



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
PRESS CONFERENCE, PRESIDENTIAL PALACE, JAKARTA, 18 DECEMBER
1995**

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PM: Well this agreement we have signed today, I think, will help set the environment for the region well into the next century. I said to you earlier today that Australia was around at the founding of the Indonesian State as we know it today. We have supported Indonesia against the Dutch at the end of the Second World War and we were justifiably proud in our role in the independence movement here in Indonesia.

In the years since, of course, Indonesia has become a much more prosperous country, there has been a very large increase in wealth, it has been quite evenly distributed and it has now an economic significance as well as a social significance of its size that bears upon the region and on the Asia Pacific in general.

What we have achieved in these last few years is a measure of the cooperation between us which has begun at foreign policy level, in the relationship between the Foreign Minister Gareth Evans and Foreign Minister Alatas. And in the quite important and more comprehensive relations we are developing in defence cooperation between our Defence Ministers, in Robert Ray and his counterpart Mr Sudradjat, and between our Chiefs of the Defence Forces, both of whom are with us today, and those other operational officers in both of our services. Also, my colleague the Deputy Prime Minister, of course, was involved as Minister for Defence back in the 1980s.

So I think we see what we have signed today, which is a historic agreement, as an extension of the cooperation that we have been able to develop between us and the fact that we recognise that key point and that is we are bound together by our geography, by our interest in a peaceful and secure region, by our quest for income growth and better standards of living, and by those very happy, shared memories of our history over time.

The relationship has had its problems, but the fundamentals remain sound and important and that is that much of Australia's future is bound up in the future of Indonesia and vice versa. And, I think, that President Soeharto has

shown his capacity to lead and take strategic directions for the benefit of his nation and for the region. And we have joined him in this most obviously before this with APEC, where we have built, I think, a new political architecture in the Asia Pacific, which includes, of course, North America, Japan, China, Korea, the countries of ASEAN, and Australia and New Zealand and, of course, now some more.

This has set up a whole frame of reference we have never had before, neither of us and, I think, now by recognising that each has a strategic interest in the other, that is that Australia has a strategic interest in the region and in the fortunes of this archipelago and that Indonesia has a strategic interest in us, in Australia, in our continent means that we are acknowledging the force of our geography and our shared history and the fact that we now live in one of the most peaceful parts of the world and we have the machinery in place to keep it that way.

So more than anything else, I think, this agreement is a declaration of trust. It is a declaration of trust about the strategic intentions of each of us. So rather than us being privately, if you like, assuaged or comforted by a declaration by Indonesia about its territorial ambitions, of lack of them, and similar statements by ourselves to the same point, this cuts through all of that and gets to the fundamental point that there is a basis of trust between us and together we can do substantial things together. 200 million people here, or just on, in Indonesia. Our country, a large continent, rich in resources, strong in technology, strong basis in education. We are, together, capable of doing many good things. Not just in our two countries, but in third countries too.

So this is more, I think, simply than an agreement about maintaining security. But, rather, it is about a declaration of trust between us which then goes beyond the official family into our communities.

Now I would like to just say that I am very pleased that my colleagues could join me because each of them were party to our first discussions about this in the Security Committee of the Cabinet. And where we have seen the development of the relationship with Indonesia, as a logical extension of the growth of Australian foreign domestic policy abroad.

I am also delighted that General Gration could be involved in the process as a former very distinguished Chief of the Defence Force. I think his relationship with Indonesia, the trust he built up here, the regard in which he is held was important to Australia and was important in this respect. And that general direction that he struck years ago is being followed now and developed further by General John Baker and, before him, Admiral Beaumont. And the three of these officers - General Gration as a former Chief - have, I think, reflected very substantially and well on Australia and on this relationship.

I would like to also thank our Ambassador, Allan Taylor, who carried a lot of the work at this end with his usual skill and discretion and the fact that he is held in such regard, in this country, matters mightily to us.

You have now got the full text of the agreement and you can see what it says. It has appropriate preambles and agreements on those key points and, I think, my last thanks - but not least - is to the Indonesian Government, especially President Soeharto who has had the imagination and the goodwill to agree to a proposal such as this and State Secretary Moerdiono who was involved in the nitty gritty and in some of the detail and never wavered from the strategic vision that he and the President had.

In all, I think, an agreement such as this is unusual for the fact that it has been made outside of any other context as the Five Power Defence Agreement was made in another context, particularly with Britain withdrawing from Singapore and the region, in the context of the difficulties then experienced between Malaysia and Singapore and Indonesia. Australia's agreement with ANZUS, of course, coming from our long shared cultural links and our experience together in a number of theatres of war over the century.

This is a contemporary agreement made for contemporary reasons, for the right reasons, and I think it is something which is going to add strength and value to both of our countries and that is going to bring a sense of security to the region that, I think, other members states of the region will share with us.

So in all I feel very honoured to be involved, as I am sure my colleagues do, and we are very pleased at the reception we have been given in Indonesia and are very grateful for the hospitality.

J: Mr Keating, you said earlier today that this agreement was delivered on a pledge you made in 1991. I am wondering how it rates, as four years as Prime Minister tomorrow, obviously it is the biggest achievement of your Prime Ministership?

PM: Well it is not a matter of rating things, I don't think, Michael. But, rather, that it was one of the things I said at the time that I thought needed to be done. That is, not this exactly. But a general rapprochement with Indonesia given the fact that over the years, the relationship had gone off the boil, principally because of Timor, forgetting how great a stake Australia had had in Indonesia's independence. And, can I say, how proud the Labor Party had been in the growth of the independence movement and its success and that seemed to be forgotten. And, yet, the force of our circumstances, our geography, our shared interest in the region, were the things that promoted my colleagues continuing interest in it. But we needed to bring it into some sort of logical statement about where we stood and, I think, this is what this is.

J: I would like to ask on the Article 3, which says that it could be extended [inaudible]. Is this any good if Indonesia is no longer a threat to Australia? Could you tell us whether there is any threat to this treaty in front of you now, thank you?

PM: It says that "the Parties agree to promote - in accordance with the policies and priorities of each - mutually beneficial cooperative activities in the security field in areas to be identified by the two Parties". Well, I mean, people have asked is this a military pact? No, it isn't. It is a security agreement. It is

about security and bringing security to the region and that requires an ongoing assessment by both of us about the way in which the region is developing and what things are happening and, I think, all of the things we can see - just let's take us the last six weeks - the APEC Action Agenda being adopted in Osaka in fulfilment of the Bogor Declaration, which is one of the most important, I think, institutional things to happen in this region probably since the War. I noticed this week that ASEAN, for instance, has decided now to meet informally annually, very much in the manner of the APEC Leaders Meeting, to try and keep the process of change moving. All of these things have got to have a good bearing on security in the region, security in all of its facets. So this is not about identifying threats, or even preparing a response to threats, but saying that we need to be alert to what it is that makes the region more secure and act either singularly or jointly - that is act in concert - where we are agreed to upon consultation, which is I think what the essence of a security agreement should have.

J: Prime Minister, Alexander Downer has put out a statement in Canberra reporting to reveal a private conversation with your Foreign Minister in which he alleges the Foreign Minister was concerned about the wording, referring to adverse challenges, rather than external challenges in the treaty. Could you respond to that claim, please, and also would you then care to go on and explain why that wording was used in contradistinction with the Five Power Agreement?

PM: Well can I just say, I think, that the Foreign Minister is on the record making mention of this clause and, I think, we would say he is being verbally here by Mr Downer, who the day before - I might remind you - said that relations with Indonesia were at the worst in 13 years. This is the same Mr Downer who is reported today as saying he may give way to Senator Hill on the Foreign Affairs portfolio were they to win an election. He gave way on the leadership of the Liberal Party, he's now giving way on the Shadow Portfolio of Foreign Policy. To do the nation a real service, he would give away on his constituency, and let someone serious take it up. If not from our party, from their's. So, I don't really think that - given his standing, weight, record or the veracity of his claims - that he is worthy of more time than I have given you, Glenn, on the answer.

J: Could I just ask the same question again - what does...(inaudible)....? How do you understand this?

PM: I'm sorry?

J: What do you understand by adverse challenges?

PM: Oh, yes. Well, I was more interested in dealing with Mr Downer than that point, not to forget the point. And that is that when one, I think, negotiates this sort of agreement, which is a big change for both countries, and especially, for Indonesia which has a non-aligned position so obviously and for so long - that some of the phrases which might spring to mind in a country with our frame of reference, where our language and use of it is known well and for which we are comfortable in treaties and agreements of this variety, this is not

necessarily true in Indonesia. And I think language like external threats is language that conjures up more than Indonesia wishes to state. I don't think it wants to say it's threatened, or even to seek to identify threats. So, the expression "adverse challenges" fits nicely with the general conception of the agreement, but doesn't jar with the agreement requiring of them some nomination of a threat. So, again, I think because these words don't reflect, say, words in the Five Power Defence Agreement written in another age and another time, or in other harder military arrangements we have with, say, the United States, is not to say they don't adequately reflect the sense of what we are seeking to do here.

J: Mr Keating, is that a concession on the part of the Australian negotiators...(inaudible)...?

PM: It's not really concessions. I mean, I don't think any of us have seen many of these things - that is, the paragraphs or phrases - as concessions. Rather, you start off from essentially a clean sheet of paper saying "look, we want to say more than we have been saying to one another, we want to say something that we can do in both of our names for the region, and which can be made sense of in the region". And what we have is what you have in front of you. And Indonesia has sensibilities in this, sensitivities in it, as we do. And the best - if you like - graft of those, is in the agreement.

J: Mr Keating, you sent a very very top level delegation to Indonesia to sign this treaty - is there any chance of President Soeharto visiting Australia in the near future?

PM: Well, we're about - between now and May next year - to have an election in Australia, and I think he is going to be interested in the outcome of that election, as we are. And he has a standing invitation to visit Australia, of course, and he would be well advised by his advisers to think about that in the context of the next Australian Parliament and Government, and no doubt he will. But again, there's always been difficulties about him coming to Australia with vociferous objections to the policies of his Government in Timor, and that's not to say in some way that I notice there has been some comment [that] I have made many visits here, and during this phase, he hasn't made a visit to Australia. But look at the results. There's APEC sitting there. There is this agreement sitting there. There's this continuous strengthening of the bilateral relationship. The Foreign Minister and the Defence Minister numerous visits here over the periods are all part of the building of this relationship. And I don't really....I mean, I would like to see the President in Australia, but I don't think he needs to come to prove we have a relationship.

J: Mr Keating, you...(inaudible)...are you looking at other bilateral agreements similar to this with, say, Malaysia and Singapore?

PM: No. We are doing good and effective things with the Five Power Defence Agreement - collaborative things in the defence field that's becoming more sophisticated as time goes by, and I think the structure of it suits Singapore, and suits Malaysia and suits us, suits New Zealand, suits the British.

J: Even if it means closer defence ties with Singapore and Malaysia?

PM: Well, they're quite close now. I mean, we're doing joint exercises with them. The Malaysians are doing...the Singaporeans are doing their flying training - they have got a base, of course, at Pearce in Western Australia. They are doing their tank training at Shoalwater Bay. We're doing collaborative things - joint exercises with the Malaysians. So I don't think there's anything lacking there.

J: Prime Minister, this agreement seems to be being lauded less loudly in Indonesia than it is in Australia. Does that concern you at all? Why do you think that is?

PM: No. Well, Indonesia is a member of ASEAN, it has...it's whole background is that it is in this perpetual partnership with the countries of the Association of South East Asian Nations - they have just had, again, another summit. And, you know, there is a protocol about the way in which it acts in the region, about its trade relations, about AFTA - we're not in that position. So, for Australia, making a bilateral agreement such as this, with the import it has, there is an exclusive nature about it that I think there isn't with such an agreement with Indonesia which lives in these multi-lateral arrangements.

J: So it's not a sign that it's more significant to Australia than it is to Indonesia?

PM: No, I don't think so. And I think you can judge that by the attendance at the agreement, and at lunch.

J: Mr Keating, whose idea was this notion of a security treaty, and will it automatically lead to much closer defence ties with Indonesia - ties that have become much more close in recent years?

PM: Well, I think it will. I think it's a signal that the declaration of trust which I spoke of earlier, is there in print. It's more than implied, it's more than something which flows from, or is drawn from, or is drawn down from a continuing set of collaborative relations in defence and foreign policy. And I think the fact that it is there unambiguously in this way will mean more will be done, and it's in a sense a bit of a green light, I think, to our defence forces that more can be done.

J: Can you indicate in the early stages how you see the agreement manifesting itself in practical terms over the next 2 - 3 years, in both countries?

PM: Well, I think it's a scene-setter, above all else. I mean, it's not only practical, but symbolic and a scene-setter, and it governs, I think, a whole lot of responses. You know we now meet as a Ministerial group. We have Australia-Indonesia Ministerial meetings, which go beyond - as we have always had it in foreign policy and defence - to the economy, to industry, to science and technology etc. And I just think all of these things will be given more impetus, too. What we're doing here is we're putting the mortar in the bricks of the relationship - that's what we're doing.

J: ...(inaudible)...

PM: Well, we have had discussions for quite a long time, now, about how we ought to speak about the relationship with Indonesia in an official way, and we have had discussions about whether there should be a joint declaration of principles, or perhaps some other form. And we had a discussion in the security committee, some time I think in 1993, wherein we thought we might try and do something which was more explicit in the security area. In other words, something that was more a straight interface between our two countries, rather than something that in a sense, transcended the societal questions. And, as a consequence, I took that matter then forward, the Foreign Minister, the Minister for Defence and I had discussions about what the parameters of this might be, obviously, our close advisers had discussions about it. And then I raised the matter with President Sohar to in 1994, and we had then further discussions in which General Gration and my colleague Allan Gyngell were involved with, and then the President came back to me on the question in Bali, and we decided to go further. Then there was another discussion between General Gration and Secretary of State Moerdiono, and then I had a further discussion with the President at the bilateral meeting I had in Osaka. Then discussions with my colleagues when I returned and, you know, the Cabinet since decided that the draft as presented was acceptable to it, and today we are here.

J: Mr Prime Minister, you just mentioned that it was a declaration of trust?

PM: Yes.

J: Does that mean that there will no longer be suspicions between Australia and Indonesia?

PM: Well, I think the answer to that is yes. I mean, in all nations you will always have suspicions, particularly in big nations where there are things in our history which have rankled us. But by and large, this is an endeavour - better, a statement - which makes clear what our strategic intentions are towards one another, by the Government of Australia, by the Government of Indonesia. And the general position that Indonesia has taken for so long - about its position, its non-aligned position, its view of other nations and their sovereignty, and the views that we have taken in the past - mean that there is a sort of backdrop within which such settings can be made, as we have in this agreement. So, I think it will do a lot - it is very much a declaratory set of statements about how we see one another, and the trust that binds them. And I think it must do a lot to reduce suspicions, in both countries, of both countries.

J: Can I go back to this question about adverse external challenge - could you clarify the concept of adverse challenge? Does it have any connotation of Australia being involved in an internal challenge that might occur?

PM: Well, I said that - I thought forcefully, and I hope well - the moment I first said something about this. And so too did Foreign Minister Alatas make exactly the parallel point. So, let me use this opportunity to clear again - this

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expression "adverse challenges" does not mean challenges with respect to the internal affairs of Indonesia, or the internal affairs of Australia. One of the values of this agreement is that it is an external interface, one to the other, between both countries. It is not about actually delving into our societies in any way, which makes it cleaner and therefore, I think, better. Thank you very much indeed.

ends.

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AGREEMENT BETWEEN
THE GOVERNMENT OF AUSTRALIA
AND
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
ON MAINTAINING SECURITY

THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (hereafter referred to as the "Parties"),

DESIRING to strengthen the existing friendship between them;

RECOGNISING their common interest in the peace and stability of the region;

DESIRING to contribute to regional security and stability in order to ensure circumstances in which their aspirations can be best realised for the economic development and prosperity of their own countries and the region;

REAFFIRMING their respect for the sovereignty, political independence and territorial integrity of all countries;

REAFFIRMING their commitment to the settlement of all international disputes by peaceful means in accordance with the Charter of the United Nations and International law;

RECOGNISING that each Party has primary responsibility for its own security;

MINDFUL of the contribution that would be made to their own security and that of the region by cooperating in the development of effective national capabilities in the defence field and hence their national resilience and self-reliance;

NOTING that nothing in this Agreement affects in any way the existing international commitments of either Party;

THEREFORE AGREE as follows:

Article 1

The Parties undertake to 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.

Article 2

The Parties undertake to 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 either individually or jointly and in accordance with the processes of each Party.

Article 3

The Parties agree to promote - in accordance with the policies and priorities of each - mutually beneficial cooperative activities in the security field in areas to be identified by the two Parties.

Article 4

This Agreement shall enter into force on the date of the later notification by either Government of the fulfilment of its requirements for entry into force of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE at Jakarta on the eighteenth day of December, one thousand nine hundred and ninety-five in the English and Indonesian languages, both texts being equally authentic.

**FOR THE GOVERNMENT OF
AUSTRALIA:**

**FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA:**

GARETH EVANS
Minister for Foreign Affairs

ALI ALATAS
Minister for Foreign Affairs