



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP  
PRESS CONFERENCE, PARLIAMENT HOUSE, CANBERRA,  
14 DECEMBER 1995**

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**PM:** Well I would like to tell you that the Cabinet has today decided that Australia will enter into a security agreement with Indonesia. The text has been agreed over a number of meetings between President Soeharto and myself over the past 18 months and after it goes through Executive Council the agreement will be signed next Monday in Jakarta.

The agreement asserts, in formal terms, for the first time that Australia and Indonesia have common interests in the peace and security of the region and that we intend to cooperate in support of those interests. The agreement is intended to make an enduring and powerful assertion within the region and outside it that the long term strategic interests of Australia and Indonesia coincide.

This is a major strategic development for Australia and for the region and a development of fundamental importance in our bilateral relationship with Indonesia, it is about providing for Australia's future and creating greater certainty about that future.

The agreement, which is of treaty status, commits the two Governments to the following things: (i) consult at Ministerial level on a regular basis about matters affecting their common security and to develop such cooperation as would benefit their own security and that of the region; (ii) consult each other in the case of adverse challenges to either party or to their common security interests and, if appropriate, consider measures which might be taken by them individually and jointly and in accordance with the processes of each Government; and, (iii) promote, in accordance with the policies and priorities of each, cooperative activities in the security field.

As is the case and usual practice, the full text will be released after the signing on Monday.

Now this is a significant and natural extension of the cooperation we have built up with Indonesia in recent years. It demonstrates that each of us has confidence in the security intentions of the other. In other words, we are putting on the table and we are saying formally that the things that we are saying and doing to and with one another, the agreements that have been entered recently between our defence forces, the discussions we have between Foreign Ministers and at Heads of Government. It is there to demonstrate that each of us has the confidence in the security intentions of the other.

I have said before that Australia is no threat to Indonesia and Indonesia is no threat to Australia. This has been the basis of our defence planning for many years. But it is important that it is understood by the people of each country. You also remember me saying that the emergence of President Soeharto's new order Government in the 1960s was the event of most positive strategic significance to Australia in the post-war years.

The consequences for Australia of having a hostile or even unfriendly Government in Indonesia over that period would have been incalculable including for the percentage of our national resources we would have spent, or would be spending, on defence.

The agreement builds on all the work that both sides have put into building up the depth and diversity of the relationship between the two countries. The interests we now have between us are varied and, of course, they are not new. You will know about the things we have done together on the Cambodia peace settlement where Australia and Indonesian diplomats and our armed forces worked closely together. You know of our collaborative work on the ASEAN Regional Forum and, of course, more recently on APEC.

The agreement is, essentially, about building a structure for the future of Australia, to reduce uncertainties over the next 10 to 20 years and with it Indonesia is offering us the opportunity to shape the region. The agreement will reinforce the security of the region as a whole by demonstrating to our friends and neighbours that Australia and Indonesia will continue to build a close and cooperative relationship.

There are several things, though, that the agreement does not do. It is not an assertion that we have common internal policies or philosophies, or that we endorse everything that Indonesia does internally or vice versa. It does not involve us in the internal affairs of Indonesia, or compromise our approach on human rights. There is a reference in the text to adverse challenges - in the agreement - and

this has application only to external challenges, not those that might arise from internal developments.

The agreement does not cut across Australia's commitments under ANZUS, or the Five Power Defence Arrangements, or our Joint Declaration of Principles with Papua New Guinea, or indeed Indonesia's membership of ASEAN and the non-aligned movement. It does not cut, or undermine, or contradict, our regional and multilateral approaches to building up security dialogue and confidence, such as our joint support for the ASEAN Regional Forum.

It is not a defence pact or alliance with an automatic agreement on support in the event of attack. It is couched in simple terms, simple and unambiguous terms, and means what it says.

Now I said earlier that the discussions on the agreement have been running now for about 18 months. The proposal was first discussed by the Security Committee of Cabinet in February 1994. In the 1993 Strategic Review, we stated that more than with any other regional nation, a sound strategic relationship with Indonesia would do most for Australian security.

I first raised the matter with President Soeharto in 1994. He took it up with me again at our meeting in Bali and we, more or less, completed negotiations during our bilateral discussions in Osaka. During those meetings, I had a personal emissary representing me. That person has been General Peter Gration and he, accompanied by Allan Gyngell (PM's Senior Adviser - International), had made visits to Indonesia to settle some of the discussion, terms and sense of the agreement.

The agreement will be signed in Jakarta by Gareth Evans and the Indonesian Foreign Minister, Mr Ali Alatas, in the presence of President Soeharto and myself. The two Defence Ministers - Senator Ray and Mr Sudradjat - will be present as will the Australian Chief of the Defence Force, General Baker and the Indonesian Defence Force Commander, General Feisal Tanjung.

The agreement, of course, is not a promise that Indonesia and Australia will never disagree on issues. We have the Five Power Defence Agreement with Malaysia and Singapore and we found on various matters, trade matters and the like, we have had disagreements from time to time. We have got, of course, an agreement of a different variety with ANZUS and, of course, you know we had disagreements with the United States from time to time.

No relationship, with as much substance as ours, will ever be free of disagreement and I don't think either of us will be inhibited from expressing such differences frankly and arguing out our case as we

have done, obviously, with Indonesia. But those policy disagreements come and go and, of course, over time as the political leadership of the countries will change.

So I believe the agreement represents another stage in the development of Australia's relationship with Indonesia. Indonesia is our largest neighbour, the world's fourth most populous country, the largest Muslim country in the world, the immediate past Chair of the non-aligned movement, and on some measures, based on purchasing power parity - already the tenth largest economy in the world.

On the other hand, of course, we are a modern, technologically and scientifically advanced society, with a huge resource base we enjoy - in a Continent - in a country we share without borders and, of course, we are - as we all know - a rich and dynamic multi-cultural society. I think I am convinced that Australia and Indonesia have much to contribute in partnership. I think we have a great opportunity here to shape the security environment of the region.

This is, as I said earlier, a chance to say that in an enduring powerful way, within the region and outside it, that the long-term strategic interests of Australia and Indonesia coincide. And our first chance to put down - in formal terms - that Australia and Indonesia have common interests in the peace and security of the region, and that we intend to cooperate in support of those interests. Thank you.

**J:** Prime Minister, have you discussed this with any other regional nations, or with the United States, as we said we would do in that strategic review?

**PM:** I have discussed this with the United States Ambassador, and we will be moving around...in fact, General Gration will be visiting - as will other representatives of Australia - a number of countries to make clear what it means. In fact, General Gration will be travelling early next week to a number of capitals - Washington, Tokyo and Beijing, Kuala Lumpur, Singapore, Wellington, Port Moresby - to explain the background of the agreement in person.

**J:** Prime Minister, does this make Indonesia the next closest nation to us after the United States?

**PM:** Well, I have said before that no nation is more important to us than Indonesia. It's our largest nearest neighbour, and the clarity and the integrity of this agreement makes very clear their importance to us. Of course, in defence and security terms, ANZUS and our relationship with the United States has always been central to Australian defence and foreign policy, and it remains so.

- J: Mr Keating, does this agreement mean a practical increase in defence cooperation and possible exchanges of intelligence information?
- PM: Well, I think it might be worth reminding you in August 1995, the Vice CDF and his Indonesian counterpart co-signed a letter outlining the principles along which bi-lateral defence relations will be developed, and that letter was endorsed by the Defence Ministers of our inaugural meeting in Perth in August of this year. Now in that, our Defence Ministers agreed to meet annually, Indonesia presented it's White Paper on Defence, Ministers agreed on the need to develop inter-operability and commonality between our regional defence forces, and they endorsed the following objectives in the following fields: operations and exercises, training, communications and electronic warfare, logistics, intelligence, strategic consultations, and contacts and visits. They also agreed a new management a structure to co-ordinate all cooperative activities, comprising a defence policy committee headed at the three-star level, and a defence co-ordination committee at it's executive arm. And you might remember of course, that in terms of co-operative activities, Indonesia has participated in the Kangaroo 95 exercises, port visits by ships of each Navy, annual special force troop exchange exercises, and we are increasing, of course, the number of trained people from ABRI here in Australia. So, there is now a real formal structure there in place, and this just provides, I think, a better setting for the development of that structure.
- J: What will you say to those Australians of East Timorese background and their supporters who will be undoubtedly critical of this?
- PM: Well, I think this is not an either-or issue. The Australia-Indonesia relationship is a relationship, I think, of many parts and great depth. And I think what we have seen both over time in the development of this issue by the Foreign Minister, by the Defence Minister and their counterparts there, by the relationship I have had with President Soeharto, by those collaborative things we have done that we have mentioned - Cambodia, the development of the ASEAN regional forum, APEC - that we now have a broad relationship with Indonesia. It's a relationship of substance, and it is - I think - within that relationship of substance that human rights are an integral part of our dialogue, and that they are very much at the core of our sense of ourselves. And I have told you - a number of times now - that whenever we feel a desire or a wish to make clear where we stand on human rights, or any human rights issue - including Timor - we make that clear. I have put my views to President Soeharto forthrightly, as I know the Foreign Minister does regularly with his counterpart etc. None of that is changed by this agreement - none of that is changed by this agreement. You know, it is inevitable that we are going to agree on some issues, and disagree on others. But when we do so, we will do it directly. But we will do no service to Australian interests, or the interests of the people of Indonesia were this to become a single-issue

relationship, and I don't think any service to the people of East Timor, either.

J: Prime Minister, to get a fix on this - is this more than a non-aggression pact, but less than a Treaty?

PM: It has Treaty status, but it is not a defence pact which implies a military response. What it makes clear is that each country will consult the other in the case of challenges to either one of us, or our common security interests, and if appropriate, consider measures which might be taken by them either individually or jointly in accordance with their national processes.

J: So it could involve Australian troops, or Australian defence forces, being involved in defence of Indonesia?

PM: Yes, but it doesn't have automaticity - it doesn't have automaticity. Can I say, the agreement is squarely in the same family of agreements as the Five Power Defence Agreement, and our Joint Declaration of Principles with Papua New Guinea. I mean, for instance, the Five Power Defence Agreement has words like this: *"that their Governments would immediately consult together for the purpose of deciding what measures should be taken jointly or separately in relation to such attack or threat"*.

In the Joint Declaration of Principles with Papua New Guinea it says *'the two governments will consult at the request of either about matters affecting their common security interests in the event of external armed attack threatening the national sovereignty of either country. Such consultation would be conducted for the purpose of each government deciding what measures should be taken, jointly or separately, in relation to that attack.'*

So, it is in the genre or the family of those agreements. Whereas ANZUS says things like this *'for the purpose of article 4, an armed attack on any of the parties is deemed to include an armed attack on the metropolitan territory of any of the parties or on island territories under its jurisdiction in the Pacific on its armed forces, public vessels or aircraft in the Pacific. It declares 'it would act to meet a common danger in accordance with the Constitutional processes under article 4. Under article 3 it says 'the parties will consult together whenever in the opinion of any of them - territory integrity, political independence or security of any of the parties - is threatened. There is other language in the ANZUS agreement which has much more clear and automatic responses whereas this is very much an agreement in the family of the agreements that we have under the FPDA and with Papua New Guinea.*

Can I also say that Indonesia has no such agreement with any other country. This is the first agreement of its kind. It has made clear its non-aligned status, but that said, this is the first agreement of its kind with any country and as I say, it is an agreement in the genre or in the family of those we now have with Malaysia and Singapore and Papua New Guinea.

J: ...(inaudible) ... Coalition support for this? Is this a bipartisan issue?

PM: I would hope so. I think that there has been a strong degree of bipartisanship about issues relating to the security of Australia. We have seen that around ANZUS. We have seen it around other treaties and I expect we will see it around this.

J: Are you interested in pursuing more bilateral agreements with other regional countries?

PM: Not necessarily, no. I think, if you look at our immediate area we have the Declaration of Principles with Papua New Guinea. We have this agreement of treaty status with Indonesia and then with Malaysia and Singapore we have the five power defence agreement which includes, of course, New Zealand.

J: Prime Minister, you said in the Financial Review that East Timor does remain a problem for Australia and for Indonesia and you think it should be dealt with. What do you mean by that, are you simply raising a point whenever these discussions come up or ...

PM: Indonesia has come from, in a post colonial period, a country virtually destitute in terms of resources and wealth to a country growing at eight or nine per cent a year now, which has got a substantial economy, where the distribution of wealth is widening, where prosperity is becoming obvious for anybody who visits and now it is playing a larger role, of course, with APEC, with the ASEAN Regional Forum and to some substantial extent in international terms that is marred by the difficulties it has had with Timor. I think this is a problem for Indonesia, but I think the Indonesian government thinks this too and I'm sure it is thinking about ways in which this matter can be accommodated within the plurality of that sprawling archipelago of ethnic groupings and religious groupings.

J: What can you do?

PM: That is, principally, for Indonesia to think of. I mean, we have all got ideas of what they can do, but it is not, I think, my place here to be telling Indonesia what it might do about it. But, it certainly has been my place in the past to say that we believe respect for human rights and the liberties of individuals is upper most in any society.

J: Prime Minister, could Indonesia improve its agreement standing with us and others by being more frank in its acknowledgment of its mistakes in East Timor such as the Dili massacre.

PM: Well, I think, there is a great, you know, if you look at the contradictions of Indonesia, you have had debate about the closures of newspapers last year and yet ATVI - Australia television - a lot of ABC content, items of television content which go to our values, the rights of individuals, Timor, all these issues, are beamed into Indonesia every day of the week. The growth of satellite television received material, there are satellite dishes popping up all over the country. This is a place which doesn't have that tightness that you see in authoritarian regimes. It is a country that is growing. President Soeharto is opening the economy up by one successive deregulatory package after another, he has signed up and is, of course, the founding person in the APEC declaration at Bogor. So, any leader in any government which is opening its economy up, growing its private sector, trading with the rest of the world can't hope, as I'm sure the President doesn't for a moment, that Indonesia's political society and polity is in some way constrained or perpetually constrained.

So, I think, we need to understand that contradiction. Yes, you will see examples of what we believe are incursions against free speech, but what you are also seeing is a massive opening up of the economy and a huge deluging of that society with news and views and information from all around the world. We can all nominate some exceptionally, tightly run societies, this is not one of them.

J: Do you believe this move will have the support of Australian public opinion?

PM: I think so and when ever we have seen polling on this, when asked the question whether a serious and important relationship with Indonesia is in Australia's best interest, it is always answered in an overwhelming way. I think, Australians have got a very mature view about this. This is our largest nearest neighbour, we are bound to them by our geography in perpetuity and we have to build the structures that provide the trust and the integrity of developing our relations together and having our impact upon the region.

J: Prime Minister, does this agreement puts in a position where Australia might have to choose between Indonesia and one of its other friends in a situation where, for example, of a contretemp between Indonesia and say Papua New Guinea, in the past Indonesia and Malaysia ... (inaudible) ...

PM: Indonesia and Papua New Guinea have a document themselves about lessening tensions, about doing things - each party - undertaking things to lessen tensions. None of our friends in the region are likely,



in any way, to threaten Indonesia and I believe that Indonesia has no territorial designs on Papua New Guinea and they have made clear in their official text how important it is to keep those issues down. So, I don't see this as a real possibility.

J: ... from the Australian side, was part of it a concern within the government about Indonesia's part in the post-Soeharto period?

PM: No, it is just that we have gone on for too long saying to one another privately that President Soeharto's government has held this sprawling archipelago together, of diverse ethnic and religious groupings, but we have never made in any formal way or put together in any formal way the gestures which make this clear. In many respects the Australia-Indonesia debate has been, in a sense, compromised by the sole issue of Timor and it is the responsibility of every Australian government, certainly this is my view, that it is the responsibility of the government to have a proper broad relationship with our largest nearest neighbour. You might remember, in 1991, just before I had the first Caucus vote on the leadership, I said then, that Indonesia was the country with which we are yet to put the full constellation of foreign policy instruments in place and relationships in place. And while we have got a good and, I think, enduring relationship now which has come from the work of Gareth Evans and Robert Ray and others and, I hope, my own, I think, this anneals those efforts, polishes those efforts, provides a framework for those efforts which makes clear that the government of Australia regards a relationship with Indonesia as central to its view of the region.

J: Is part of your reason for going to Malaysia to speak with Dr Mahathir about this matter ...

PM: I would be very surprised if Malaysia, like Singapore, wouldn't regard this as a completely healthy sign for stability in the region, in the area, and I had thought in fact I had discussed going to Malaysia with Prime Minister Mahathir during the Commonwealth Heads of Government Meeting in New Zealand and my firming up of the dates of a visit is one I am going to make now in conjunction with delivering the Singapore Lecture in Singapore. You might recall that the Commonwealth Heads of Government Meeting was a meeting held before the APEC meeting in Osaka and it was at the APEC meeting in Osaka that final substantial agreements were arranged between President Soeharto and myself. So, my visit to Malaysia was really set before this was set in place.

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