

# WESTERN AUSTRALIA'S ECONOMY AND ECONOMIC RELATIONS WITH JAPAN

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## I Introduction

Since the second half of the 1960's, Japan-Australia economic relationship has become rapidly closer and closer than before. Japan, on the one hand, has had to import more food because of its declining agriculture and more mineral resources because of its

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development of heavy and chemical industries. On the other hand, Australia has needed to secure a large and reliable market not only for its traditional rural products but also for its mineral resources with the excavation of iron ore on a large scale in Pilbara District as a turning point, to accelerate its economic growth and increase in national income with this mineral development, and to promote industrialization as the acknowledged line of national policy. These needs or demands of Japan and Australia have been well satisfied through the trade between the two countries, and now they have made up "an elaborate mutual complementary relationship."

In fact, the volume of the trade between the two countries, especially Australia's exports to Japan, has increased rapidly since the second half of the 1960's and formed a trade surplus on a large scale. Japan's direct investment to Australia has also increased rapidly in recent years. Thus, the two countries are now in a typical complementary relationship. Moreover, this becomes to the extent that one country's economy has completely built on the other's, so that both countries can no longer be separated from each other now, it is said.

The economic relationship between Japan and Australia has become close as stated above. But the economic relations of Japan and Western Australia is still closer than this, especially in the phase of the development and trade of mineral resources. Each country depends very much on the other. Japan has involved in the development of mineral resources and economic development in Western Australia. Western Australia holds the key to securing of minerals and industrial development in Japan.

The writer analyzed already the economic relationship between Japan and Australia.<sup>1)</sup> This time, the writer is going to analyze the economic relationship between Japan and Western Australia, especially from the point of Western Australia's economic dependence on Japan. In the following, the writer would examine some characteristics of the Western Australian economy, the Western Australian trade with

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1) Yoshihiro Tōyama, "The Development and Problems of Japan's and Australia's Mutual Economic Policy," *The Otemon Bulletin for Australian Studies*, Vol. 6, 1980, pp. 9-62.

other states of Australia and the world, some problems which the state holds, and policies to solve these problems and to develop the relationship between the two.

## II Characteristics of the Western Australian Economy

Western Australia covers a very vast area of 2,525,500 square kilometers, a little less than 33 % of the whole Australia (7,682,300 square kilometers) and almost 6.7 times of Japan (377,708 square kilometers).<sup>1)</sup> But it has a very small population of 1,276,700 persons,<sup>2)</sup> only a little under 8.7 % of Australia (14,726,800 persons)<sup>3)</sup> and only 1.1% of Japan (117,057,000 persons).<sup>4)</sup>

“From its inception as a settlement of European immigrants, Western Australia’s wealth has been based almost entirely on the exploitation for export of renewable (agriculture) and non-renewable (mineral) resources. ...It has maintained its role of exploiter of exportable natural resources through its whole history (throughout the nineteenth century and after entering the new Federation in 1901). The Federal Government has implemented widespread tariffs and other devices to establish and protect a growing manufacturing sector, but Western Australia gained little from the Federal policies except that manufacturing goods it purchased from either overseas or the eastern states (where most factories had been established) were more expensive.”<sup>5)</sup> The above sentence of Prof. Appleyard is brief and to the point to express characteristics of Western Australia’s economy.

As the basic characteristics of the Western Australian economy, we can point out the next three:

- (1) agriculture and mineral industry as the industrial base
- (2) weak and small manufacturing industry

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1) As of 1980 (*Japan Statistical Yearbook*, 1981).

2) Estimated at 31 December, 1980 (*Western Australian Year Book*, 1982, p. 163).

3) Estimated at 30 June, 1980 (*Year Book Australia*, 1982, p. 87).

4) As of October 1980 (*Japan Statistical Yearbook*).

5) R. T. Appleyard, “Western Australia: Projected Economic Growth 1981—1986” (unpublished paper), 1981, pp. 2—3.

## (3) export (to Japan)-intensive

These three can be said about the Australian economy, too, but they are more salient in the Western Australian economy. Let us examine them in some detail in the following.

## 1 Industrial Structure of the Western Australian Economy

When we examine the industrial structure of an economy, we can take two approaches, GDP by industry and labour force by industry. But the Western Australian statistics do not publish the size of tertiary sector's income. So there is only one approach, labour force by industry, to compare Western Australia with Australia.

Table 1 shows employed persons by industry in Western Australia and Australia in 1976. According to this table, the following can be pointed out.

- (1) Primary industry, which includes agriculture, forestry, fishing and mineral industries, is a relatively strong industry in Western Australia. In fact, Western Australia in 1979/80 accounted for 13.4% of the whole Australia's gross value of primary production excluding mining and 20.8 % of Australia's value of mineral production<sup>1)</sup> with only 8.7 % of Australia's population.
- (2) Contrary to this, Western Australia's manufacturing industry

Table 1 Labour Force: Sector Totals and Percentages of Total, 1976

	Western Australia (1)		Australia (2)	
	'000	%	'000	%
Agriculture, Forestry, etc.	44.5	9.0	369.4	6.3
Mining	16.7	3.4	77.9	1.3
Manufacturing	66.6	13.5	1,257.1	21.6
Services and Other	364.9	74.1	4,131.6	70.8
Total	492.7	100.0	5,836.0	100.0

Note: (1) June 1976.

(2) November 1976.

Source: (1) *Western Australian Year Book*, 1982, p. 512.

(2) *White Paper on Manufacturing Industry*, 1977, p. 7.

1) *Western Australian Year Book*, 1982, p. 554.

is very weak and small. Manufacturing is an important employer in Victoria, New South Wales and South Australia, less so in Tasmania and distinctly less so in Western Australia as well as in Queensland, though even in the last two states the sector directly employs a larger part of the labour force than the primary sector. In 1979/80, Western Australia's manufacturing establishments account for 8.4 % of Australia's in number and only 5.7 % in employment. Its factories are almost of small scale and the state must purchase manufacturing goods from either overseas or the eastern states.

- (3) The impact of the recent mineral boom was not on the manufacturing sector but on the tertiary one in Western Australia. From 1976 to 1980, the employed in the tertiary sector increased by 32,100, from 315,300 to 347,400, but in the manufacturing sector only by 6,400, from 66,600 to 73,000 (see Table 1 and 2). Much impact of the developments in mineral resources in Western Australia, it is estimated, is experienced in the tertiary sector — employment effects in transport and communications, banks and insurance, wholesale-retail, health, education, welfare, hotels, and other services.<sup>1)</sup>

Table 2 Employed Persons by Industry Sector, May 1980

Industry Sector	Western Australia (1)		Australia (2)	
	Persons	%	Persons	%
Primary	75,700	13.7	4,877,000	7.8
Secondary	129,600	23.4	17,337,000	27.8
Tertiary	347,400	62.9	34,837,000	55.9
Other			5,327,000	8.5
Total	552,600	100.0	62,378,000	100.0

Source: (1) The Treasury of Western Australia, *The Western Australian Economy 1979—80*, 1981, p. 8.

(2) *Year Book Australia*, 1982, p. 141.

1) cf. Appleyard, *op. cit.*, p. 6.

## 2 Agriculture and Mining as the Industrial Base

Though Western Australia's historical source of wealth was agriculture and minerals as Prof. Appleyard says, agriculture was, of course, the largest and the most important industry in Western Australia. The weight of minerals in Western Australia's primary industry was very small before 1960, for example, about one-tenth of agricultural and pastoral industry in 1950. But after 1960, the mineral production has increased rapidly and in 1977, it exceeded the agricultural production.

As pointed out in the last section, Western Australia accounts for 13.4% of Australia's rural production by value in 1979/80. The following is Western Australia's principal products' percentage of Australian total by weight in that year —wheat 24.3%, oats 27.9%, wool 22.2%, fish 17.2 %, and crustaceans 38.1 %.

Western Australia also accounts for 20.8 % of Australia's mining production by value in 1978/79. The Western Australian principal minerals' per cent of Australian total by weight are as follows—iron

Table 3 Primary Production of Western Australia and Australia, 1970 to 1980

Year Ended June 30	Rural (1)			Mineral		
	Western Australia	Australia	% of Australia	Western Australia	Australia	% of Australia
	\$m	\$m	%	\$m	\$m	%
1970	405.0	3,931.0	10.3	286.9	1,042.6	27.5
1971	487.5	3,789.7	12.9	336.5	1,582.6	21.3
1972	507.9	4,215.4	12.0	510.4	1,790.5	28.5
1973	619.6	5,240.5	11.8	536.5	1,998.6	26.8
1974	1,081.7	6,726.8	16.1	536.5	1,998.6	26.8
1975	902.0	6,212.2	14.5	860.4	3,304.0	26.0
1976	1,072.9	6,567.2	16.3	995.7	3,841.4	25.9
1977	1,057.2	7,251.0	14.6	1,137.8	4,491.4	25.3
1978	1,112.9	7,491.1	14.9	1,332.5	4,902.6	27.2
1979	1,440.0	10,440.1	13.8	1,843.0	5,646.9	32.6
1980	1,709.0	11,799.3	14.5	2,407.4	7,207.7	33.4
AAGR 1974—80	7.9 %	8.9 %	—	28.4%	20.1%	—

Note: (1) Excluding Marine.

Source: Department of Resources Development (DRD), Western Australia, *An Economic Brief 1981—82*, 1981, p. 14,  
*Year Book Australia*, 1982, p.385.

ore 95.0%, alumina 52.2 %, nickel 61.1% (these are the three biggest items of mineral production by value in Western Australia), gold 63.5 %, bauxite 48.2%, ilmenite 95.0%, and salt 84.0%.

We must notice that the mineral industry has experienced high rates of growth and its production exceeded the rural industry in 1977 (see Table 3). Now mineral industry is a large industry in Western Australia. Its development projects and the magnitude of investment would determine the Western Australia's economic climate in the future.

### 3 Export (to Japan)-Intensive

Western Australia is big in agricultural production but small in population, so almost of its agricultural products must be exported overseas. It is big in mineral production, too, but small in manu-

Table 4 Mineral Production and Overseas Export, 1978 to 1979

Production	Western Australia	Australia	Western Australia % of Australia
Alumina 10 <sup>3</sup> t	3,714	7,118	52.2
Crude Oil 10 <sup>6</sup> ℓ	1,706	25,109	6.9
Gold kg	12,354	19,584	63.1
Ilmenite 10 <sup>3</sup> t	1,147	1,207	95.0
Iron Ore & Concentrates 10 <sup>3</sup> t	79,505	84,595	94.0
Natural Gas 10 <sup>6</sup> m <sup>3</sup>	835	7,425	10.8
Nickel 10 <sup>3</sup> t	44	72	61.1
Rutile 10 <sup>3</sup> t	91	270	33.7
Salt 10 <sup>3</sup> t	4,482	5,339	84.0
Zircon 10 <sup>3</sup> t	257	454	52.5
Value-All Minerals 10 <sup>6</sup> \$	1,369	5,670	24.1
Overseas Exports \$			
Alumina 10 <sup>6</sup>	384	714	53.4
Ilmenite 10 <sup>3</sup>	14,441	15,229	94.8
Iron Ore & Concentrates 10 <sup>6</sup>	909	968	93.9
Rutile Concentrates 10 <sup>3</sup>	18,136	63,499	28.6
Salt 10 <sup>3</sup>	31,344	32,173	97.4
Zircon 10 <sup>3</sup>	13,217	29,919	44.2
Value-All Minerals 10 <sup>6</sup>	1,558	4,451	35.0

Source : DRD, Western Australia, *Minerals & Mineral Development*, 1981, p. 78.

facturing industry, so almost of its minerals must be exported overseas. Thus, both agriculture and mining industry of Western Australia must depend much on overseas exports.

Table 4 shows that the Western Australian minerals in 1978/79 accounts for 24.1 % of Australia in production by value, but no less than 35.0% in overseas exports. The main customer for the Western Australian minerals is, of course, Japan, though this is true also in the case of the Australian minerals.

The same can be said about rural products. For example, Western Australia's wheat production in 1978/79 accounts for 24.3% of Australia's by value but Western Australia's wheat export accounts for 32.5% of Australia's. Let us examine Western Australia's external trade in some detail.

### III Western Australia's External Trade

All the above-mentioned about Western Australia is reflected in its external trade which is somewhat different from other states, especially from the two industrialized states in the east. Let us consider this from three aspects — Western Australia's interstate trade, overseas trade and trade with Japan.

#### 1 Interstate Trade

Table 5 shows the interstate trade of Western Australia. Western Australia's sales to other Australian states have been small compared with its purchases from them, so it is always in a large deficits. In 1979/80, for example, the export is \$635.4 million, the import \$2,337.8 million, and the deficit amounts to \$1,702.4 million.

The export of agricultural products to other states must be a small sum because Australia itself is a big exporter of food. The export of mineral products to other states must be also small because Australia's manufacturing industry, which is the domestic market for Western Australia's minerals, is small and weak. Thus, both of its main products, agricultural products and minerals, can't find their sufficient market within the country.

On the other hand, Western Australia's import from other states

Table 5 Western Australia's Interstate Trade

Year Ended June 30	Sales to Other Australian States	Purchases from Other Australian States	Balance in Favour of Other States
	\$m	\$m	\$m
1970	149.9	640.2	490.3
1971	151.1	726.8	575.7
1972	138.5	787.8	649.3
1973	159.3	786.2	626.9
1974	197.3	939.4	742.1
1975	253.4	1,134.5	881.1
1976	290.7	1,418.7	1,128.0
1977	305.8	1,641.7	1,335.7
1978	355.1	1,828.5	1,473.4
1979	446.2	2,044.4	1,598.2
1980	635.4	2,337.8	1,702.4

Source: For after 1975, *Western Australian Year Book*, 1982, p. 440.

For before 1974, Department of Industrial Development (DID), *Western Australia, Basic Information for Industrialists*, 1980, p. 52.

amounts to a large sum, for the manufacturing industry of Western Australia is small and it must import many kinds and a large volume of manufacturing goods from other states. The two largest suppliers to Western Australia are Victoria and New South Wales, accounting for 41.9% and 41.1% respectively of all Western Australia's imports in 1978/79, and 44.4 % and 38.9 % respectively in 1979/80 (see Table 6). Manufacturing industry in these two states is much larger than Western Australia's. Big items of Western Australia's import in its interstate trade in 1979/80 include road vehicles (13.6 % of all), iron and steel (7.6 %), articles of apparel and clothing accessories (5.8 %), coal, petroleum and gas (5.4 %), electrical machinery apparatus and appliances (5.4 %),<sup>1)</sup> etc. It must be noted that Western Australia purchases not only homemade manufacturing goods but foreign - made ones via other (eastern) states.

So the balance of Western Australia's interstate trade is always and substantially in favour of other states. Western Australia sells only a little of its product in the domestic market and only does a major service to other states. This makes Western Australia dis-

1) Calculated from *Western Australian Year Book*, 1982, p. 442.

Table 6 Value of Exports from and Imports into Western Australia (\$'000)

State	Exports				Imports			
	1977/78	1978/79	1979/80(% of all)		1977/78	1978/79	1979/80 (% of all)	
New South Wales	150,003	194,016	281,438 (44.3)		737,301	838,141	909,066 (38.9)	
Victoria	112,869	123,803	168,894 (26.6)		808,449	858,776	1,037,935 (44.4)	
Queensland	18,298	24,680	42,490 ( 6.7)		54,177	73,419	86,975 ( 3.7)	
South Australia	50,484	80,796	109,948 (17.3)		205,328	238,841	262,613 (11.2)	
Tasmania	2,577	4,173	5,336 ( 0.8)		19,534	28,719	34,244 ( 1.5)	
Northern Territory	20,920	18,740	27,281 ( 4.3)		3,722	6,550	6,974 ( 0.3)	
<b>Total</b>	<b>355,151</b>	<b>446,208</b>	<b>635,388 (100.0)</b>		<b>1,828,510</b>	<b>2,044,447</b>	<b>2,337,808(100.0)</b>	

Source : *Western Australian Year Book*, 1982, p.441.

satisfied and leads it to the movement of secessionism to which the writer refer later.

## 2 Overseas Trade

In contrast to its interstate trade, Western Australia's overseas trade has been in a large surplus. Table 7 shows Western Australia's overseas trade comparing with Australia's one.

The productivity of Western Australia's agriculture and pastoral industry is very high and its international competitive power is strong, so Western Australia can sell its rural products very well in the world market. Western Australia's minerals can also be sold in the world market without difficulties because of a plenty of demand for them. On the contrary, Western Australia's overseas import is very small. It imports many manufacturing goods—road vehicles, electrical machines, etc., but direct import to Western Australia is small. Most of them comes to this state via eastern states. So the balance of Western Australia's overseas trade is favourable substantially. For example, the surplus of its overseas trade amounts to \$ 2,404 million in 1979/80, \$ 3,854 million of exports minus \$ 1,450 million of imports. In the same year Australia's trade surplus was \$ 224 million, \$ 19,189 million of exports minus \$ 18,965 million of imports.

In fact, Western Australia and Queensland are the two biggest contributors to Australia's trade surplus. But in per capita surplus

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Table 7 Overseas Trade of Western Australia and Australia (\$m)

Year Ended June 30	Western Australia			Australia		
	Exports	Imports	Balance	Exports	Imports	Balance
1970	675.0	242.3	432.7	4,137.2	3,881.2	256.0
1971	862.4	278.3	548.1	4,375.8	4,150.0	225.8
1972	946.5	283.3	663.2	4,893.4	4,008.4	885.0
1973	1,154.4	227.3	927.1	6,213.7	4,120.7	2,093.0
1974	1,415.0	368.9	1,046.1	6,914.4	6,085.0	829.4
1975	1,880.1	577.4	1,302.7	8,725.8	8,079.9	645.9
1976	2,117.9	637.4	1,480.5	9,600.7	8,240.2	1,360.5
1977	2,596.1	829.4	1,766.7	11,646.4	10,410.6	1,235.8
1978	2,589.0	937.3	1,651.7	12,269.5	11,166.5	1,103.0
1979	2,820.1	1,161.1	1,659.0	14,240.9	13,751.8	489.1
1980	3,854.1	1,449.7	2,404.4	18,870.1	16,217.5	2,652.6
				19,188.9	18,965.0	223.9

Source: DID, *op. cit.*, p.52.

*Western Australian Year Book*, 1982, p. 440.

*Year Book Australia*, 1982, p. 634.

Table 8 Overseas Trade by State, 1980/81 (\$'000)

State <sup>(1)</sup>	Exports	Imports	Balance	Per Capita Balance(\$) <sup>(2)</sup>
New South Wales	4,462,890	7,952,051	△3,489,161	△ 678
Victoria	3,992,045	5,929,270	△1,937,225	△ 498
Queensland	4,504,320	1,882,941	2,621,379	1,166
South Australia	1,417,593	1,072,449	345,144	266
Western Australia	3,786,277	1,663,190	2,123,087	1,678
Tasmania	661,947	172,456	489,491	1,157
Northern Territory	360,427	282,628	77,799	641
Australia Capital Territory	3,377	10,038	△ 6,661	△ 29
Grand Total	19,188,876	18,965,023	223,853	15

Note: (1) For imports: State in which entry was lodged.

For exports: State is State of origin of Australian Produce and State of final shipment of re-exported goods.

(2) For population: 30 June 1980.

Source: Calculated from *Year Book Australia*, 1982, p.90 and p. 652.

Western Australia is by far the largest as shown in Table 8.

### 3 Trade with Japan

The main market for Western Australia's products is not domestic

but overseas. A large sum of its agricultural products and minerals is oriented to Japan, so Western Australia's industry, economy and social life depend much on Japan. This can be said about Australia, too, but Western Australia's degree of dependant on Japan is higher than Australia's.

As Table 9 shows, no less than 70 % of export of iron ore, the biggest item of Western Australia's exports, is oriented to Japan. Besides this, Japan is the largest customer for Western Australia's salt, wool (both degreased and greasy) and prawns, and the second largest customer for barley, wheat, mutton and lamb, and rock

Table 9 Biggest Five in Exports of Western Australia and Australia, 1979/80 (\$'000)

	Commodity	Western Australia		Japan as a % of Overseas
		Overseas	Japan	
1	28 Metalliferous ores and mteal scrap	1,122,904	785,789	70.0
2	04 Cereals and cereal preparations	699,353	124,776	17.8
3	26 Textile fibers and their wastes	379,255	128,684	33.9
4	01 Meat and meat preparations	157,700	13,972	8.9
5	00 Live animals, chiefly for food	93,560	—	—
	Total	3,854,092	1,391,726	36.1

	Commodity	Australia		Japan as a % of World
		World	Japan	
1	28 Metalliferous ores and metal scrap	3,244,042	1,377,987	42.5
2	04 Cereals and cereal preparations	2,891,403	331,711	11.5
3	01 Meat and meat preparations	1,740,406	370,871	21.3
4	32 Coal, coke and briquettes	1,690,165	1,207,836	71.5
5	26 Textile fibers and their wastes	1,606,534	445,427	27.7
	Total	18,887,167	5,071,828	26.9

Source: *Western Australian Year Book*, 1982, pp.442—3.  
*Year Book Australia*, 1981, pp.630, 639—40.

lobster tails in 1979/80.<sup>1)</sup>

As the result of these facts, Western Australia depends 36.1 % of its overseas exports on Japan, while Australia 26.9 % on Japan in 1979/80. The dependence of Australian export on Japan is considerably high, but Western Australian export's dependant on Japan is higher than that. The economic relationship between Western Australia and Japan is very close but Western Australia is too much dependent on Japan. The degree of dependence is to be said out of proportion. Thus, Western Australia's economy is to be affected seriously by Japan's import, business cycles in Japan and Japanese purchasing policy of Western Australia's products.

Figure 1 shows Western Australia's interstate trade, overseas trade and total trade including trade with Japan.

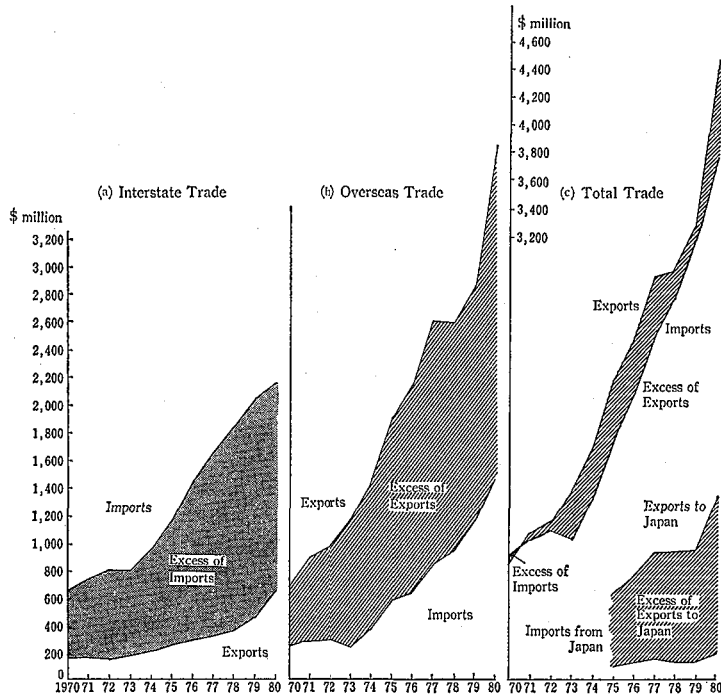


Fig. 1 Western Australia's Trade, 1970—80

1) cf. *Western Australian Year Book*, 1982, p. 446.

## IV Secessionism

As we examined in the last section, there is a sharp contrast or a remarkable imbalance between Western Australia's interstate trade and its overseas trade. In the interstate trade, Western Australia must be content with being a market for other states' manufacturing industry, while in the overseas trade, it is the largest contributor to Australia's surplus of the balance of payments viewed in per capita. Western Australia contributes to Australia in two points. Firstly, this surplus eliminated the restrictive factors to Australian economic growth and contributes to increasing its employment and incomes. Secondly, the surplus increased stability of the Australian balance of payments by changing it from agricultural type which is unstable under sharp fluctuations in the world price to more stable type added mineral exports.<sup>1)</sup>

As the result of this imbalance in Western Australia's external trade, its benefit gained from other states is too little compared with its contribution to Australia, so there has been a feeling in the Western Australian people's heart that it is always at an unfair disadvantage. Western Australia has the least reliance of all states on manufacturing industry and the greatest on primary industry. Western Australia must purchase manufacturing goods produced in the eastern states at a very high price because their manufacturing industry is in a low productivity. It must pay a lot of money to the foreign-made manufacturing goods when it imports them through eastern states because of the Federal Governments' tariff policy which protects manufacturing industry in the eastern states. Unlike the eastern states' manufacturing industry, Western Australia's

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1) If the world prices of agricultural products and minerals change in the same direction at the same time, the addition of minerals would not be effective to stabilize Australia's balance of payments, as Prof. Appleyard advised me at the joint research seminar between Otemon Gakuin University and the University of Western Australia in November 1982. But both world prices do not always change in the same direction at the same time. If in opposite direction or at different times, the addition of minerals to agricultural products must be effective.

agriculture and mining industry have a high productivity and a strong international competitive power. And it had better for Western Australia purchase foreign-made manufacturing goods directly with much lower tariff and price than now. So if Western Australia secedes from the Federation of Australia and becomes an independent "Mineralia", it can manage to go well. Rather it is convenient for Western Australia because it can enjoy its economic advantage fully. This is the fundamental way of thought in the Western Australian secessionism.

Secessionism in Western Australia is not a new one. There was a long traditional feeling and movement of secessionism in Western Australia. It had a leaning toward secessionism at the time of Federation. In 1899, when all other states except Western Australia turned "yes" majorities to form the Federation, Western Australia still held out. On 31 July 1900, it turned "yes," on condition that (1) the right to levy customs for five years after the creation of the commonwealth, and (2) the commonwealth would build a railway from Kalgoorlie to Port Augusta in South Australia.<sup>1)</sup>

After that, too, there has been strong and persistent emotions behind the talk of separation. As Prof. Bolton of Murdoch University states briefly<sup>2)</sup>, as early as 1906, the Legislative Assembly in Perth voted in favour of secession but nothing came of it. From 1910—11 the Commonwealth started to give special per capita grants to Western Australia but still separatist feeling simmered on. It boiled over during the 1930's Depression when primary producers hit by falling export prices blamed their troubles on eastern States' tariffs and Canberra mismanagement. By 138,653 votes to 70,706 West Australians voted for secession at an April 1933 referendum. A monster petition in a jarrah casket was sent the British Parliament, but Britain refused to intervene. With the gradual return of prosperity the secession movement ran out of steam.

Now the moves are again afoot. A mining magnate Lang Hancock

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1) Manning Clark, *A Short History of Australia*, 1963, pp. 188—9.

2) Geoffrey Bolton, "A Secessionist's Guide to Western Australia," *The Age*, 27 June 1981.

believes the Sun rises over Kalgoorlie and sets over Rottneest. The last Premier Sir Charles Court, it is said, has always believed that Western Australia would be better off financially if it left the Commonwealth. It is very much interesting, though it should be natural, that the time when secessionism gained power and the period when Western Australia's overseas exports increased rapidly coincide with each other. Recently, in the middle of the 1970's and in 1981 when Western Australia's export increased rapidly (see Fig. 1), the emotion and the voice of secessionism rose remarkably. A newspaper reported on 27 June 1981,<sup>1)</sup> "Last week more than 90 per cent of 560 people who responded to a phone-in on a Perth commercial television station said they believed the State should secede. If a referendum were held in Western Australia on secession today, it would attract a high "Yes" vote, though probably not as yet an absolute majority." Sir Charles Court himself maintains secession, as mentioned above.

It is not our objective to examine secessionism itself here in more detail and space does not permit us to do so. We must only notice that there are strong and persistent emotions of secessionism as a reflection of Western Australia's special economic situation. This is an internal problem which is posed by the economic characteristic of Western Australia. There is another external problem for it—overdependence on Japan.

## V Too Much Dependence on Japan

As the economic characteristic of Western Australia, much dependence on overseas export was pointed out, and this raises two problems—secessionism domestically and too much dependence on Japan externally. The former is rather an emotional problem essentially and is only a small movement actually. It comes to the fore in election times and some politicians advocate it to appeal to voters. But it is politically naive and the possibility for it to realize is very small.

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1) *Ibid.*

In contrast to this, the second problem, excessive dependant on Japan is the central problem of which Western Australia is in the face today.

Too much dependant on Japan can be said about Australia, too. But Western Australia's dependence is more excessive than Australia's. Table 10 shows the dependence of Western Australia's and Australia's export on the Japanese market in these six years. It is obvious that Western Australia's dependence is always more excessive than Australia's one. In 1979/80, for example, Western Australia's overseas export depends its 36.1 % on the Japanese market and Australia's 26.9 %. The average of these five years are 41.0 % in Western Australia and 30.9 % in Australia.

Problems in the economic relations of Western Australia with Japan can be summarized as follows:

Table 10 Overseas Export Dependence on Japan, 1975—1980 (\$m)

Year Ended 30 June	Western Australia			Australia		
	Overseas Export	To Japan	% of to Japan	Export	To Japan	% of to Japan
1975	1,880.1	805.0	42.8	8,725.8	2,451.9	28.1
1976	2,117.9	926.4	43.7	9,600.7	3,177.8	33.1
1977	2,596.1	1,110.5	42.8	11,646.4	3,959.8	34.0
1978	2,589.0	1,109.3	42.9	12,269.5	3,896.1	31.8
1979	2,820.1	1,118.3	39.7	14,240.9	4,107.4	28.8
1980	3,854.1	1,391.7	36.1	18,870.1	5,070.6	26.9
Average			41.3			30.5

Source : *Western Australian Year Book*, various issues.  
*Year Book Australia*, various issues.

- (1) Western Australia depends too large a part of its export on Japan only, 41.0 % in average of these five years. This must be said too much or excessive as a degree of dependant on one foreign country.
- (2) Though Western Australia has been diversifying the market for its exports, it has not yet been able to find substitute markets for Japan in the world. On the other hand, Japan can

buy easily from other countries the same goods as Western Australia is exporting to Japan, so Japan can change the source of supply from Western Australia to other countries if it wants. For example, Japan can buy iron ore from Brazil. Brazil's iron ore is rather cheaper at the port of shipping, but it only costs more to transport by sea.

- (3) There is a vast difference in the economic size of Western Australia and Japan. We can't find Western Australia's GDP in the state government's statistics, so we can't compare Western Australia with Japan directly from the point of GDP. Namely, Japan's GDP in 1981 is 7.1 times as large as Australia's and is to be 82.3 times as large as Western Australia's (according to the distribution ratio of Western Australia's population in Australia's). A small fluctuation in Japan's import would be reflected in Western Australia with multiplied effects.

## VI Conclusion

Though the economic relations between Western Australia and Japan is so close that both countries can not be separated now, but the degree of Western Australia's dependence on Japan is much higher than Japan's dependence on Western Australia, as is clear in the last section. Western Australia has been influenced by the fluctuations in Japan's import volume, import policy, and business cycles. Only slight a change in Japan's imports would give multiplied serious effects on Western Australia. The fine tuning in the Japanese economic policy would give several times the size of impact on Western Australia.

So there must be a close cooperation between the two countries.

- (1) On the part of Japan, it must recognize the responsibility as an economic big power — to fulfill the long-term contract faithfully, to avoid cutback as much as it can, to increase in investment to develop Western Australia's mining resources, etc.
- (2) On the part of Western Australia, it must be a stable and reliable supplier — to avoid discontinuance in mining, carrying

and shipping, to reduce cost in production, to cut the price, etc.

- (3) Both countries must promote a better mutual understanding — to increase in opportunity to contact each other, to widen the pipe of economic trade by making the personal and the non-economic interchanges more active, to expand the present economic relations to a wider ones containing the neighbour underdeveloped countries between the two.

About these tasks for cooperation of Western Australia and Japan, the writer is writing another article which will be appear in Vol. 8 of *The Otemon Bulletin for Australian Studies*.

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1) Yoshihiro Tōyama, "The Japan-Western Australia Cooperation in the Economic Development of Western Australia".