



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
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PM: You wanted some details and impressions of the meeting I had this morning with President Soeharto and I'm very happy to give you an opening statement and I'll take questions.

Well, as you may know I had a meeting this morning with President Soeharto which lasted two hours which was all business, a very productive discussion, from my point of view, I think, I could safely say from the President's point of view as well. We both remarked how relations between Australia and Indonesia had improved very dramatically in the last few years. This was evidenced by a constant flow of ministers back and forth, by a greater confluence of our business interests, the traffic of business people from both countries one to the other, by the increasing tourism between Australia and Indonesia, and underpinning that a better understanding of our respective cultures and the role that each of us are playing in the region.

I'm giving you a short hand version of these things, they were much more extensive, of course.

The President and I then discussed the very great progress which had been made at APEC, both in Seattle and post Seattle and pre Bogor. That is, the work of the special assistance led by Mr Bintoro and him having been joined by the special assistance of other countries to, if you like, develop further the decisions that were made by the leaders at Blake Island in Seattle so that they could be brought to a point of adoption and advancement at the meeting in Bogor. Both of us agreed on the need for freer trade consistent with GATT and the President said that he was looking forward to the GATT agreements being

consumated before January 1995 so that we could see the GATT agreement coming into force, which would itself be an important thing - the whole GATT regime having been agreed in the lead up to the Bogor meeting.

Our discussion moved on then to relations between Australia and ASEAN, indeed between Australia-New Zealand and ASEAN and there I intimated to the President that the Government of Thailand had raised with Australia the desirability of Australasia joining AFTA and that I was interested in the President's view of how he saw AFTA developing and what role he thought Australia and New Zealand might be able to play. We had quite a long discussion about this and, I think, the response that I received on this issue was a very encouraging one from the President where he thought the developments that have already taken place, within ASEAN in respect of freer trade, were very encouraging and what we had done as a country was very encouraging in terms of reducing our tariffs and, in a sense, there was a sort of developing natural confluence at any rate of the relations between our two countries. That is, in trade, remarking as he did, that two way trade had already reached \$3 billion.

The President and I spent quite a lot of the time on those two subjects - APEC, AFTA and CER and the bilateral relationship in general. I told the President that Australia had been very heartened by the initiatives taken by him and his Government over the last year towards greater openness including today's reports about further deregulation of their product markets and the adoption of an investment package, a deregulatory package for greater foreign investment freedoms within the Indonesian economy. I said, in the context of that opening up of Indonesia, that the Government of Australia and I have therefore been disappointed at recent events with the press closures which appear to conflict or at least contrast with the openness which had generally occurred in the Indonesian economy. The President took the opportunity to explain his perspective on the closures saying that it was very important that national stability and national unity at this time of great economic growth and transformation that these things were to be taken as given in this society and that the journals in question had put some of things, that is national unity and stability, at risk.

The discussion then ranged back over the forthcoming meeting in November and the fact that as this will probably be the second, of maybe a series of meetings, there will be very heavy international attention on the meeting, perhaps even more than there was in Seattle. The need therefore for the Special Assistance Groups and he as the Chair of the meeting to try to draw the strands and the best possible result from the second leaders meeting towards a set of outcomes for Bogor which advance the whole cause of the Asia-Pacific and its trading relations.

So, I'll leave my opening remarks at that and I'll be glad to take questions.

J: Ian McPhedran, Canberra Times. Mr Keating, a report due out tomorrow by the Department of Foreign Affairs warns that East Timor is the issue most likely to cause difficulties in the bilateral relationship. Did you discuss East Timor?

PM: It came up in the discussion, but we didn't discuss it in detail.

J: In what context Prime Minister, did it come up in the discussion?

PM: Just talking about how in the past this issue had caused difficulties between relations between Indonesia and Australia and Indonesia and the United States. The President being very aware of the problems which it had caused.

J: Phillip Williams, ABC TV. How would you characterize the response from the President to your concern regarding the press clamp down?

PM: I said last week that I think I've developed a good constructive working relationship with the President and in such a relationship one is able to express oneself in terms of issues of concern and this was a matter I'd said that was a matter of disappointment to the Australian Government and to me. I think, he took that seriously and sought then to explain the decision - where he had come from, what he had thought the role of these journals have been in their societal debate juxtaposed against the need to keep a singular focus on Indonesia's development and growth at this particular time.

J: Did you accept that explanation?

PM: I listened to what the President had said. I'd raised and said what I wished to say and he responded.

J: Geoff Kitney, Sydney Morning Herald. Mr Keating, did President Soeharto indicate how this issue may be resolved to you?

PM: No, he didn't. No.

J: So, he didn't offer any view about whether these newspapers may return at some point?

PM: No, he didn't.

J: Indonesian journalist. Prime Minister, did President Soeharto discuss his visit to Australia because he has been invited?

PM: He has been invited by me a number of times. I didn't reiterate the invitation today, I didn't need to. But it wasn't discussed. I know the President has said to a number of people including, I think, some of our own people here that he would like to go to Australia. But again, arrangements have just have been inconvenient or they have not been put into place. He knows there is a general standing invitation, it is a matter for him to take it up if he chooses.

J: Indonesian journalist. When is the proper time according to your assessment for President Soeharto to visit?

PM: I think that is for his assessment, rather than mine. You see, it's not for me to say when he should visit Australia. Governments very kindly provide general invitations to heads of state and heads of government to visit and it's up to their discretion and their convenience to take it up.

J: Indonesian journalist. If President Soeharto visited Australia this year, can you guarantee no demonstrations?

PM: Well, he has not given me any indication that he's coming to Australia this year.

J: Malcolm Farr, Telegraph Mirror. Prime Minister, has President Soeharto given any indication at all of his personal timetable for staying in the leadership or perhaps leaving?

PM: No, he didn't raise it and nor did I.

J: Is that a matter of concern, not concern, but certainly ... to the Government? How long he stays in the job.

PM: The Australian Government?

J: Yes.

PM: It is a matter solely for him and the people of Indonesia and I didn't presume to raise the issue or to put any view. Not that we have a view about it.

J: Indonesian journalist. You were asked a question on President Soeharto ... was he happy or not?

PM: Well, I'm not here to give you ... I can give you a sense of the meetings. I'm not here to give you an, if you like, the body language of the meeting. I said at the start it was a very convivial meeting and conducted in a relaxed and sincere atmosphere.

J: Mark Baker, Melbourne Age. Mr Keating, on the subject of APEC did President Soeharto express any concerns about directions of the body particularly to the extent that he feels perhaps that it is being dominated by developed nations ...

PM: He did say that he thought it was important that APEC develop for all the countries of the region and that the developed countries should understand the aspirations of developing countries and consider developing countries when they think about APEC's charter. Now, I couldn't agree more with that. I think that is spot on. In fact, one of the things Australia has always said is that we see the interests of developing countries and developed countries being well and truly able to be catered for in such a structure. Now, we did have a discussion about the World Trade Organisation and about worker rights and what that may mean in the future. I indicated to the President that we were very concerned in Australia about the rights of workers. We had award minimums and we had award standards to protect the work force. He made similar points about Indonesia, but made the obvious point that the capacity to pay people in Indonesia depended on the prosperity of the Indonesian economy and that capacity is going to rise over time. But, I think, he was well aware as I am that there can be some room to misconstrue concerns about worker rights in terms of maybe quasi protectionist devices against developing countries and he is alert to that. I told him of my discussions of this in Europe and I gave him the full account of those.

J: Phillip Williams, ABC TV. Prime Minister, part of your mission, I believe, is to boost business ties between the two countries. Did you discuss ways that could be done and why do you think Australia and Indonesia's business relationship hasn't been good in the past?

PM: I think these things flow from general political and strategic relationships, you know, trading relationships and Australia's is better now than it has been, I think, probably in the last couple of decades with Indonesia. As a consequence we are seeing a much better flow of business interests and the exhibition here, the largest Australia has ever mounted is, I think, proof positive that we see the relationship seriously and we want to invest in this country and vice versa.

J: Ian McPhedran, Canberra Times. Did President Soeharto undertake to take your aspirations for CER and AFTA to ASEAN and did you give him an indication of your time frame?

PM: No. This is a proposal put to Australia by a member of ASEAN - Thailand. It is not a proposal put by Australia to ASEAN. But, I agreed at the behest of Thai ministers, Prime Minister Chuan and Deputy Prime Minister Supachai to raise it with other ASEAN leaders and in so doing I raised it when I had the opportunity here today.

- J: Indonesian journalist. Do Australia and Indonesia have the common push for the APEC summit?
- PM: No, I think any commonality in terms of the APEC summit will emerge from the special assistance gatherings. And, I think, under the chairmanship of Mr Bintoro this is proceeding quite well.
- J: Wally Brown, Courier Mail. Prime Minister, did you refer to the republican issue?
- PM: No.
- J: Geoff Kitney, Sydney Morning Herald. Mr Keating, is it your view that the matter of the closure of the magazines is essentially a domestic matter or did you express a view to President Soeharto about how Australia would prefer to see that issue resolved?
- PM: No, it is obviously a domestic matter, but that doesn't preclude us from expressing our view about it, which I did. Particularly in the context of the opening up of this economy and society which has been occurring under his Government. Most obviously again today in a substantial announcement about further deregulation of their product markets and the freeing up of foreign investment controls. I pointed to the apparent tension in that, inconsistency in that, and that led the President to give me an indication, at least, where he was coming from.
- J: So, is Australia's view that we would like to see those magazines get their licenses back?
- PM: I think Australia's view is that the opening up of an economy brings with it a chance, an opportunity, for the transmission of information which is best accomplished in a plural media. Therefore, it follows that as the Indonesian economy opens up and its society opens up, its media should have the chance to reflect those changes.
- J: Mark Baker. Did President Soeharto elaborate in any way on how he saw these publications threatening, putting at risk the stability ...
- PM: No, he said that he thought ... I mean, Indonesia is, again, still growing quite strongly and it's playing a role in the world, in APEC most obviously, in the non-aligned movement amongst other things and that this was, he thought, a time for a clear unity of purpose and not the nagging away at divisions. Now, that is his view and obviously juxtaposed against his long history as President of this country.
- J: Indonesian journalist. Indonesia would like to have Australia's help in strengthening ASEAN influence within the structure of APEC.

PM: I think, ASEAN has already had Australia's support in seeking a full place for it within the APEC structure and for member countries. The fact that the first summit was successful, that's the summit or the leaders meeting in Seattle, I think, demonstrates that ASEAN had no trouble finding its place in the organisation, most obviously demonstrated by the fact that President Soeharto, a leading member of ASEAN is the chair and Indonesia is the host of the second meeting. Thank you.

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