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PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
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PM: Well, I'll just give you a couple of minutes and a few impressions. During this APEC meeting we have the opportunity of bilateral discussions and today I have already had bilateral discussions with Prime Minister Mahathir, President Jiang Zemin, yesterday Prime Minister Chretien. I will be seeing President Clinton for lunch. I am seeing Mr Chuan from Thailand and I will be seeing other leaders through the afternoon.

President Soeharto's draft declaration is, of course, a document of great moment and because it implies important national commitments by countries as people contemplate those commitments, they are pressing to see what everyone else is doing and to see what it means for them, what they secure from it and as one would expect with something of such huge moment, it is not being thoughtlessly agreed. There is a lot of discussion about what this means for people and whether they can accommodate it. So far the discussions have gone well. So far, I think, there is gathering support for the declaration and I think Leaders are having a chance to discuss amongst themselves what it means, what other people believe it all means and who we will proceed from here in the case of it being adopted.

Now, this is the sort of discussion I thought there would be today, but I am happy to report at this point, it is moving positively and I think well.

J: Did Dr Mahathir indicate he would come on board this APEC process?

PM: Well, it is not a matter of coming on board. He is already on board. Malaysia is a member of APEC and I think they are also offering to host the 1998 meetings. These are matters yet to be decided, but all the

nuances here are by degree and it is a matter of seeing whether all of the degrees add up to, if you like, a circle.

J: How did you get on with him?

PM: Very good, very well, but I always have whenever I've meet him in the past and as I did in Cyprus a year or so ago and on this occasion we had a good meeting about our bilateral relationship, about the growth in our trade, about the exchange of people, about the students in Australia, about our capacity to do things together in third markets. It was, I thought, a very positive discussion.

J: So, he is no longer recalcitrant?

PM: Well, it was a discussion about ... there were two features to it - the bilateral discussion, that is the things Australia and Malaysia are doing together and our role in the larger game of APEC. I thought it was a valuable and frank discussion.

J: Will he support target liberalisation?

PM: I think you will find out exactly what people support, probably this evening and tomorrow. People are trying to, at this stage I think, feel out everybody else to see what all these words really mean in the minds of the major players. But, I think, Malaysia certainly sees advantages in the developed countries committing themselves to an earlier date for liberalisation. I think, that is a very large matter with the developing countries.

J: Mr Keating ... substantial change to the draft in the next 24 hours?

PM: I think President Soeharto has taken the view that we have now had a year to put this together. There has been a tremendous amount of discussion across that year, feeling people out to see what should go into a draft declaration and, I think, the judgement has to be made then - is this basically likely to accommodate most peoples aspirations? I would think the President thinks it does and his inclination, I haven't seen him yet I will be seeing him this afternoon of course, his inclination is that it does and that he should stick by it.

J: Are the Chinese ready to support a timetable?

PM: I think China understands. Australia did some economic modelling of APEC benefit versus Uruguay Round benefits and they far outstripped the Uruguay Round benefits for China. In fact, China is probably the largest

beneficiary of the APEC change and in my meeting with President Jiang Zemin a few moments ago I gave him some of that material. I think, what it in fact does is confirm China's own view that APEC provides tremendous economic opportunities for China and as well as that in the draft declaration it will have the United States in agreeing to the declaration to also do so with the words in there which say that all APEC members should be members of the World Trade Organisation which means also China. So, I think, China would see that as a fairly clear benefit for them.

J: ... the protests on streets of Dili today, there is still ... at the US embassy. To what extent do you think East Timor may, at least, partly overshadow what's going on here at APEC?

PM: Well, let me assure you, this is always an issue and has been an issue for years, I have raised it many times with the President, and it is an issue, I'm sure, for many countries here, but it is not overshadowing what is happening here. You get no sense of that speaking to any of the Leaders. So, this may be a media view, it is not a view here in reality. That is not to say the issue isn't important or that it is not something that we shouldn't work on and you know in Australia's case we are doing something material and tangible in seeking to develop East Timor and that whole province. To try and make economic opportunities, employment and living standards better in that part of Indonesia. So, I think, as these things progress and there is also, I think, Indonesia itself manages this region perhaps better in the future than it has in the past, that it will be better at managing this problem.

J: (further question on Timor and demonstrations)

PM: You're aware of the demonstrations and I am by news, but not by moment. I mean, I don't think it is fair to present a picture to Australian viewers or anyone else, that somehow the meetings are being set in a climate of these demonstrations going, because this is not the climate here. Now, there is no doubt with the world in town those who want to make a point about Timor will seek to make it. But, the point, I think, we should understand is that if there is any moment of history here, it is the fact that this meeting would in any other decade have occurred in Washington or the United States or Western Europe, this is occurring in Asia and it is occurring here in Indonesia and the United States President has come to Indonesia to conclude this business on behalf of his country. I think that point of significance shouldn't be lost on any of us.

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