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**PRIME MINISTER**

29 OCTOBER 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD, MP  
PRESS CONFERENCE  
THE REGENT HOTEL, JAKARTA**

**E&OE.....**

**PRIME MINISTER:**

Well ladies and gentlemen, this morning I had a lengthy meeting with President Soeharto and this afternoon I'll see the Foreign Minister, Mr Alatas, and another of his ministerial colleagues. The meeting with President Soeharto was extremely good. Once again the strength of the bilateral relationship was confirmed by both of us. I've already announced that Australia will establish six new honorary consulates in Indonesia to boost trade and investment efforts in the region, and will also provide \$44 million for a human resource development project to fund a short term training programme over a period of five years. The new honorary consulates will be spread throughout Indonesia, four of them however are located within the Australia-Indonesian Development Area, AIDA, which covers all of eastern Indonesia, including Kalamantan and Irian Jaya.

The Australian Government is also going to provide \$360,000 in funds for a new project to provide ground fire-fighting training and equipment to Indonesian fire services and, in Australia today the Foreign Minister, Mr Downer, announced the provision of some \$300,000 for drought relief in Irian Jaya.

Much of the discussion I had with the President concerned the economic and financial situation in the region. I indicated to President Soeharto during our discussion that, consistent with Australia's close friendship and partnership with Indonesia, Australia stood willing to participate in any IMF supervised and IMF arranged package directed towards assisting the Indonesian economy during its current short-term pressures.

I indicated to the President that that would take the form of either a participation in the initial provision of support or alternatively, if it so transpired in respect of the IMF arrangements, that we would participate as part of a stand-by credit arrangement along

with other friendly countries in the region and elsewhere. I indicated to the President that that offer of assistance would of course be subject to Indonesia meeting conditions laid down by the International Monetary Fund and would of course be part of a package or an arrangement that was supervised by the International Monetary Fund.

I regard this as a very important element of Australia's on-going role as a fully active participant and player in the Asia-Pacific region. It is the act of a friend, it is the act of a good neighbour, it is an act of a nation willing to assist another nation with which it has very long-term interests and a long-term association. It is also in the interests of the Australian nation and the Australian people that the Indonesian economy be strengthened and be supported. Indonesia is increasingly buying Australian goods and services, the economic relationship between Australia and Indonesia has deepened a great deal over the past few years, and I regard the offer that I made to the President today as a very important manifestation of the closeness of that association. A commonsense offer of assistance and benefit to Indonesia but also in the medium and long-term interests of Australia and the Australian people.

I indicated to the President that I believed that the fundamentals of the Indonesian economy were sound, that much economic progress had been achieved - indeed quite spectacular economic progress had been achieved during the presidency of President Soeharto - and that the world, and particularly the friends and neighbours of Indonesia in this region, had every reason to feel utterly confident about Indonesia's economic future.

We also took the opportunity to talk about the forthcoming APEC meeting. We share a common commitment to the strengthening of APEC, a common commitment to the achievement of the trade liberalisation goals of APEC, we also have broadly similar views on future membership arrangements concerning APEC.

We also had very satisfactory discussions about a number of bilateral matters, including some outstanding issues regarding the Timor Gap Treaty which will be the subject of discussion between Senator Warwick Parer and his Indonesian counterpart at a meeting in Cairns on the first of November.

Overall, an extremely productive, successful meeting confirming the close relationship, confirming the capacity of the two governments to work in a down to earth, business-like manner building a closer future, a recognition on our part that we are a close friend and neighbour willing to help in a measured, effective way and I am sure a recognition by Indonesia of the immense bona fides of Australia, the desire of the Australian Government and the Australian people to be a good partner and a good neighbour.

**JOURNALIST:**

Prime Minister, I know that you've only talked in principle about (inaudible)

**PRIME MINISTER:**

Well I don't want to get into amounts, but obviously when you think of the size of Indonesia and the size of Thailand I would understand that some people might speculate in that regard, but I think it's a question that ought to be left to further discussion and certainly with the International Monetary Fund, as well of course as the Indonesian authorities.

Look, what I wanted to do today was to send a very clear message to the Indonesian government that we stood ready to help. I don't want to talk amounts, I didn't talk amounts, people would be wrong to talk amounts at this stage because they haven't been discussed, but we are ready to help, that will help Indonesia and it will also help Australia in the medium and long term. This is the very sort of thing that a good friend and a good neighbour should do when these sort of circumstances arise.

**JOURNALIST:**

What was the President's response and how do you think this will play out with APEC in terms of pushing for trade liberalisation?

**PRIME MINISTER:**

The President was very grateful. How it will play out at APEC - I would have thought what it will tell the countries of APEC is that Australia is in the region for the long-haul, that's what it will tell the people of APEC.

**JOURNALIST:**

Is there any sensitivity that you detect from the President or others that you have spoken to in terms of the currency turmoil slowing down the pace of growth?

**PRIME MINISTER:**

He did not raise that.

**JOURNALIST:**

If I could clarify Mr Howard you were about (inaudible)

**PRIME MINISTER:**

Well I'm not necessarily talking about a precise arrangement, I mean every situation is different. That depends on what requests, if any, we receive from the International Monetary Fund.

**JOURNALIST:**

Prime Minister did you get the sense from President Soeharto that he was prepared to abide by whatever conditions the IMF came up with?

**PRIME MINISTER:**

I got the sense from him that they were very close to reaching agreement. I made it clear to him that our offer was conditional upon the IMF conditions being met, and any contribution that we made that the package of which it was part would be supervised by the IMF.

**JOURNALIST:**

He was happy with that?

**PRIME MINISTER:**

Well, he certainly didn't object.

**JOURNALIST:**

Has the money from Singapore made any difference to the plans of the IMF (inaudible)?

**PRIME MINISTER:**

No, what I offered today was a pure, stand-alone Australian offer.

**JOURNALIST:**

Yes, but from the Indonesian point of view?

**PRIME MINISTER:**

Well I didn't discuss Singapore's offer.

**JOURNALIST:**

He didn't mention it?

**PRIME MINISTER:**

Well he mentioned it in passing, but my offer's not conditional on Singapore's, any more than Singapore's was conditional on ours, and ours has been couched in different terms from Singapore's. Ours is couched in terms of an overall IMF approach of which ours would be part, either as an element of the initial support mechanism or as part of a stand-by credit arrangement. Now it's yet to be determined how that will work itself out and that will depend on the attitude of the IMF, it will depend upon the resolution of the discussions between the IMF and Indonesia, but Singapore can speak for herself, I've explained the basis of our offer.

**JOURNALIST:**

Prime Minister on the general financial situation, are you heartened by developments around the world (inaudible) will bounce back?

**PRIME MINISTER:**

I said yesterday that I wouldn't give a running commentary on day-to-day changes and I think I'll stick to that policy today.

**JOURNALIST:**

There is a suggestion of a regional financial settlement separate from the IMF. What's Australia's attitude to this?

**PRIME MINISTER:**

We would not want to in any way undermine the overarching role of the IMF.

**JOURNALIST:**

Mr Howard, are you planning to brief (inaudible)

**PRIME MINISTER:**

Well I think crisis is perhaps a word I wouldn't use.

**JOURNALIST:**

Given the financial situation, do you plan to talk about that in Parliament tomorrow?

**PRIME MINISTER:**

Well I haven't decided exactly what I'm going to talk about in Parliament tomorrow, I'm still working out some of the things I'm going to say in Indonesia this afternoon. Look, obviously I will talk about economic developments in an appropriate way when I get back. Whether it's in Parliament tomorrow afternoon or elsewhere remains to be seen.

**JOURNALIST:**

On APEC, did you come to a decision with President Soeharto on which countries you would want to see as new members, and which you would like to keep out at this stage?

**PRIME MINISTER:**

Well it's not entirely our gift. We are but two players but my view probably is that there seems to be a strong case developing for Peru and Vietnam perhaps. Beyond that, I don't know that a strong case exists for further members at this time. There's a danger with bodies such as APEC that you can make it too big and it can lose its coherence and it can lose its relative intimacy, which is one of the strengths it has, and one of the appeals it has to the leaders of such a diverse group of nations.

**JOURNALIST:**

You say you discussed the Timor Gap issue. Can you tell us more about that and also did you raise the question of human rights?

**PRIME MINISTER:**

On Timor Gap, what I said was that I would hope that the differences that have arisen regarding the interpretation of the treaty could be resolved on the basis that it was fair to both sides, so that the location of any processing facilities could be determined by purely commercial considerations and not dictated by other matters.

He seemed to agree very warmly with me about that. Regarding East Timor, I did raise the question of East Timor. I indicated to the President that whilst Australia recognised, and had for a long time been consistent with recognition of Indonesian sovereignty over East Timor, that it would be desirable from Indonesia's point of view, and also from the point of view of the many friends of Indonesia, particularly in the region, that further progress in the area of dialogue and greater control over their own affairs, were made in relation to East Timor.

**JOURNALIST:**

What response did he have?

**PRIME MINISTER:**

I think he took on board what I had to say about that and made some general observations about East Timor. I think the point was made and I wasn't expecting any substantive response at this time.

**JOURNALIST:**

(inaudible)

**PRIME MINISTER:**

I would have to look again at exactly what was said by Mr Costello before I accepted that as a completely accurate summary of what he said. My recollection was to the effect that he said that the situation in Indonesia was a lot stronger than in Thailand. That's not quite what you said.

**JOURNALIST:**

Could I clarify, Mr Howard, with Thailand (inaudible) would it involve a possible advance?

**PRIME MINISTER:**

Well they would both be under the aegis of the IMF.

**JOURNALIST:**

Did you discuss with Mr Anwar yesterday, (Inaudible) did you raise the matter with (inaudible)

**PRIME MINISTER:**

Well we haven't decided that. All I am saying is that we have made the offer and I have described the offer that has been made. As far as Thailand is concerned, Thailand is Thailand, Indonesia is Indonesia, and we will deal with each of them separately.

**JOURNALIST:**

(inaudible)

**PRIME MINISTER:**

What? From Australia? No. No, no, he didn't suggest what Australia might do, no.

**JOURNALIST:**

Your Wik legislation has gone into Parliament in Australia and several National Party members have expressed their views that....

**PRIME MINISTER:**

I think it just demonstrates that the legislation is a fair compromise between strongly-held views.

**JOURNALIST:**

Are there any amendments that the Coalition (inaudible) of those three National Party Members (inaudible)?

**PRIME MINISTER:**

No I am not, I think it demonstrates, I mean, they want it to be tougher and so I think what their vote does is to demonstrate to the Australian people that this is not the

prejudiced, unfair, discriminatory, unreasonable legislation that it has been described as by members of the Opposition, the Labor Party and members of the Aboriginal community. This is a fair compromise. We have already worked very hard to have a compromise and what those three National Party members have done is not entirely surprising. I think they're really demonstrating a point to their own immediate constituencies, but in so doing, they're demonstrating to the Australian people that this is middle of the road, fair legislation, and that it does represent a compromise between those people who wanted blanket extinguishment of native title, which is the position I understand of the three National Party members, and those who wanted to leave it exactly as it was in the wake of the Wik decision.

Both positions were always untenable to me and both positions will remain untenable to me and the only fair compromise is the one that is embodied in the ten point plan and that is why I intend to pursue it and that is why some... amendments at the margin, the Government will not accept any substantive amendments and that applies on both sides of the argument, and that is a comment directed as much at those who want to make the legislation tougher, as it is, those who want to water it down.

**JOURNALIST:**

Are there any of the amendments to the (inaudible) three National Party members (inaudible)?

**PRIME MINISTER:**

Well my advice, and bear in mind that I haven't been there, and I spoke to Mr Fischer about these matters generally a few hours ago, was the particular amendments that they put up which were voted down, of course they are acceptable to the Government, but the point is very clear. Here you have then wanting to make it tougher and over here you want the Labor Party to gut it and we're in the middle and we've developed a fair compromise.

**JOURNALIST:**

Can I just clarify that you said that the President would be grateful (inaudible)...

**PRIME MINISTER:**

Well he, like I, understands that further discussions, particularly in relation to the IMF are involved, and whether such a participation by a country like Australia in the final analysis is necessary is yet to be determined, but the point is we stand ready to help on those conditions and he was very grateful that in a time of difficulty for Indonesia, Australia has demonstrated friendship and partnership, regional mateship and I think it's something that reflects the warmth of the association, but it also, can I say, is in Australia's interests that the Indonesian economy be further bolstered and strengthened and that we express our confidence in the Indonesian economy.



Nobody should think this is in any way an offer that is entirely one-sided. I mean, Indonesia is part of Australia's economic and political future and a strong, prosperous, economically powerful Indonesia is very important to Australia, both as a market and as an influence for positive economic thinking in the region.

**JOURNALIST:**

Over the past few years there has been suggestion that Soeharto might visit Australia. When might that come about?

**PRIME MINISTER:**

I don't know. I understand there are reasons, you understand those reasons. That has nothing to do with his attitude of the Australian Government and it has nothing whatever to do with any lack of willingness on the part of either my Government or my predecessor's Governments, Keating, Hawke, Fraser. I think he last visited Australia in 1974 when Mr Whitlam was Prime Minister. I think you all understand some of the reasons and the local political considerations involved. I don't know the answer to that.

**JOURNALIST:**

He hasn't given you any indication?

**PRIME MINISTER:**

No he hasn't.

**JOURNALIST:**

(inaudible)

**PRIME MINISTER:**

No.

[Ends]