency have all contributed to a sense of unease within the region regarding China's intentions.

In abstract terms, Japan's policy toward China is relatively simple. Japan will work towards deepening its mutually beneficial strategic relationship with China through cooperation in a broad range of areas. At the same time, Japan will encourage China to play an appropriate role befitting its responsibilities as a member of the international community.

Things are never as easy as they sound in regard to Japan-China relations, though. Differences in values, rules and interests mean that there are always risks of misunderstandings, miscalculations, distrust and confrontation. The history of Japan's aggression in China also casts a long shadow over Sino-Japanese relations. Both sides now fully realise the need to work together to overcome such differences.

Another challenge for Japan in the field of security concerns US military bases in Okinawa. The Noda government has pledged to continue to deepen the Japan-US alliance on a variety of levels. The United States is also committed to the relationship.

However one area requiring a bilateral solution concerns the relocation of the Futenma Air Station in Okinawa. The base was constructed by US forces during the Second World War, but is now located in the middle of a residential and

commercial district as a result of urbanization. A relocation of the air station was agreed to by the two governments in 1996, but difficult part of the issue is to find a venue for a replacement facility.

Both the Japanese and US governments maintain that a replacement facility needs to be constructed in Okinawa for strategic reasons, however garnering local understanding has been difficult, which itself has been a factor in the large amount of domestic media interest in the issue. The Noda government, well aware of the stakes involved, has resolved to explain matters sincerely to the people of Okinawa in order to ask for their understanding.

Leadership and Unity

The strategic and economic concerns that currently face Japan and its people are not insurmountable, but they will certainly require resolve and a clearly articulated vision for the road ahead, in addition to the strategies already formulated. To realise such ambitions, what Japan needs most of all at the present time is leadership. Such leadership must, in turn, have the ability to forge alliances that transcend partisan interests.

No single party exercises control over both Houses of the Diet. As such, partisan politics have hampered the effective implementation of policies, creating political deadlock that has resulted in Japan having 6 prime ministers in the space of five years.

Soon after taking office, Prime Minister Noda made clear his intention to create just the kind of unity that the situation demands. He emphasised the need for each and every citizen within the nation, regardless of whether they work for public or private industry, to be of “one mind” and act together to overcome those obstacles to national revival. Though the challenge has only just begun, the manner in which it is being met has raised hopes in the leadership model of the Noda government and the prospect of a unified, coordinated response by all parties to the issues that confront the nation.

Past, Present, and Future of Japan-Australia Relations

As I described earlier, one of critical elements in Japan’s strategies in both economic and security fields is cooperation across the Asia Pacific and the world. This then brings me to perhaps what might be described as the crux of

my presentation to you today, that of Japan's relationship with Australia and what prospects there are for a much greater degree of interaction and integration between our two countries.

The path we should take in respect to Japan-Australia relations is relatively straightforward when compared with one for the revival of Japan itself. The Government of Japan is committed to further strengthening bilateral ties, and this has been reciprocated by the Australian government.

The reasons behind such affinity lie in the degree of common interests, values and goals shared between our countries. These form the basis of our relationship of mutual trust. Another reason for enhanced ties is because we have capacities that complement one another.

Over the past century, and certainly somewhat before then, Australia and Japan have shared in the vicissitudes of fortune that have affected the Asia Pacific region. Despite initial misgivings, time and circumstance have seen Australia and Japan grow closer in their relationship as they sought to extend its benefits to each and every citizen alike.

Since 1966, for more than 40 years, Japan has been the largest trading partner of Australia. That position has recently been overtaken by China, however this does not necessarily mean that trade or business ties between us are shrinking. It's actually just because China is growing a bit too much. Australian exports to Japan have largely grown compared to the previous year, a growth of 13%. Moreover, as of 2010, Japan still retained the largest trade balance with Australia. For Japan, deprived as it is of many natural resources, Australia is a large and stable source of supply for many commodities, including energy resources.

As our relationship has matured, we have sought out not only economic ties but engaged in dialogue on the security of our region. Both Australia and Japan share many goals with regard to regional stability. Our mutual ties to the United States have served to bring us closer together.

The relationship between Australia and Japan can be described as one of the most remarkable developments in bilateral cooperation between nations in the past century. From the embers of war came a realisation of the need for dialogue and understanding, and so successive generations have striven to

build the foundations of a lasting, symbiotic relationship between our countries.

Yet our relationship should not merely be satisfied with current arrangements, but should look beyond these to a future in which bilateral cooperation between Australia and Japan is far more comprehensive.

Australia and Japan share a mutual goal of providing the region and the world with assistance to secure continued prosperity. This shared commitment has produced tangible results in the form of a Joint Declaration on Security Cooperation in 2007, followed by the Action Plan to implement it. This was followed by an updated Memorandum on Defence Cooperation in 2008 and the signing of an Acquisition and Cross-Servicing Agreement or ACSA in 2010. The two governments are now in the process of negotiating an information security agreement.

All of these developments bode well for a greater degree of practical cooperation between both nations, and such cooperation should be further strengthened. In addition, strategic dialogue and policy coordination constitute an important part of the bilateral security ties. We need to further cooperate to create a global and regional order that benefits all, in close coordination with the United States. Moreover, the results of the two reviews on Japan's overseas activities and arms export policy may open up new areas of cooperation between Japan and Australia.

When Prime Minister Gillard visited Japan in April, the two governments agreed to take forward a future vision for bilateral security and defence cooperation in the context of the next "2+2" meeting between the foreign and defence ministers. I am confident that we will be able to see the clear direction for enhanced ties at the next "2+2" to be held soon.

In financial and economic fields as well, a greater degree of integration and diversification in trade and investments can and will be of benefit to all. One recent development involves the negotiations between Qantas and Japan Airlines regarding the introduction of a low cost carrier for Japan's domestic market. Soon Jetstar will fly through the Japanese sky – how wonderful would it be if Japan's bullet trains could also glide along Australian railways!

In addition, the desire of the Noda government to pursue an EPA with Australia, and encouraging signs regarding Japan's attitude towards the TPP, should be regarded as a positive indication of Japan's desire to further its economic relationship with its partner to the south.

Yet an enhancement in bilateral relations is not confined only to commercial and security interests, but also incorporates cultural dimensions and the interaction between individuals. Over the past 23 years Japan has conducted the Japan Exchange and Teaching or JET program in cooperation with many nations across the globe including Australia. Successive generations of Australians have journeyed to Japan to live and work among its people, and this in turn has produced grassroots level bonds. All of the students gathered here today are cordially invited to join the program, and be rest assured, proficiency in Japanese is not a prerequisite for applying.

Furthermore, this year the Australian government itself has initiated studies on the possibility of creating a reciprocal language teaching program. Interest in this proposed program is high, and will, if initiated, go some way to help address the needs of young Australians in comprehending and developing an affinity for the Japanese language.

Conclusion

Hence if one gazes upon the framework of the current relationship between Japan and Australia, and regards the degree of progress that has been made in such a relatively short period of time, then one should be optimistic for the future of our bilateral ties.

Though Japan has been sorely tested in both resolve and material wealth by the events of this year, the determination of the population to recover and revitalize the nation has never wavered, and continues to act as the bedrock upon which Japan shall arise anew.

The support garnered from our most generous and amicable friends in this Great Southern Continent have already contributed greatly to reconstruction efforts, and though the path to restoration may be long, the existence of such support shall ensure that Japan will not have to tread this path alone.

At the same time, Japan realizes that it too must assume its share of responsibilities for the security and well-being of the region, and so is resolved to cooperate with Australia on a hereto unseen level in order to further the integration between our forces and demonstrate Japan's commitment to the tripartite relationship.

Such integration shall occur not only at the national level, but shall be fostered through greater levels of bilateral trade and investment and opportunities for personal interaction between the people of our nations.

In spite of its inauspicious beginnings, this year has marked a milestone in the progress of Australia-Japan relations. The cooperation between our nations that emerged in the aftermath of events will, in the passage of time, serve as fitting testament to the strong and enduring nature of our relationship.

I can only hope that many of those in the audience listening today will take it upon themselves to become more active in the promotion of Japan-Australia ties so that these bonds will continue to produce benefits for us all for many years to come. Thank you.