



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP  
INTERVIEW WITH KERRY O'BRIEN, ABC TV 7:30 REPORT,  
14 DECEMBER 1995**

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**KOB:** Prime Minister, in what circumstance would Australian troops go to the assistance of Indonesia?

**PM:** Kerry, I think, you have got to see this agreement in context. For a start its title, An Agreement on Maintaining Security, security is not simply about external threats, it is about the whole environment of the region. It is about the foreign policy and trade policies of the countries. It is about the way we organise ourselves. What we are saying here is that Australia and Indonesia have a coincidence of views and interests in the strategic outlook of the region. And in that context, it says it will consult in the event of a challenge to either country. It will consult and decide what approach should be taken, whether it should be taken jointly or singularly.

**KOB:** Ok, but you have acknowledged today that there are circumstances in which Australian military assistance might be given. Can you give us a hypothetical instance, I think it is important for Australians to understand those circumstance because you are talking about a big step.

**PM:** Just understand this, this is a reciprocal agreement where Indonesia, in that circumstance you are speaking of, would also be likely to be supporting Australia. We have in place now, under the Five Power Defence Agreement, for the non-reciprocal defence of Malaysia and Singapore an agreement which commits Australia to discuss, consult and perhaps defend those two states without any commitment by them to us. The key thing about this agreement, Kerry, is that Indonesia is the first Asian country to put its hand up and say it would consider joining Australia in this sort of an agreement.

**KOB:** Ok, now, to try to understand this further. In June this year, Defence Minister Robert Ray endorsed a defence study by Professor Paul Dibb

which warned that uneven economic growth in Asia could threaten peace in the region and that report identified China as a potential source of volatility. Do you agree with that scenario?

**PM:** I think you may recall a couple of weeks ago I went to the Osaka APEC meeting where we adopted the Action Agenda on trade liberalisation coming from President Soeharto's Indonesian meeting. What that is very much about is resourcing East Asia, clearing away the road blocks, the constraints, the trade and non-trade barriers, the resource constraints to keeping the massive machinery of East Asia moving. Not just south-east Asia, but China, Korea, Japan, all those huge resources. I think, it is very important that given that East Asia has shown that it can bring their economies up, can distribute wealth, can have a rising living standard which we have seen in places like Korea, Hong Kong, Singapore and we are seeing it in Indonesia, in Malaysia, the challenge with China is also to get an evenness of income growth and that means resourcing it properly. So, APEC is very much about that, it is about keeping the growth running through East Asia and resourcing it.

**KOB:** I understand that kind of scenario you are putting, but the other side of that coin is the one that Robert Ray virtually endorsed in June this year. I am asking you if you acknowledge the other side of the coin which is, that if the growth is uneven China could pose a threat in terms of volatility in the region. Is it that kind of potential threat that you are trying to anticipate in this agreement with Indonesia?

**PM:** Is it a threat from China? No. But are you saying could there be tensions within the Chinese society and economy by uneven growth? Well, of course there could. The fact of the matter is that the way you maintain security is that you cover these bases like APEC, like free trade in goods and services, like proper regional defence cooperation, like a harmonious view between member governments and member states of these organisations in the area. That is what much of this is about. But, it is also about, in the event that there was an external threat to either one of us, we would consult one another.

**KOB:** I want to move on with the time that is left. You say that the treaty is premised on our respect for the sovereignty, political independence and international integrity of all countries. Dare I ask it, what about East Timor's sovereignty?

**PM:** East Timor is a province of Indonesia. There are problems in East Timor in respect of human rights issues which this treaty doesn't affect at all. This in no way affects the internal developments in Indonesia or any attitude we may take to them. Let me take the view, I mean, I see some reports already by members of the East Timor groups and lobbies here and others speaking for them, they seem to think, fallaciously, that some alienation of the relationship between Australia and Indonesia - our largest neighbour - will in some way help their

cause. The only thing that is going to help their cause from Australia is, basically, interventions by the Australian government for and on their behalf in a constructive climate of cooperation with the state of Indonesia.

KOB: But, you have been doing that for years and there appears, in the end, to be no progress in resolving that issue.

PM: Look at the relationship with Indonesia today and the culmination of this agreement compared to, say, three years ago or four years ago.

KOB: But, we are talking about East Timor.

PM: Yes, but I am talking about the breadth of the relationship. Look at the progress we have jointly had with our collaboration in APEC or in Cambodia or in any of these other places. The whole relationship with Indonesia is now thicker, it has got more struts to it, it is more meaningful, it is not just simply a narrow foreign policy relationship any more. Therefore, the government of Australia is always going to be in a far stronger position to deal with Timor in the Indonesian context than in any other environment. Kerry, this notion that the Timor lobby in some way expect Australia to disrupt its relationship exclusively with Indonesia on the Timor issue, is not going to help the Timorese people.

KOB: By the same token, the Timor issue, it would seem, is not going to go away, it does seem to be in an appalling situation and Patrick Walters, an Australian correspondent in Jakarta who was senior adviser to Kim Bealzey when he was Defence Minister, wrote last week that the Indonesians appear to have run out of ideas on East Timor. The talk of special political autonomy, for example, has lapsed. Where can we expect them to go from here and what do you regard as an acceptable resolution of that problem?

PM: It is for them to decide which way they wish to tackle the problems which are now quite endemic there and they are serious.

KOB: But, what guidance do you seek to give them with this special relationship that you have?

PM: Understand this point, this is a massive archipelago of huge cultural diversity in ethnic and religious terms. It is the biggest Muslim country in the world. It is, outside of this context of Timor, a country which has shown quite substantial tolerance to religious and ethnic groupings. It is used to managing diversity. This is now a rutted in problem for it and it is something we have indicated we would like to help with. I do this regularly in my discussions with President Soeharto as well as say when ever we believe human rights are being affected, forthrightly put our view and we will continue to do that. But Kerry, the important point is this, we are not going to hock the whole Indonesian relationship on

Timor. Now, that is what the lobby has got to understand. It is not going to happen because let me just say this to you Kerry, a Prime Minister's first duty is the security of his country and I have always regarded our, if you like, settlement with Indonesia whom we have embraced from its post colonial period as one of the primary building blocks of Australian security and foreign policy.

KOB: And you have made that clear, but very quickly, last question. Does it matter to you in the framework of that relationship, that you always seem to be going to President Soeharto, he doesn't come to you and now you are off to Jakarta again to sign this treaty on Monday. Superficially at least, that doesn't suggest an even relationship?

PM: Look at the results. The largest free trade arrangement in the world in APEC - in the world - 63 per cent of world GDP. The only genuine north south arrangement in the world. Look at this agreement which would have been inconceivable just a few years ago.

KOB: But, do you concede that superficially that does not suggest an even relationship. How many times have you been there?

PM: No, my frequency there or his visits here are not measure of the importance of the bilateral relationship or the way in which the interests of Australia and Indonesia are accommodated. For a start, this agreement is the only one of its kind Indonesia has with anyone and let me repeat a point I made earlier, it is the only Asian country that has actually put its hand up to say it would contemplate such an arrangement with Australia about Australia's security.

KOB: And I'm going to have to cut you off there, I'm sorry, because we have to cross to Sarajevo to Tuzla in a moment, but thanks very much for joining us.

PM: Good, Kerry.

KOB: Thank you.

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