



PRIME MINISTER

STATE DINNER

DJAKARTA

Speech by the Prime Minister, the Rt Hon.

William McMahon, CH, MP

JUNE 6, 1972.

Your Excellencies, President Soeharto and Madame Soeharto,
Distinguished Guests:

I am honoured and personally delighted to be here with you tonight - among friends. My delight is, however, tinged with regret at the unavoidable absence of my wife. But I speak for her, too, when I express our personal friendship for you, Mr. President and for Madame Soeharto. Your visit to Australia is still fresh in our memories and I want to convey to you the warmest greetings from her - and from the many friends you met in Australia as well as from the Australian people themselves. 1972 was the year in which you, Mr. President, by your visit to Australia, gave a powerful stimulus to enlightened co-operation between our two countries.

Mr. President, I believe our friendship now has firm foundations. Increasing numbers of Australians share my interest and desire for closer and direct contact with your large and fascinating country. Part of this interest arises from our proximity. But much of the interest arises from a sense of fresh discovery of something different - something that has ancient foundations but which is, to many of us, refreshingly new. I am sure, too, that in the last few years you have become increasingly aware of us as a country with another kind of economy - and society.

So we are of interest to each other - not just because we are neighbours, but because we are different and have commonly shared goals and commonly shared interests. These commonly-shared goals and interests, I believe, and concerned with

- . security, stability and peace,
- . national development,
- . economic and cultural co-operation and
- . trade

Mr. President - I think you will agree that our private conversations this morning have reinforced this.

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From the very first days of your independence we sympathised with, and supported your struggle. We were among the first to establish diplomatic relations with your newly independent country: And even when our relations were at a low point we maintained our embassies in each other's capitals and continued a dialogue.

Mr. President, I am well aware that you have created stability and maintained growth in your own country, and have contributed to the stability and development of the South-East Asian region. I now assure you that I, along with many other Australians, share a deep and abiding interest in your country, its culture and its future.

If two countries with such different cultural, ethnic geographical and religious backgrounds can build the bridges of co-operation and goodwill as we have, then Sir, we have a unique, intimate and mutually rewarding relationship which is an example that other countries troubled by conflict and tension can follow. We are both members of a region composed, in a political sense, of many newly-independent nations. We are both devoted to regional development and to the concept - of which you, Sir, are one of the architects - of national resilience. I speak of national resilience as the will and the ability of each of us, so far as it is within our capability, to defend our independence by our own efforts.

I believe, too, Mr. President, that the Asian theatre will be profoundly influenced by the changes now occurring in the relationships among the major powers. President Nixon's visits to Peking and Moscow have altered the balance away from confrontation, and towards conciliation and detente. If these trends continue, and we hope they will, the peoples of South-East Asia can look forward with some hope to greater prospects of peace, stability and progress. This does not mean that we can relax our efforts to build up our capability, regional co-operation and, in your own words, regional resilience. Nor does it mean that in all circumstances we can 'go it alone'. The conflict is still raging in Indo-China, and at a higher level of violence. Other nations in the region are still confronted with problems of subversion and, in some instances, armed insurgency. These disturbances make it all the more imperative that we should work actively and effectively together. As I have already said, Mr. President, 1972 has been the year of enlightened co-operation in many fields, including trade, development, cultural and defence co-operation.

Our trade is growing but we want to ensure that it grows to our mutual advantage, and we believe it is important to do more to encourage your exports to Australia. You may recall that we introduced in 1966 a system of preferential tariff quotas on manufactured goods imported from developing countries. We were the first to do so. These quotas have been expanded both in size and numbers over the years. In fact at the recent UNCTAD conference in Santiago, we announced that a further 200 items would be added to the system. I feel that Indonesia has not yet taken up its fair share of these quotas which are designed to help all developing countries.

We are prepared to do whatever possible to provide your traders with information on market proposals in Australia. I have asked my colleague, the Deputy Prime Minister and Minister for Trade and Industry, to visit Indonesia for trade talks on these and other matters, including a review of our trade agreement which was negotiated initially in 1959. I also expect Mr. Anthony to discuss investment issues of mutual concern with your ministers.

Then there is economic development. This is a subject to which your Government attaches the highest priority, and my Government has been happy to assist in providing technical skills, know-how and equipment. We have a common interest in the development of the port of Tjilatjap, and we have been discussing a new project in animal husbandry of which I will be saying more later in this visit. This as you know, is a large project indeed. As I have informed you, Mr. President, my Government plans a substantial increase in Australian aid over the next three years.

Mr. President, we are also involved in cultural co-operation. Our two governments signed a cultural agreement four years ago and there has been a welcome increase in cultural contacts since then: But more needs to be done. I have proposed, with the agreement of your Government, to establish a cultural and language centre in Djakarta. This centre will promote two-way cultural and language exchanges.

And, finally, in the field of defence co-operation, our armed services are working closely together in a number of projects. Neither of us wants a military pack of alliance. But there is much we can do by giving assistance in a practical way and by sharing experiences and knowledge and co-operating to our joint advantage. We have arranged to provide sabre jet fighters and accompanying equipment and technology and flight training, and very substantial help in equipping an important military airfield at Iswahjudi. Already your airmen including pilots and technicians are now being trained in Australia: And we are willing to respond positively to your wish to strengthen your coastal surveillance capacities. There are several other such projects under discussion between us that I hope to see brought to fruition.

I am now able to say that my Government last week approved increased financial provision for technical and military co-operation with Indonesia to enable us to assist in these and other ways.

Mr. President, I, and the vast majority of Australians, highly esteem the wise, courageous and unifying leadership you have given to Indonesia - and the energetic role you have played in your country's development. We are both fortunate that you assumed the leadership of Indonesia at a moment in its history when your qualities as a leader were most needed. Since then you have continued to provide inspiration for your people. You have guided your country through many difficult years, and have opened up prospects for a better - a much better - future.

Mr. President, I now propose the toast to you and to the continuing friendship of our two countries and our co-operation in the pursuit of peace and progress for Indonesia - Australia - and our friendly neighbours.
