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PRIME MINISTER'S PRESS CONFERENCE

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Ladies and gentlemen: The Prime Minister will make some introductory remarks and then you can ask questions.

PRIME MINISTER: Ladies and gentlemen I am told you haven't yet got a copy of the communique. The delay is to add a passage following the discussions that I had this afternoon with SriSultan Hamencku Buwonolx and the other ministers involved in economic affairs so I don't know if you want to wait until you do get the communique or whether if it comes while you're asking me questions you would like a phase to read it. I'm told the communique can't be here until six o'clock at the earliest. Well ladies and gentlemen this limits it a bit I'm afraid. By way of preliminary all I need say is that my main objective in coming to Indonesia was to reinforce two things. The first is the continuity of Australian Government interest in Australia's nearest neighbour. Secondly to reinforce the personal relations which I'd achieved with President Soeharto on the many occasions I've met him since 1966. I believe both these objectives have been very satisfactorily achieved. Are there any questions?

Q. Was there any special reason for your second meeting with President Soeharto?

PRIME MINISTER: No. We had a long conversation yesterday you'll remember and we both thought that if the President's programme could be arranged it would be pleasant for us to have another conversation and this I'm happy to say was achieved.

Q. What is your commentary regarding the outcome of the White Australia policy. Is it still useful now or still necessary?

PRIME MINISTER: There have been substantial changes in the Australian Government's immigration policy. We now do not discriminate on the basis of race or nationality or colour among persons who are admitted to visit Australia or to settle in Australia. But those that come to settle in Australia are primarily now drawn not from government recruitment but from nominations by people who are living in Australia and who want close relatives to come and live there with them.

Q. Were there discussions on future naval exercises?

PRIME MINISTER: This was not discussed. There was a passing reference to the success of the recent naval exercises between the Indonesian and the Australian navies. I'm sure there will be future such exercises not only between our naval forces but indeed between other sections of our armed forces.

Q. Will there be another joint exercise this year?

PRIME MINISTER: I didn't discuss my programme but there are certain to be future naval exercises. We were both pleased with the results of the first one which was held recently. The

Deputy Prime Minister of Australia, Mr Barnard, is the Minister for Defence and he was here last year and he will be here again in the first week of April.

Q. There is a report Prime Minister that there is a need for a military pact between Australia and Indonesia. How far are you adopting this idea?

PRIME MINISTER: There have been no discussions about a military pact between Indonesia and Australia during my visit or as far as I know ever. I don't think there has ever been a proposal for a military pact between Indonesia and Australia. There are as you know arrangements under which members of the Indonesian Armed Forces receive training in Australia and members of the Australian Armed Forces receive it in Indonesia.

Q. The speech of yours at the State Banquet last Tuesday night have the impression that Australia would like to set up a form of co-operation in South Asia, of regional co-operation.

PRIME MINISTER: Yes.

Q. What's the Indonesian Government's and President Soeharto's reaction about your suggestion?

PRIME MINISTER: The communique has this passage in the middle of page 4. You've now got it have you. You see there: "President Soeharto welcomed Mr Whitlam's objective of the evolution of a widely representative Asian regional organisation. The President agreed that while such a concept was unlikely to come about in the short term he recognised its potential value in the longer term".

Q. And what about ASPAC in the future. Australia has recognised Peking while Taiwan is one of the members of ASPAC.

PRIME MINISTER: Yes. Its true that Australia, a member of ASPAC, has transferred her representation of China from Taipei to Peking. So too have two other members of ASPAC, Japan and New Zealand. So this really does very greatly limit the utility of ASPAC. It makes it anachronistic as long as Taiwan is still a member of it.

Q. It was reported that you did offer to President Soeharto to have a larger regional co-operation bigger than what we already have in ASEAN, which would merge ASEAN. Could you tell us what is behind this new Asian grouping you have in mind?

PRIME MINISTER: I never made in conversations with President Soeharto or at any time such an offer and I didn't in my statement with President Soeharto. Nor have I at any other time made the suggestion that there should be a merger of ASEAN with any other regional grouping.

Q. Well, maybe the new form of regional grouping other than we already have.

PRIME MINISTER: Yes, well perhaps it might help you, I think the Australian Embassy can probably give you a copy of it, but I did discuss this general question three weeks ago - three and a half weeks ago - when I opened the Australian Institute of Political Science Summer School in Canberra. Well perhaps it might help if I could read to you. (Prime Minister reads extract from A.I.P.S. speech).

"To meet the new realities and our perception of them. We shall be seeking new forms of regional co-operation. In its present form ASPAC no longer reflects those realities. In particular, the continued presence of Taiwan makes ASPAC anachronistic. Three of ASPAC's members, Australia, New Zealand and Japan, recognise Peking as the sole legal government of China. We will not be withdrawing immediately from ASPAC although we consider that unless there is a change in its present membership it cannot function effectively or continue for very long.

In Wellington the New Zealand Prime Minister and I expressed our intention to work with our Asian and Pacific neighbours in making adjustments to existing arrangements and seeking new forms of co-operation. We shall be consulting with our neighbours including Indonesia, Japan and others, before any final decisions are reached on how we should proceed. There is no question of seeking to change and enlarge ASEAN. We should like to see all our ASEAN neighbours in a larger regional association for Asia and the Pacific, but ASEAN itself is a sub-regional grouping which is doing valuable work and any enlargement of the organisation is a matter for its members.

Regional co-operation will be one of the keystones of Australia's foreign policy for the seventies. We shall be charting a new course with less emphasis on military pacts. It will be based on an independent outlook on foreign affairs and will be directed towards a new regional community geared to the realities of the seventies.

The guidelines of the regional community that I foresee will be an organisation genuinely representative of the region without ideological overtones, conceived, as an initiative to help free the region of great power rivalry that have bedevilled its progress for decades and designed to insulate the region against ideological interference from the great powers.

I do not intend that Australia should try to impose a detailed formulation for setting up such a community and we shall not seek to intrude beyond our realistic capacity to participate and assist in the realisation of this concept. We shall be patient and punctilious in our consultation and prepared at every turn to take account of and participate in the genuine aspirations of the region. So you see that I did discount the idea of merging three and a half weeks ago.

Q. (ABC) Prime Minister. What were President Soeharto's objections to the short term value of this Asian concept that you put forward as regional co-operation?

PRIME MINISTER: President Soeharto has no objections. He is concerned that the situation in Indo China should become clearer.

Q. When do you visit Peking.

PRIME MINISTER: No arrangements have been made for me to visit Peking at all.

Q. Or Tokyo?

PRIME MINISTER: It is probable that some of my colleagues, about three of my colleagues and I will visit Tokyo at the end of next October because there is due about that time the second of the

annual meetings which take place between Japanese and Australian ministers. Last year the first meeting took place in Canberra. The next one is due to take place in Tokyo and the end of October seems to be the most convenient time.

Q. Sir, since President Soeharto considers that the concept of regional groupings could not come about for short term purposes will you continue to seek for approval from other South East Asian countries?

PRIME MINISTER: Whenever I meet heads of government or heads of state or foreign ministers from any countries in South East Asia I will discuss this general concept. I have done so with the Prime Minister of New Zealand and the President of Indonesia. And there will be other occasions to discuss it in the next few months. For instance there will be a Commonwealth Heads of Government conference in Ottawa in August and on that occasion there will be the Prime Ministers of New Zealand and Malaysia and Singapore as well as myself in attendance.

Q. Have you established any framework for ministerial exchanges? What specific proposals were put to you on Australian investment?

PRIME MINISTER: There have been no specific projects finalised. There are several matters under discussion but my visit was not intended to finalise any of these arrangements. As you can see I'm only accompanied by advisers from the Prime Minister's Department and the Department of Foreign Affairs. I don't have advisers from the Treasury or from other departments here with me. The Sultan gave me an aide memoire on the whole of this subject and of course I discussed many aspects of it this afternoon with Dr Sadli and Professor Widjojo and Dr Subroto and General Sudjono. You did also ask me about regular exchanges of visits by Ministers. There is no framework for regular visits by Ministers each way although there are frequent visits as you know. There is one at the moment isn't there to Australia. And there are regular discussions between officials of the two governments on all these matters.

Q. Prime Minister you said you would be talking to various Asian and Pacific leaders about this concept of regional co-operation? Can this be interpreted perhaps that your idea will slow down a little from what you may have had originally?

PRIME MINISTER: No.

Q. Do you see any prospect of Australia calling together people who might be interested in talking about this.

PRIME MINISTER: I have never expressed a view that Australia should call such a conference. Never. Obviously I don't discount that we could co-operate in calling such a conference but the programme for visits to Australia and by me to other countries hasn't changed. I've pointed out here just now the Commonwealth heads of government conference in Ottawa is in August has been arranged for about a month past and the meeting with the Japanese Ministers in Tokyo at the end of October has been discussed for about a month.

Q. If there was a new regional association in the long-term how far ahead do you see it?

PRIME MINISTER: I wouldn't discount the possibility of having

it in a couple of years. I wouldn't expect it before a couple of years. But I think there is a general realisation that the existing regional associations to which Australia belongs are inappropriate because they are transitory or because they're anachronistic or because they are losing members. There's the five power arrangements. That's the most recent one. Before that there were the ASPAC arrangements which I mentioned and before that again there were the SEATO arrangements. Well clearly none of these are arrangements which would be made now. And the sensible thing is to look for better arrangements. Ones which are more representative of the region and less ideological or derivative than the existing ones.

Q. A simple point. Your visit is to reassure continuity with the government. Can you specifically say the policy of the new government in terms of defence co-operation with Indonesia?

PRIME MINISTER: I expressly welcomed the idea of co-operation in my policy speech not only with Malaysia and Singapore but also with Indonesia, New Zealand and Fiji. I specified those three additional countries with which we would be happy to have training procurement exercises.

Q. The policy here is to develop a national resilience. And this has two prongs. The economic and internal security. Our defence co-operation will be therefore part of the second. Could you give a rationalisation of why our Australian aid priorities are spread over the two and not just concentrated say on the economic front.

PRIME MINISTER: I must make plain as I did to one of the first questions that the defence co-operation does not take the form of any pact. Indonesia has never entered into a military pact with any country. I doubt if any countries from now on will be entering into military pacts with any other countries. The day of military pacts has gone. Indonesia never went through that phase. Indonesia believes that Australia can assist her in developing the skills of her armed forces. Australia is very happy to meet any such requests and Indonesia can also help Australia's armed forces in the development of their skills with particular application of course to this region and we appreciate the assistance which Indonesia has given. You do mention the policy of resilience or endurance. This policy comes out in all discussions I find. With the Sultan yesterday and with the President at our two "tete-a-tete's" and also on many occasions. As you noticed we've been together in cars or on platforms or at dinner. I can well understand the faith that Indonesians have in this principle. It is a particular application to their situation. Indonesia has resisted disruption and subversion. She has achieved independence and identity through her own efforts and Indonesia is indeed fortunate in the fact she doesn't have the racial, linguistic, the economic disparities that are characteristic of most other countries in the region. And even where there is diversity as in religion there is not dissension on that basis. Indonesia is very fortunate. Indonesia realises that she has a cohesion which is the basis of her strength. A cohesion extending over centuries. A cultural identity. A political identity. A social identity which can be a source of very great strength to the whole region and indeed of envy to most members of it.

Q. Prime Minister, were you asked during your discussions with the Indonesian leaders for specific grants of aid on this particular trip?

PRIME MINISTER: No.

Q. I was going to say if so, what were they?

PRIME MINISTER: See answer to first question. No, no specific. Oh there was one, I beg your pardon there was one reference, the first time I believe but of course no decision was sought on it because it was a new concept. Perhaps you should check with Mr Woolcott afterwards as to the dates and quantities. My recollection is that the arrangements for particular assistance to Irian Barat expire next year. They started in 1968. They amounted to \$30,000,000. The funds came I think from the Netherlands and the proposal was made that Australia might contribute to a continuation of this programme particularly to ensure that there was parity of development between Irian Barat and Papua New Guinea. I said I would certainly look at the proposal, refer it to my advisers for prompt consideration. I did however express the view that any assistance that Australia gave to Indonesia or to any part of Indonesia would almost certainly go through the government of Indonesia. This was a specific new suggestion that was made. There were no other specific suggestions. There was a discussion on existing or standing proposals which are the subject of discussion. It was never forecast that there would be any decisions made on any of these matters or that there should be any substantive discussion on them.

Q. Did you happen to sort out the matter of the naval patrol boats which was left in abeyance in the visit of the previous Prime Minister last year?

PRIME MINISTER: There was no reference to the specific programme of patrol boats. There was general reference to Indonesia's need of patrol boats in this very dispersed archipelago for various reasons of course. All sorts of, I don't know if the word was used, "smuggling". But that's the impression I got. There was a general reference to the desirability to improve maritime communications and to safeguard them. Mr Barnard I would expect would be discussing this matter more substantially when he comes up here.

Q. It is concerning the aircraft, the F111. Australia tried to acquire this. I am wondering whether you still intend to acquire it. I believe that...

PRIME MINISTER: I'll believe that they'll come when they arrive. You should understand that these aircraft have already been paid for by Australia. We paid for them so we might as well take them. We can't trade them in. We can't return them and they will be arriving I expect this year before the 10th anniversary of the contract being placed for them. Australian taxpayers have already paid for them so quite obviously we have to take - we might as well take delivery of them.
