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PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
JOINT DOORSTOP WITH PRIME MINISTER GOH CHOK TONG, ISTANA, SINGAPORE,
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GOH: I am delighted to have Paul Keating visit us in Singapore. This is essentially a continuation of our discussion in Canberra when I was there a few months ago. Today, we reviewed the progress in the implementation of APEC ... kept our meeting going. We also explored bilateral relations in particular we agreed that we should set up a committee of officials to see how we can maximize our strategic partnership. Your focus on political, security and economic relations. The committee will be set up in a few weeks time and to be asked to submit a report to us - a blue print of action - in about six months time.

We have also agreed that Singapore should send a tourism mission to Australia to explore several investment possibilities in either Queensland, Northern Territory or Western Australia. Essentially again, it is an idea which we are following up on, we discussed it in Canberra when we met the last time.

PJK I just re-emphasize the point the Prime Minister made about Osaka. We made very great progress at Bogor. The importance now is to keep that momentum going and to actually give tangible expression to some of the elements of the Bogor Declaration. So, I think, he and I see this as a great priority and we are happy to say and to know that it is going well at this point.

On the bilateral relationship, I think, we see a great future for Australia and Singapore co-operating in third markets. In countries around the region where we can get together, that is our skills and our technology and our capital, to do things together and as the Prime Minister has said, we will now arrange our respective departments to get together and come up with an action plan within six months to say which markets we think we should be moving towards and in which sectors.

The Prime Minister's reference to tourism is, I think, the notion that many Singaporeans are now going to Western Australia and the Northern Territory - the nearest part of Australia, four and a half hours to Perth - and there is, I think, the opportunity of opening up tourism developments across the north of Australia, that is, in Western Australia, the Northern Territory and in Queensland. We think we ought to be exploring the ways in which we can facilitate this and bring pleasure to Singaporeans and further co-operation between our two countries and, of course, the people to people contact which is the underlying fundamentals of any relationship. I am sure we are both pleased to take questions.

J: Has there been any change to whether there's to be preferential trade within APEC ...

- PJK: I don't think we think this is a sort of semi ideological dogmatic thing. The Prime Minister can speak for himself, but I'm pretty sure his view and mine would be that let's get on with the APEC agenda, let's give real expression to the Bogor Declaration rather than overly worry at this point about whether it is MFN or preferential. I think that in this part of the world we would prefer to be dealing as we deal now on a Most Favoured Nation basis with the rest of the world, but we do want to at the same time develop APEC as coherent, with a cogency to its plans for freer trade. So, all of the trade ideologies of putting their sticky fingers in here, in this one, I think the key thing is for the organisational people to get on and make Osaka a success. That ranks more critically than whether it is MFN or preferential.
- J: Is it disappointing that the Malaysians have indicated that they don't believe in APEC ... the agreement, the Bogor Agreement?
- PJK: I think the Prime Minister can probably do more justice to that than I. I mean, his contacts with Malaysia are more extensive than mine, but the notion of concerted unilateralism, the notion that we can all head down a path together but not do it in an overly regulated way is, I think, the way forward and President Soeharto's concept of the flexible consensus is, I think, the appropriate one. That plus a concerted, unilateralist approach will not only take care of any concerns Malaysia has, but anybody else. Do you think so, Prime Minister?
- GOH: Yes.
- J: Mr Keating, is there going to be an election in Australia this year?
- PJK: We have to have an election by about March 1996 and generally we have elections when we have to have them.
- J: Prime Minister, what level would you like to see this committee being set up?
- GOH: This is to be set up at the departmental secretary level - the departments of Foreign Affairs ... and perhaps other ministries.
- J: I wonder if both of you could make any comment on the Barings situation. Prime Minister Goh in a sense of whether you are satisfied that Singapore has done enough in the regulatory area and Prime Minister Keating whether this raises any concerns about your own markets.
- GOH: No, I think looking at the reports from the investigation we felt that we have done very well. The authority has regulated the transactions, they knew what was coming, they forewarned the people involved, the mid margin calls ... paid up and as you have read in the papers today it is essentially an internal problem of the Barings group - a lack of control over that. As far as the market is concerned there has been no impact. The stock market is up, SIMEX is trading and there has been no losses for Singapore.
- J: Prime Minister, coming to defence, what is your assessment about relations with Australia as far as defence concerned, what more do you think can we have?
- GOH: Well, excellent relations. We are very thankful that Australia has given Singapore space. As you know we need space to train our airforce, we need space for the army and we haven't got a space in Singapore, Australia has the space and is kind enough to offer that space to Singapore. That is because, essentially, both countries see a coincidence of interest over the long term, we share strategic interests in the area. So, Australia has been very helpful and we are very grateful for that.
- J: To follow on up that question, was there any discussion of the recent events in the Spratleys, signs of some confrontation there?

GOH: No, we didn't discuss that.

J: Mr Keating, will there be a hike in interest rates in Australia ...

PJK: Do you work for the financial market do you? Knight-Ridder? In Australia we have been growing at around 5.5 to 6 per cent and we think there is now some natural slowing in the economy and that the monetary adjustments that Australia has made have produced perhaps a reward on demand even greater than the actual mechanical impact of the measures, that is, with substantial announcement effects. So, we are now waiting to see just how our national accounts are looking as we get more partial data in.

J: Mr Keating, back home this morning Senator Alston has accused you of running an anti Packer vendetta since he appeared on Channel Nine and endorsed Howard, do you have any comments?

PJK: Only to make the obvious comments that they are crawling to Kerry Packer. Not a good strategy for anybody I wouldn't recommend.

J: They are denying any deal with Packer.

PJK: Of course they will, but they have signed up. I mean, work out who is the Packer candidate - the man who walks in and says he will remove the cross media rules or the man who says he won't?

J: So, you still think there is a deal with ...

PJK: Absolutely.

J: Mr Keating, on one other subject, could you describe your feelings at the cemetery this morning and your impression?

PJK: I think I am always perpetually mindful of the reality of the commitment of Australian men and women to the defence of Australia and to the defence of democratic values and states such as Singapore during the Second World War. We have been reminded of this because of the 50th anniversary of the Fall of Singapore in 1942, being in 1992, and then in various other parts of the regions through 1993, 1994 and 1995. This year with Victory in the Pacific. I invariably take the opportunity to visit the graves of Australian service men and women and I was particularly struck today that the Secretary of my Department, his father is buried here and there was on the roll two other Keatings, from Tasmania and my uncle was captured here and, of course, died on the death March between Sandakan and Ranau. So, there is a poignancy and remarkably, in a sense, but probably not remarkably that in a visit to the Prime Minister and speaking two of us here have lost relatives in the defence of Singapore. I think that speaks volumes about this on-going relationship and the defence relationship in the fact that we will not forget. It is important that we remember, and be seen to remember, and it is important that the relatives of those who were lost here, relatives in Australia of those who were lost here, know that it was not in vain and that they are not forgotten.

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