

Australia and Japan after the Second World War: Constructing new futures in Asia

Professor David Lowe

Director, Alfred Deakin Research Institute, Deakin University

The subject of my lecture is Australian-Japanese relations since the end of the Second World War, but I'm keen to explore these relations in the context of ideas, efforts and practical results in relation to collaborative and other efforts towards regionalism in the Asia Pacific. My general argument is that, on the one hand, Australian-Japanese relations have developed with a strength that would have been hard to imagine in 1945, and with an important focus on regional growth and security. The incremental steps taken may have been small and at a steady pace but, given the legacy of deep scars resulting from the Second World War and given the limitations on the defence aspects of Japan's postwar involvement in regional affairs (ie the self defence requirement of the Constitution and the practice of spending not more than one per cent of Gross National Product on defence), these have been very successfully negotiated steps. On the other hand, there are some opportunities for greater joint leadership in the region which may or may not be realized.

The incremental steps took place in difficult and changing circumstances; and what I would like to do now is remind us of how many unknowns attached to what might happen in Australian-Japan relationships after the Second World War, partly because there were so many unknowns about how the post-war international order would settle, and partly because Australian-Japanese relations started from such a desperately low point. I will try to walk through some of the key features of different periods, as I see the periodisation logically falling out after the war, and draw some thoughts together in relation to more recent initiatives on regional and bilateral co-operation. My training is as a historian, and that shapes the way this lecture works, and for most of my career I have been an Australian historian of international relations, looking particularly at Australia's changing role in world affairs, and that is also likely to show in what follows – possibly at the expense of greater detail from Japanese perspectives. But I hope you will understand that, and also the limitations involved in trying to paint with a broad brush on a huge historical canvas.

1945–55 Unsettled patterns

First, let me consider the difficult transition period of roughly ten years following the end of

the Second World War as a special period in which both Australian and Japanese directions in world affairs were very much in transition. Many commentators, I think, place too much emphasis on 1945 as the starting point for historical surveys. On the one hand this is very understandable – it marks the end of a calamitous war of unprecedented destruction, involving civilians far more than recent wars, and it of course unfortunately marked the dawn of the nuclear age. But to focus on these as the starting point for big surveys tends to underestimate the amount of messy, unfinished business that continued for around ten years after the war.

So, my starting point is the lack of clarity in the international order and enduring fears of war and depression. We need to resist the conceptual shift from war to postwar (just as we need to resist other casual periodisations such as the ‘the sixties’).

Despite the spectacular end to the world war, and the dawn of the atomic age, we might be better off seeing the ten years after World War Two as a transition period in which order established itself only slowly. There was an unevenness in much of the thinking about the region. US attention to Asia in the immediate aftermath of the war was overwhelmingly on East Asia (and especially Japan) rather than Southeast Asia, which did not get a separately considered space in the State Department and Pentagon until around 1950.

The economic story too, is one of roller-coaster ride – a Korean War ride with inflated commodity prices in 1951, before a plunge downwards. There was little sense of stability and enduring fears of depression, especially given strong memories of the 1930s depression and the collapse of international co-operation after the end of the First World War.

European, US, Australian attitudes towards East and Southeast Asia were influenced by real fears of another world war – atomic war this time – with the main battlefields in Europe and Middle East. These fears didn’t ease till 1953–54 (Stalin’s death). In terms of new patterns emerging, it is also important to note that the Japanese political order did not really settle either until 1955, when conservative parties coalesced into the Liberal Democratic Party and then began a reign that would last uninterrupted until 1993.

These factors made it very difficult to interpret change in the rest of Asia, where nationalist forces agitated for the end of colonial rule, successfully in India in 1947, in Indonesia in 1949, and against expectations, in Vietnam in 1954. In the eyes of most at the time, India was meant to be a giant exception. It wasn’t meant to start a snowball rolling of successive European regimes being forced to hand over colonies to nationalist movements. And the Indonesians were successful largely because the Dutch were too brutal for world opinion in their efforts to suppress nationalists – or that’s how many saw it.

Understanding the reasons for success of these nationalist movements would require a separate lecture. There is no doubt that in the cases of Indonesia and Vietnam, war-time occupation by Japanese troops was a radicalising agent, and that Japan was also important in also other important

forces affecting the shape of postwar Asia. In general, events in Northeast Asia had big impact on dynamics to the south, where most of the nationalist movements were agitating against colonial rule. In explaining what happened in the north, there is no doubt that Japan assumed even greater significance for the US with deepening of Cold War in late 1940s and then the outbreak of war in Korea. Toyota was commissioned to build most of the transport vehicles used by UN troops, and Mitsubishi was given a prominent role.

Something of a triangular relationship then emerged between Northeast Asia, Southeast Asia and the US. The Americans' deeply-rooted anti-imperialism, proclaimed loudly during the Second World War, was curbed by Cold War exigencies. Amidst fears of communists taking control of nationalist rebellions and then building stronger bridges with Moscow or Beijing, the Americans softened their opposition to the Dutch, French, and British re-establishing their empires in Asia. Similarly, in planning for Japanese economic recovery and growth, the Americans noted the significance of the stability of Southeast Asian countries with which Japan should trade – raw materials from the likes of Malaya, Vietnam. And, especially after the Korean War boom, Japan also needed export destinations. Andrew Rotter argues this triangular pattern was fundamental to the postwar politics of Southeast Asia in his book, *The Path to Vietnam*.¹⁾ There is, in this line of thinking, a sense of regionalism – a hope that one day, after memories of the war faded a little, Japan might emerge as a key promoter of regional economic co-operation. That the triangular pattern of trade and finance did not work out quite as the Americans hoped doesn't detract from the quasi-regionalism involved. Australia joined in some of these hopes cautiously, tentatively, when it sponsored Japan's membership of the Colombo Plan for aid to South and Southeast Asia in 1954. The Colombo Plan did not have a strong formal sense of regionalisation, because it worked more like a series of agreed bilateral aid relationships, but it was start, and it was something that paved the way for more formal financial efforts following the creation of the Asia Development Bank in 1966.

At the end of a messy ten years following the end of the Second World War there was, then, in a small way, a start to Asian regionalism, growing from Australian and Japanese initiatives and roles that they were half-developing for themselves and half-finding themselves in courtesy of the Western powers' view of the region.

The Cold War both contributed to the identity and role of Australia and Japan they were both formally in the Western camp by virtue of separate formal alliances with the United States (in Australia's case the Australia, New Zealand, United States Security Treaty struck in 1951 was in fact very much based around a combination of bolting Australia's back door in the Pacific so that Australians could again serve in the Middle East in another world war, and fear of a return of Japanese militarism). Australia's and Japan's Cold War identities polarised newly independent Asian nations

1) Andrew J. Rotter, *The Path to Vietnam: origins of the American commitment to Southeast Asia*, Cornell University Press, Ithaca, 1987.

– India and Burma were opposed to the Japanese Peace Treaty signed in September 1951 (Communist China was not invited), so it brought the Cold War polarity into other parts of Asia. Japan became a fully-fledged part of a US-led alliance system (by the mid 1950s so had Philippines, Thailand). The international conference at Geneva dealing with Korea and Vietnam in the middle of 1954, and the Manila Treaty (SEATO) signed shortly afterwards in 1954 firmed up some Cold War fault lines starting to run through the region.

So, I'm suggesting that, ten years after the end of the Second World War, there were some patterns of regional groupings emerging, in bits and pieces, largely around Cold War security lines. Australia and Japan were part of this, and were broadly in alignment allied to the United States and resisting communism, but without any great degree of collaborative work or close relationships. What of those nations that were not part of the Cold War grouping? Did the new nations which stayed out of SEATO and American alliances act collectively and achieve some collective identity? Can we speak of a Bandung generation? I'm referring here to the 1955 conference involving 29 states from Asia and Africa held in Bandung, Indonesia. Indonesian President Sukarno's opening speech was all about the birth of new Asia, the responsibilities of independence, the need to complete the revolution aimed at overthrowing colonial influence morally, ethically; the need to maintain the momentum behind an anti-colonial movement; and the need to reject bipolarity, atomic weapons, and to remain non-aligned.

Their cause and their numbers were buttressed at the United Nations – 23 new members were added to the UN in the three years, 1955–58; there was always a strong presence of the 1948 Declaration on Human Rights at the UN and in the Charter itself, including its racial equality clause. If we look at the first twelve years of the UN General Assembly work you see a progressive gathering of support against the so-called domestic jurisdiction clause, article 2(7) – the clause that imperial powers relied on to keep unwanted scrutiny of how their colonies might be progressing towards independence, by virtue of these matters being 'domestic' rather than open to international pressure.

We can conclude that the anti-colonial struggle in the UN, continuing in the 1960s, did help hasten decolonisation in Africa and Asia – but there seemed to be diminishing bloc solidarity and growing geographical diversity.

In the Asia-Pacific region non-alignment as rallying call was relatively weak beyond Indonesia. It was stronger in South Asia (India, Ceylon) and Africa (Ghana) and Egypt (Nasser) in the late 1950s. Japan, however, played a low profile role among the non-aligned Asian nations. Japan was represented at Bandung and afterwards both Japanese and Australians welcomed Japan's continued association with non-aligned Asia, acting as possible constraint on exaggerated attacks on Western powers, and keeping a watchful eye on any signs of gravitation towards Beijing or Moscow.

This was part of general trend. In 1954 the Australian Cabinet approved a policy of actively

welcoming Japan back to the fold of democratic nations (and thereby avoiding any shift towards Communist China). This was also when Australia agreed to sponsor Japan's membership of the Colombo Plan. Membership of this 'plan' was something that also enabled a stronger dialogue on cultural relations to develop – the Colombo Plan provided for training and visits by journalists, for example between Australia and Japan. In many of its activities it was like an early form of what these days would be called 'cultural diplomacy'. – for some time the strongest exchanges were in the fields of media, art, film, science and academia, but the establishment of the Australia-Japan Foundation in 1975 provided a boost to both the volume and diversity of cultural exchanges. From 1952 Japanese war brides – or really Occupation brides, as they had married Australian servicemen in Occupied Japan after the end of the war – were allowed in to Australia, but it would take longer for Australia's so called 'White Australia' policy to be dismantled. Until the second half of the 1960s, when the policy was progressively removed, only handfuls of Japanese students and sportsmen were welcomed into Australia on a fixed term basis. (This, of course, applied to citizens from other Asian nations too). The other difficult issue was Indonesia – the Australians wanted to take a tough line to keep them out of the Dutch part of New Guinea, West new Guinea, and the Japanese were understandably less keen to antagonise Indonesia on the issue. But these differences were no more than occurred with other allies. Later, in 1963, when Prime Minister Ikeda visited Australia he took a different approach from Prime Minister Menzies on the best way to ease tensions between Indonesia and Malaysia (the start of Indonesia's 'confrontation' of Malaysia), but Menzies continued to urge constructive roles by Japan in regional affairs. What was not difficult, then, was Australia's growing support for Japan's re-emergence in international diplomacy eg. Australia sponsored Japan's successful bid to preside over an International Atomic Energy Agency conference in 1959.

1957

1957 represented something of a new stage in the relationship. The Agreement on Commerce removed trade restrictions between Australia and Japan. At the time trade was protected and preferential treatment given to Britain through restricting the use of import licences, but the new agreement ended such restrictions; and it also removed Japan's capacity to use foreign exchange restrictions to limit the imports of wool. Finally, Australia revoked a clause it had used under the General Agreement on Tariffs and Trade (GATT), when Japan had joined the GATT in 1955, to not extend most-favoured-nation treatment to Japan. And, very importantly, there were Prime Ministerial visits in 1957 – Australian Prime Minister Menzies visited Tokyo and his counterpart, Prime Minister Kishi visited Canberra.

It would be fair to say that after the new dawn in Australian-Japanese relations in 1957, the

relationship deepened, primarily in the ways the Agreement made possible – in trade – but did not broaden at the same time. Part of the problem was the familiar one of lack of shared history, language, culture. In relationships that are deepening, you expect a broadening, or use an anthropologist's terminology, a 'thickening' to occur before too long. In detailed surveys conducted in the mid-1980s, a high percentage of Japanese elite – businessmen, politicians, public servants, still saw their Australian counterparts very much through the legacy of Australia's old 'White Australia' policy; and for their part, the Australian elite, although more positive in their impressions of their counterparts, struggled to get past the familiar trilogy of 'hard-working', 'efficient' and 'polite'. Beyond this, Australians remained prone to ascribing Japanese economic success to slippery versions of religion and culture – which, in earlier periods, had been used just as readily to explain lack of success. Very few thought hard about the policies of the Ministry of International Trade and Technology, the combined effects of drastically reduced fertility, erosion of union power in the workforce, and the world's most rapid movement of people from agricultural production into giant cities.

Some of the issues that, if addressed in the wake of the 1957 agreement might have broadened the relationship, instead simmered as minor but ongoing disputes: in particular the equal treatment of Japanese businesses with other nationals in Australia, which needed freedom of entry by Japanese citizens conducting business. Reforms enabling Japanese businesses easier entry and stay would not really come until the Treaty of Friendship and Co-operation between Australia and Japan, signed in 1976. Unfortunately, it was unlikely to have occurred until after the complete dismantling of the White Australia policy.

1960s and 1970s: The End of Certainties for Australia

From the late 1950s to the early 1970s, little changed in terms of the strategic setting that shaped both Japanese and Australian roles in the Asia-Pacific. Both nations were set on stopping any extension of Soviet power into the Pacific. There were plenty of efforts and half-efforts to attempt to build formal structure into Asian regionalism, and Japan was a member of the ASPAC (Asian and Pacific Council) forum in the late 1960s. By this stage, Japan was developing the reputation of a mediator, or 'honest broker' within combinations of nations forming regional groups. With Australians trying to build an image, through the Colombo Plan, of a similar nature, we might conclude that by the late 1960s both Australia and Japan were cultivating a similar image in the region, not in synchronization, but with a good measure of co-operation. At this time they were both also trying to lead the way in co-ordination of development for the poor cousins of the general tag, Asia-Pacific, the smaller states of the Pacific.

Arguably, the greatest change during this period came in Australians' sense of their role in

world affairs and in the region, due to external forces they had not expected. In the early 1960s, they received two gigantic jolts from the British: British applications to join the European Economic Community (which were at first unsuccessful); and the British declaration that they would withdraw 'East of Suez' earlier than planned, in 1967 – this referred especially to their military presence in Malaya / Malaysia. Application to join the EEC meant the end of preferential trade treatment, and therefore the end of Australia's special, protected, trade relationship with Britain; and the withdrawal of Britain's military presence to the north of Australia meant the end of an era of Europeans occupying a buffer zone to the north of Australia between them and the rest of Asia. When the situation in Vietnam prompted US leaders to decide to withdraw troops gradually, things grew worse for the Australians. President Richard Nixon announced in 1969, in his so-called 'Guam Doctrine' that the United States wouldn't rush to the rescue of allies who were not making significant commitments themselves. So, not only would the world to Australia's north be without European interposers between Australians and the rest of Asia but it would also be unlikely to be the site of major US intervention. One of the best features of American involvement in Vietnam (with Australian support) had been that they were combating communism in Southeast Asia; and if the situation closer to Australia, in Indonesia, suddenly saw Communists in control and looking to expand into, perhaps Australian Papua New Guinea, then the Americans were already on the ground in the region – but this was not to be the case any more.

We are, in Australia's case then, talking about a period, from early to late 1960s when tenets of faith, things that Australians had for too long taken for granted or tired to prop up, came tumbling down. Some of the profound dismay can be found in records of politicians' views at the time when it seemed that their worlds were unravelling. What these shocks also did, however, was hasten the dismantling of the White Australia policy, which was already in train, and they opened up the need for Australians to engage more directly with more of Asia. More than Colombo Plan efforts and more than a security treaty such as SEATO, which was also nearing the end of its effective life as the 1970s approached. From the Japanese point of view, Australia's need to think regionally devoid of powerful European allies was a welcome sign of shifting identity – and of course the dismantling of White Australia was an overdue welcome development.

From the Japanese perspective, the 1960s also sees the initiatives of Foreign Minister Miki Takeo, who paved the way for new thinking about Japan's approach to Asia-Pacific regionalism – with Japan acting as a bridge between Asian and Pacific nations, and assisting in mobilization of funds moving from more advanced to less developed economies. Miki was ahead of his time and some of his ideas would find best expression in APEC (Asia Pacific Economic Cooperation) in the 1990s. In the shorter term, the creation of ASEAN in 1967 represented a new phase of regionalism for Southeast Asia (excluding, initially of course, Japan to the north and Australia to the south) but it took some time to develop as an idea. By the mid-1970s ASEAN was a robust but cautious or-

ganization that was also looking for a role beyond defence against communism, which had been the context for its birth. Its meetings were characterized by volunteerism and non-interference in each other's affairs; and it provided a sense of regional identity that had not taken shape earlier. While the ASEAN group provided for dialogue partners, including Australia and Japan, these two have never been part of the main dynamic. Towards the end of the 1970s though, both were trying to work into shape some stronger basis for Pacific economic co-operation. As Japanese commentator, Tokuyama Jiro wrote, in the late 1970s, and as a good number of commentators believed, the Pacific was about to assume huge proportions in world trade and economic activity, on a scale that would rival the Atlantic. It would take until APEC, established fully between 1989 and 1993, for this thinking to come to proper realization – and this remains a work in progress – but it provides the main forum for regional integration, and it provides a shared sense of future for Australia and Japan.

The 1980s and 1990s

Japan's rise to economic powerhouse status is the major shift we find in how Australian-Japanese relations evolved in the 1980s. Australians were allying themselves to one of the world's super economies, and this brought both satisfaction and nervousness. The Australian media was anxious about Japanese strength – the amount of investment in places such as the Gold Coast in Queensland, and adventurous ideas about retirement cities or a Multifunction Polis on the edge of Adelaide, reflected just how far Japan had grown as one of the world's biggest economies.

Just as a strong feeling of 'normalisation' now accompanied the ways in which Australian and Japanese tried to stay in step on regional issues, it was not underpinned by a stronger sense of identity and culture from either side. The signing of a Cultural Agreement in 1974 helped to address some grievances, and pave the way for broader and more constant exchanges, but this work has not stopped.

The 1980s saw greater clarity emerge on Australian and Japanese understanding about the defence dimension of Japan's regional leadership role. Up the 1980s, defence co-operation had been indirect but growing steadily. By 'indirect', I mean that both Australia and Japan were part of, and supported the alliance system led by the United States for security in the Pacific. They had no formal defence agreement between themselves: occasionally, there had been some discussion about Japanese associate membership of an expanded ANZUS, but this would might have stirred more debate in Australia, than the result would have been worth. As several observers pointed out, as the ANZUS Treaty provides for assistance being rendered if 'public vessels' or 'armed forces' in the Pacific are attacked, then this potentially meant that Australia would be drawn into Japan's defence in any case ie. an attack on US troops stationed in Japan or on an American naval vessel in the

area, might logically trigger the obligation under the treaty. No-one tried to rule with authority on what would happen in this contingency, but unofficially, Australian defence authorities saw it as a likelihood that they would be drawn into any response. There was little discussion about Japanese full membership of ANZUS or SEATO (effectively moribund by the mid-1970s in any case), as Japan's constitutional constraints on defence activities seemed inconsistent with full membership.

During the 1960s and early 1970s, Japan had provided very important base support for US troops in Vietnam, including some military support. As commentator, Mokoto Momoi put it, Japan continued to rely on 'a combination of passive defence, semi-active defence and strategic accommodation, together with a complete dependence upon the United States for both strategic and tactical nuclear deterrence.' Japan's defence spending quadrupled between 1960 and 1970, as it stayed well below 1 per cent of Gross National Product. Not surprisingly, then, Australian ministers and defence officials began to have greater contact with their Japanese counterparts during the 1930s, even if both sides were careful not to suggest that anything like a military alliance was being contemplated.

By the 1980s, any lingering Australian defence tendencies to construct scenarios with Japan as a possible threat were gone. In Japan, Prime Minister Nakasone's fulsome dedication to the US alliance and to Japan's role as 'an unsinkable aircraft carrier' and a 'shield' against the Soviet Union was welcomed by Australians – and nor did Japan's exceeding the one per cent GNP barrier in defence spending in 1987 provoke great outcries of horror. In short, Australians seemed prepared to cautiously embrace Mr Nakasone's new flexibility attaching to the concept of 'self-defence', provided that most of Japan's regional leadership was still manifest in its economic power and its constructive stimulation of trade, investment and aid programs. The bilateral defence relationship between Australia and Japan grew according to lots of small and important steps, and continues to grow today. There were more visits and discussions about standardisation of military equipment, and in the mid-1990s, the Australian government hosted the testing of an unmanned Japanese space vehicle for scientific purposes, but the mutual Australian-Japan emphasis on Japan's regional leadership through economic measures remained.

The End of the Cold War and the new Century

What of Australian Prime Minister Kevin Rudd's call for an Asia Pacific Community? Historians become nervous about turning from interpretation of the past to speculation about the future, and I am no exception, but let me at least offer a few tentative thoughts:

First, the end of the Cold War logically opened up new potential for regionalism – or regionalisation. Both words apply, as the polarisation caused by Cold War alliances versus declarations of non-alignment disappeared, leaving leaders in the Asia-Pacific to think about both the conception

of region in new ways, and about the processes that might foster a stronger, practical sense of region. The question for both Australia and Japan was whether they had common aims in how their relationship might also play a lead role in fostering new forms of regionalism, or would they both end up being the odd men out, as originally the case in ASEAN? (This was corrected from the mid-1990s, with ASEAN plus 3 and then ASEAN plus 6 – the last three additions being Japan, Australia and India – from 1995.)

In 1992, the Director-General of the Japanese Economic Affairs Bureau, Ogura Kazuo, wrote an article in which he said only Australia could fill the role of Japan's partner in a regional alliance in the Asia-Pacific, by virtue of their common security interests, similar democratic values, embrace of the free market and friendship. The suggestion was warmly endorsed by Australia Foreign Minister Gareth Evans in Canberra, and is arguably still a work in progress. One of the lessons we might take from considering Australian-Japanese relations since the end of the Second World War is that the absence of immediate results flowing from imaginative thinking doesn't mean that the results might still come at a more gradual pace.

Probably the other defining force in East Asian regionalism in more recent times has been the financial crisis beginning in 1997, and that, followed by the more recent global financial crisis, is acting to both encourage new efforts, including Prime Minister Rudd's towards regional co-operation, while also encouraging caution. The financial crisis revealed some weaknesses – APEC did very little – but it did not change the strong bilateral basis for Australian-Japan co-operation in what we might call 'new regionalism'. Despite some ups and downs, especially in the 1980s, Japan has been Australia's biggest trading partner for most of the last 35 years (and in fact was very important during the 1930s before the outbreak of war). Only in 2007 did China overtake Japan in that position (and this statistic is contentious, given the increase in indirect trade with Japanese companies now based in China); and Japan is still Australia's largest export market. In the context of increasing concerns about supplies of food, energy and other resources, it is likely to remain an important trading relationship, underpinned by complementarity (Australia's energy and food resources going one way and transformed manufactures, including automotive and industrial products, from Japan heading to Australia). The fact that there is an indirectness about much of the trade (eg Japanese wool processing of Australian occurring in China, and Toyota parts also being manufactured elsewhere) doesn't detract from the consistent growth and high volumes of trade in both directions. And without going into details, there remains a strong correlation between trade and investment, too, in both directions.

In the last ten years, with Australia and Japan have increasingly acted partners on issue that reach beyond trade and investment, such as cooperation between defence forces in Iraq and a new three-way security dialogue with the United States. They continue to work on possible enhancements of the Asia-Pacific Economic Cooperation forum (APEC), including cooperation on regional

architecture. There have been a number of Japan-Australia conferences since 2001, involving business leaders, academics and others who represent a broader range than the standard diplomatic/trade range of people; and there are lots of sister-city affiliations between the two countries. The East Asian Summit of 2005, as an extension of ASEAN, has perhaps breathed new life into ASEAN as a regional organisation capable of dealing with changing dynamics, including the rise of China – even if it also exposes differences between Australia and Japan.

When the two current Prime Ministers, Rudd and Hatoyama met briefly in New York last September they did discuss Rudd's proposal to establish an Asia Pacific Community. The Australian Prime Minister stressed that the membership of the community should include the United States, China, Southeast Asian countries and India and that the community should discuss not only economic issues, but also political, security and environmental issues. It was an encouraging combination of regionalism defined broadly in both membership and scope. Prime Minister Hatoyama referred to his own proposal to establish an East Asia Community, including the United States in the consideration of a future framework for regional cooperation. Both leaders agreed to pursue the subject further. This is where the historian is on very dangerous ground, but given the amount of success that has followed similarly anodyne diplomatic comments about 'pursuing things further' we might realistically hope for real developments, ideally in ways that preserve the much-vaunted and perhaps over-used theme of 'complementarity' defining Australian-Japanese relations.

I conclude by suggesting that there remain grounds for optimism due to several factors:

- the legacy of relationships that have evolved over more than sixty years since the end of the Second World War, and that are now marked by anniversaries such as the 50th anniversary of the 1957 Commerce Agreement in 2007;
- strong networks in business, government and the third sector, with correspondingly good mutual understanding of business climates;
- a persisting strong alignment of security interests;
- mutual concerns such as the ageing populations, the impact of climate change, and the need to provide effective assistance for developing countries of the Asia and the Pacific;
- and the strong mutual interest in helping encourage constructive roles by China in the region.