

Keating's Engagement: Too Many Eggs in the Suharto Basket?

by Margaret Hanlon

Abstract

During his tenure as Australian Prime Minister between December 1991 and March 1996 one of Paul Keating's foreign policy priorities was to engage more fully with Australia's neighbours, particularly Indonesia. Keating believed that while previous Australian governments had attempted to establish a closer relationship with Indonesia, there remained a level of suspicion between the two countries. Keating recognised, as had others before him, that while Indonesia was important to Australia in terms of the bilateral relationship, Australia's relationship with Indonesia was crucial to Australia's integration into the economic and political life of the Asian region. If Australia did not have a close relationship with Indonesia it would be very unlikely that Australia's relationship would develop with the rest of ASEAN and the other Asian countries.

This article makes some general assessments of the policy actions taken by the Keating government rather than an in-depth account of those actions. It questions whether Australia's interests were best served through Keating's policy of 'engagement' and if not were there other alternatives to the intensity and urgency of his policy.

Biography

Margaret Hanlon completed her Bachelor of Arts (Honours) majoring in Politics in 2004 and this article is based on her Honours thesis. Marg is now a PhD candidate with CAPSTRANS and the School of History and Politics. Her thesis is a comparative analysis of Australia's foreign policy on Indonesia from Keating to Howard. In particular the thesis will examine Australia's foreign policy discourse from a multi-layer government perspective that considers both international and national governance issues.

Keating's Engagement: Too Many Eggs in the Suharto Basket?

Since the end of the Second World War the relationship between Indonesia and Australia can best be described as a paradox of friendship and suspicion. While there have been attempts at genuine relationship building there have also been times of tension and mistrust. For Australia, the relationship with Indonesia is crucial in terms of Australia's strategic interests within the Asia region. Indonesia largely provides the key to Australia's integration into Southeast Asia and this has been the prevailing discourse by successive governments over the last sixty years. A difficult relationship with Indonesia would create problems for Australia in engaging with other states in the region.¹ As influential Indonesianist and policy advisor Jamie Mackie notes, there had been an understanding of Indonesia's importance since the Second World War as successive governments had attempted, with mixed success, to develop close relations with Indonesia.² Mackie cites Macmahon Ball's argument that: "If Australia cannot manage to maintain good relations with Indonesia, it will have little hope of building up any kind of worthwhile relationship with the rest of the region".³

Building a solid relationship with Indonesia has also provided the greatest challenge for Australian foreign policy over the last sixty years.⁴ Indonesia has been perceived by Australia as a threat, which derives as much from Australia and Indonesia's political and cultural differences as from an imagined threat to Australia's security. This imagined fear has pervaded Australia's foreign policy discourse and actions, and the Australian public's perception of Indonesia at times even when that relationship seemed to be developing some level of trust and understanding.⁵

¹ Rawdon Dalrymple, *Continental Drift: Australia's Search for a Regional Identity*, Ashgate, Hampshire, England, 2003, p. 162

² Jamie Mackie, "Appeasing Jakarta Correspondence", *Quarterly Essay*, QE 3, 2001, p. 89

³ *ibid.*

⁴ *ibid.*

⁵ J.V. D'Cruz and William Steele, *Australia's Ambivalence Towards Asia: Politics, Neo-post-colonialism and Fact/Fiction*, (Revised edition), Monash University Press, Monash University, Victoria, 2003, p. 329

While successive governments have acknowledged the importance of developing closer relations with Indonesia and some had even identified this as one of their major foreign policy commitments, relationship misunderstandings had still occurred. This was to cause considerable tensions in the relationship at times. This seems in sharp contrast to Australia's relationship with some other Asian nations where relationships do not appear to have caused the same paradox of friendship and suspicion as that with Indonesia. One of the continuing tensions for Australian foreign policy makers and one which reveals the complexity for Australia in developing foreign policy concerning Indonesia, was the tension between those policy-makers who placed major importance on developing state-to-state relations at any cost, and those who argued that Australian foreign policy could not be pursued "at the expense of principle and humanitarian considerations".⁶ This began with the issue of West New Guinea⁷ and continued over the issue of East Timorese independence.⁸

Engagement with the Asia-Pacific region had become a priority of Australian governments in the late 1980s and 1990s. Of particular significance was the importance placed on Australia's relationship with Indonesia during this time. In 1991 when Paul Keating became Prime Minister he was met with the changing international environment of a post Cold War world. This was a time of challenge and opportunity in developing Australian foreign policy that could take advantage of the changing nature of the international environment and allow Australia to more clearly identify its role within a new world order. A

⁶ Dalrymple, *Continental Drift*, *op. cit.*, p. 171

⁷ The name West New Guinea was changed by the Indonesians to West Irian in 1963 and then in 1973 changed again by the Indonesians to Irian Jaya. The province is also known as West Papua which "has been favoured by Papuan nationalists since it was 'officially' adopted by New Guinea Council members in 1961 with Dutch approval. President Abdurrahman Wahid made a historic concession to Papuan nationalism on New Year's Day 2001, when he conferred the name *Papua* on the province, which had been called *Irian Jaya* ... since 1973. But in 2003 President Megawati Sukarnoputri seemed determined to cancel this concession and revive the hated former name of the province." Peter King *West Papua & Indonesia since Suharto: Independence, Autonomy or Chaos?*, UNSW Press, Sydney, 2004, p. 20. For the purposes of this article I have adopted the term favoured by the Papuan nationalists, that is West Papua.

⁸ For a detailed account of the East Timorese independence movement see James Dunn, *East Timor: A Rough Passage to Independence*, Longueville Books, Sydney, 2003

major focus of Keating's response to the opportunities and threats of such an environment was what he termed 'engagement' with the Asia-Pacific region and his desire to improve the relationship with Indonesia. His foreign policy priorities were clear: advance the trade liberalisation agenda particularly in the Asia-Pacific, build multilateral structures to achieve this goal and engage more fully with Australia's neighbours, particularly Indonesia.⁹ Keating recognised the achievements of past Australian governments, however he was concerned that the relationship with Indonesia still lacked strong foundations and wanted to put 'ballast' in the relationship. He wanted to construct a relationship where the structural foundations would be sufficiently strong to overcome any misunderstandings and differences that came along.

In 1994 Keating told a meeting in Sydney "No country is more important to Australia than Indonesia. If we fail to get this relationship right, and nurture and develop it, the whole web of our foreign relations is incomplete".¹⁰ This statement elevated the level of importance with which Keating viewed Indonesia. In *Engagement*, the book published in 2000, where Keating discusses his policy of 'engagement' with the Asia/Pacific region during his period as Prime Minister, Keating states that he knew with certainty that the priority of his job as Prime Minister was to attempt to develop the full potential of relations with Indonesia.¹¹ Keating's view was that while there had been committed individuals from both countries who worked hard to establish friendships, "the relationship remained a thin foreign policy crust covering a disappointingly hollow core."¹² He believed that significant misunderstandings remained in terms of culture and society on both sides and he wanted to change this to create a strong base for the relationship that would outlast his government and be a legacy for the future.¹³

⁹ Paul Keating, *Engagement: Australia Faces the Asia-Pacific*, MacMillan, Sydney, 2000, p. 32

¹⁰ Quoted in Laurie Brereton, "A Labor perspective", in Shannon Luke Smith, G Hanafi Sofyan and Idris F Sulaiman (eds), *Development Issues Number Ten: Bridging the Arafura Sea: Australia-Indonesia Relations in Prosperity and Adversity*, Asia Pacific Press, Asian Pacific School of Economics and Management, The Australian National University, Canberra, 1998, p. 35

¹¹ Keating, *Engagement*, *op. cit.*, p. 123

¹² *ibid.*, p. 126

¹³ *ibid.*, pp. 126-127

For Keating Indonesia was of equal importance, in terms of its bilateral relationships, to Australia's strategic ally and economic partner, the USA and its major economic partner, Japan. He believed that it had to be given the same amount of care as these other main relationships because of Indonesia's geographic closeness to Australia and the potential for development between the two states.¹⁴ As former Ambassador to Indonesia, Rawdon Dalrymple notes: "Keating from 1992 raised the intensity, commitment and urgency of the relationship and placed Indonesia at the centre of his regional agenda".¹⁵ Critic and former Department of Foreign Affairs and Trade (DFAT) employee, John Birmingham notes approvingly:

The institutional architecture which he [Keating], Evans, Ali Alatas and Suharto put in place consisted of exactly the sort of ties that should exist between neighbouring states which want to work for each other's benefit rather than against each other's interests.¹⁶

Keating genuinely wanted to form a relationship that would be sufficiently strong to manage any disagreements or misunderstandings; partly through following an established policy of the importance of Indonesia and partly through the high regard he felt toward President Suharto.

The foreign policy initiatives taken by the Keating government from 1991 to 1996 toward Indonesia including East Timor are well known and have been well documented. Therefore some major initiatives taken by the Keating government are discussed briefly.

Economic

Indonesia has not traditionally been one of Australia's important export markets, however with the economic growth in Asia this began to change and

¹⁴ *ibid.*, p. 136

¹⁵ Dalrymple, *Continental Drift*, *op. cit.*, p. 176

¹⁶ John Birmingham, "Appeasing Jakarta", *Quarterly Essay*, Issue 2, 2001, p. 69

both countries became aware of their usefulness to each other.¹⁷ Of significant importance for Keating however was the role that Indonesia played within the wider strategy of economic engagement with the Asian region. As has been well documented, by the late 1980s the Asian region was the fastest growing and most economically active region in the world. Its economic growth was twice that of the global average. There were a number of elements that were evident in this growth: a stable political environment, a hard-working labour force, increasing levels of education in the labour force, prudent economic management (though this was to be questioned with the financial crisis in 1997/98), and an ability to “undertake rapid structural change”.¹⁸ The result was a region that was externally oriented in terms of trade as exports were seen as the key to economic growth.¹⁹

Given the economic dynamism within the region, Australia increasingly turned to Asia to develop trade partnerships. During the 1970s and 1980s Australian exports to Asia had increased to the point that by the early 1990s almost 60 percent of Australia’s exports were going to the Asian region and Australia’s largest percentages of imports were also coming from this region.²⁰ Australia needed to take advantage of the economic growth that was on offer within the region and to find opportunities to pressure Australia’s neighbours to continue to open up their markets. Keating determined that the Asia-Pacific Economic Cooperation (APEC) was the means to push the economic engagement further.²¹

While APEC had been established in 1989 as a tool in pursuing trade liberalisation within the Asia/Pacific region, Keating determined that APEC needed to include the heads of governments who had the power to forge change.²² His broader purpose of a heads of government meeting “was to

¹⁷ Richard Robison, “From Fragility to Unity”, in Smith, Sofyan and Sulaiman (eds), *Development Issues Number Ten*, *op. cit.*, pp. 42-43

¹⁸ Gareth Evans and Bruce Grant, *Australia’s Foreign Relations: In the World of the 1990s* (2nd edition), Melbourne University Press, Melbourne, 1995, p. 129

¹⁹ *ibid.*

²⁰ *Direction of Trade Time Series 2000-01: One Hundred Years of Trade*, Market Information and Analysis Unit, Department of Foreign Affairs and Trade, February 2002.

²¹ Keating, *Engagement*, *op. cit.*, p. 80

²² *ibid.*, p. 81

turn APEC ‘from essentially a body talking about loose economic co-operation, to one that has real political authority and has a real agenda’.²³ A stronger relationship developed between Indonesia and Australia through Suharto’s support for these meetings and the development of a framework of trade liberalisation. Other initiatives were also developed through the Australia-Indonesia Ministerial Forum in 1992 and the Australia-Indonesia Business Council.

Given Keating’s priority to advance Australia’s economic interests, this does not appear to be the overriding priority in improving relations between Australia and Indonesia. Rather there is a contrast to the relationships that Keating sought to establish with other East Asian neighbours where trade and investment were the driving motivations. The links established between government ministers and their counterparts through the Australia-Indonesia Ministerial forum can, however, be viewed in terms of developing an all government approach. Keating understood that the fundamentals of the relationship would not change without commitment from the whole of government, particularly through economic and social policy departments of government but also from external actors such as business, professional organisations, students and community groups.²⁴

Strategic

Australia’s strategic interests play a large part in Keating’s determination to improve the relationship with Indonesia. The major initiative in terms of strategic interests was the establishment of the joint military exercises between Australian and Indonesian Defence Forces in 1995, followed by the development and eventual signing in 1995 of the Agreement on Maintaining Security between the Government of the Republic of Indonesia and the Government of Australia on 18 December 1995.²⁵

²³ Roderic Pitty, “Regional Economic Co-operation”, in Peter Edwards and David Goldsworthy (eds), *Facing North: A Century of Australian Engagement with Asia Volume 2 1970s to 2000*, Department of Foreign Affairs and Trade, Melbourne University Press, 2004, p. 32

²⁴ Keating, *Engagement, op. cit.*, pp. 123-128

²⁵ Hereinafter referred to as the “Agreement on Maintaining Security” or ‘the agreement’.

The agreement was significant as it was the first security instrument ever established by Indonesia with another country. It was an example of Keating's objective to establish a strong structural foundation to achieve a closer relationship between Australia and Indonesia. Very few people either within or outside the government would have suggested that such an agreement would have been achieved between Australia and Indonesia. As Dalrymple states the agreement was the pinnacle of Keating's Indonesia diplomacy.²⁶

The agreement was important to both governments, though its significance lay more in its symbolic importance than in the actual terms of the agreement. From Australia's perspective the agreement established a positive relationship and strengthened the broader bilateral relationship that had been developed between Indonesia and Australia. It also lent weight to then Foreign Minister Gareth Evans idea of cooperative security and a strategy of reassurance. For Indonesia, the agreement reflected five points of long-term interest to the Indonesian government. Firstly, the agreement signified to the Australian government and the wider Australian community that Indonesia was not a threat to Australian security. Secondly, the agreement was a symbolic declaration of Australia's importance to Indonesia. Both these interests, while serving Indonesia's long-term interests also formed part of Australia's cooperative security agenda of reassurance. Third, it signalled to the Indonesian people that Australia was a friendly country and had developed a high level of technical competence in terms of military training and defence. Fourth, Indonesia wished to acquire certain benefits from Australia's technologically advanced defence industry. Finally, the agreement reflected Indonesia's need for Australia's diplomatic effort and support to reduce anti-Indonesian feeling within Australia and internationally, particularly given Indonesia's actions in East Timor and West Papua.²⁷

²⁶ Dalrymple, *Continental Drift*, *op. cit.*, p. 176

²⁷ Ikrar Nusa Bhakti, "Facing the 21st Century: Security Cooperation", in Smith, Sofyan and Sulaiman (eds), *Development Issues Number Ten*, *op. cit.*, pp. 62-64

While the agreement was perceived by Keating as the pinnacle of the close and trusting relationship that had developed between Indonesia and Australia, there were major criticisms of not only the agreement, but also the joint training exercises. These criticisms have been integrated into the key assessments of Keating's policy of engagement.

Five Key Issues in Keating's Engagement with Indonesia

The first issue was that Keating's engagement with Indonesia largely suggests that he operated his foreign policy on Indonesia with little regard to public opinion. This is always a difficult position for governments to follow as there are always going to be issues that arise where the public may not support the government position. Contradictory assessments are revealed in his decision to engage with Indonesia to the level and intensity that he spoke about. Keating believed he was correct in attempting to improve the relationship with Australia's closest neighbour.²⁸ Australia cannot ignore its geopolitical reality that demands that any Prime Minister has a duty to develop a close association with its neighbours particularly given its strategic importance in the South East Asian region. The growing economic ties and Indonesia's importance to Australia's acceptance within the East Asian region are further reasons for maintaining a strong relationship. It is almost inconceivable that Australia could win acceptance in a developing East Asian institutional framework without at least the acquiescence, and probably not without the active support of Indonesia.

On the other hand Keating was very aware, and how could he not be, of the view of a growing section of the Australian public towards Indonesia. This view had been fuelled over the East Timor issue from 1975 and the reported human rights abuses by the Indonesian military in East Timor. To suggest that he misread the level of hostility toward Indonesia from the Australian public is an understatement. He continued to support a repressive and violent regime and sought to engage with it more intimately. He continued to ignore,

²⁸ Keating, *Engagement, op. cit.*, pp. 123-127

as previous governments had continued to ignore, the humanitarian costs associated with the on-going rule of the Suharto government. Keating's justification would be that engagement allowed human rights issues to be raised through quiet diplomacy. However, he ignored a vocal group within Australian society appalled by the violence occurring within East Timor and the Australian government's diluted reaction to it. No Prime Minister or government can operate their foreign policy without consideration for the political constituency that places them in power, nor should they be allowed to. Keating's focus on developing the relationship with Indonesia seems to take little account of opposition within his own party and the political constituency that placed him in power.

Keating had a responsibility to improve the relationship with Indonesia in terms of Australia's national interests, however at some point that vision needed to be tempered with what was possible given the potential reaction of the Australian public. As Mackie notes: "it must never be forgotten that there are limits to the extent to which any part of our foreign policies, in Indonesia or elsewhere, can be pursued in the face of hostile public opinion within Australia".²⁹ Foreign policy activities, just as domestic policy activities can never be divorced from public opinion, nor should they be. As much as governments may believe they are following a course of action in Australia's best interests this should never be advanced to the point where public opinion is ignored. It was the responsibility of both Keating and his government to assess the limits of a particular approach before it was likely to create an adverse reaction from the public. Keating either failed to make the correct judgement of those limits or chose to ignore public opinion. Either scenario suggests that the continued policy of appeasement of Jakarta at any cost needed to be reviewed. Without a reassessment of this policy in light of these issues Keating's priority for the development of solid structural foundations through his policy was never sustainable. Rather, engagement was built on a false and fragile set of assumptions that inevitably would expose the limits of Keating's personal diplomacy.

²⁹ Mackie, "Appeasing Jakarta Correspondence", *op. cit.*, p. 92

The question then becomes what were the alternatives? Could Australia realistically turn its back on attempting to develop strong structural relations with its closest neighbour? Obviously the answer is no, and as Keating has said, maintaining a close relationship allowed the government to continue to have discussions with the Indonesians on the issue of East Timor. However, considering that Australia had already given *de jure* recognition of Indonesia's invasion of East Timor (one of very few countries to do so) this seems at best a hollow justification. There had to be limits to a policy of engagement and one limit could have been not to engage with training exercises with the Kopassus forces that had been seen as the instigators of the abuse of the East Timorese. In retrospect it is unsurprising that the record of the Australian government has been criticised on the grounds that taxpayers' funds should not be used to cultivate linkages with the military of a personal dictatorship.

The second issue is the extent to which Keating was advised and supported by a group of officials in the Department of Foreign Affairs and Trade (DFAT) who had supported a pro-Indonesian position over a long period. This group have been referred to as the pro-Jakarta lobby and are reported to follow a policy of 'appeasement' toward Indonesia. An example of this is where successive governments were advised and guided by DFAT to take a pragmatic approach rather than a moral one in terms of Indonesia's role in East Timor.³⁰ As Birmingham notes, Donald Watt's definition of appeasement, "purchasing peace for one's own interests by sacrificing the interests of others", sums up Australia's policy towards Indonesia and East Timor.³¹ This is not to suggest that Keating did not receive advice that may not have supported this position, however the decisions he made suggest that cooperation with Indonesia was the prevailing view.

The 'New Order' regime of Suharto came to power in violence and continued to pursue a policy of violence in East Timor and West Papua, and yet Australia's policymakers continued to close their eyes to and not scrutinise

³⁰ Birmingham, "Appeasing Jakarta", *op. cit.*, p. 2

³¹ *ibid.*

more closely the obvious evidence of the Suharto government's actions. As has been argued, even with the evidence of all the atrocious acts of the Suharto regime, and the knowledge of Australian public hostility toward Indonesia, the "Australian foreign policy establishment has chosen to put all its 'diplomatic and strategic eggs into the Suharto basket'".³²

The question is to what extent Keating relied on key foreign policy advisers in determining his course of action? This is difficult to ascertain, though it has been pointed out that:

He [Keating] was convinced, quite independently of his foreign policy advice, that the policy approach so often quoted was inescapable: Australia could not allow the relationship with Jakarta to be determined by a single issue, even one as painful as East Timor.³³

This suggests that Keating's policy of 'engagement' with Indonesia was a policy that had been in place for some time within the bureaucracy and that Keating adopted the same policy of cooperation and engagement. This raises an important issue as to the extent to which governments allow themselves to be advised and guided by one set of assumptions based on, in this case, appeasement of Jakarta, against another set of possibly contestable set of assumptions. Foreign policy needs to be derived from a wide and varied set of viewpoints. In view of the new international environment this demanded the bureaucracy provide a wide range of advice that did not just stem from the idea of appeasement of Jakarta and Cold War animosities.

On one side of Keating's engagement with Indonesia one could suggest that Keating was attempting something new in terms of the advantages of the post Cold War environment. The actions he took were however, still guided by appeasing Jakarta, resulting in closer ties to a repressive regime that included an intimate relationship with the Indonesian military. As Birmingham notes:

³² James George and Rodd McGibbon, "Dangerous Liaisons: Neoliberal Foreign Policy and Australia's Regional Engagement", *Australian Journal of Political Science*, Vol. 33, Issue 3, November 1998, p. 8 of print view

³³ Don Watson, *Recollections of a Bleeding Heart: A Portrait of Paul Keating PM*, Random House, Sydney, 2002, p. 167

Difficult as it might make our diplomats' lives in the immediate future, no administration in Jakarta should ever again be allowed to assume that it will have Australian support, tacit or otherwise, when it turns the machinery of oppression on its own people.³⁴

This begs the question as to why there was not a reassessment of Australia's policy in light of the actions of Suharto's 'New Order' regime in Indonesia. It was essentially a regime that had become unaccountable, oppressive and separated from the needs of ordinary Indonesians. While one may not entirely be able to describe this as a time bomb waiting to happen it does suggest that Suharto's repressive rule would at some point in the near future reach its "use-by date".³⁵ However, Australia's foreign policy remained embedded in appeasing Jakarta and showed little sign of the changing realities of the political issues in Indonesia. The policy required a reassessment of how Australia engaged with Indonesia that did not necessarily just involve elite diplomacy. It required participation with a wider section of the Indonesian community and a reassessment of the most appropriate policy to follow that would provide stability in Indonesia, for which the Australian government was most concerned. This may well have meant that a few less eggs in the Suharto basket were required.

The third issue is the intensity of Keating's engagement with Indonesia as the foundation of Australia's wider foreign policy priority within the region. As discussed, Keating saw that Australia's future was in developing both bilateral and multilateral economic and strategic partnerships within the Asia-Pacific region. Indonesia was a key to achieving this and therefore in terms of pursuing Australia's national interests, improving the relationship with Indonesia was the correct course to take. The question though is to what extent Keating's urgency to improve the relationship prevented Australian policy-makers from engaging with broader regional relations? It is sensible to point out that Australia's national interests are best served through "broader

³⁴ Birmingham, "Appeasing Jakarta", *op. cit.*, p. 80

³⁵ George and McGibbon, "Dangerous Liaisons: Neoliberal Foreign Policy and Australia's Regional Engagement", *op. cit.*, p. 8 of print view

regional relations with the other ASEAN and East Asian nations”,³⁶ and therefore as much as the relationship with Indonesia is crucial, Australia must also develop equally strong relationships with the other ASEAN and East Asian nations to achieve its national interests. To use Gareth Evans word, ‘ballast’ needed to be developed within the relationships of other ASEAN nations to the same extent as that with Indonesia.

The fourth issue is the sustainability of Australia’s relationship with Indonesia. As Keating acknowledges in *Engagement*, the consistent message of official briefings “was that the New Order institutions were coming under strain, that criticism of Suharto and his family would grow”.³⁷ Keating was obviously well aware of the growing criticism of Suharto and the increasing tensions, dissatisfaction and criticism of the ‘New Order’ in Indonesia, yet he continued with a policy to intensify the relationship with a regime whose rule was based on violence and political repression. He perceived, as did other policy-makers, that Suharto’s authoritarian regime would provide regional stability and therefore turned a blind eye to the growing social and political pressures within Indonesia. As Peter Hartcher noted, “Stability in Indonesia is not going to be served by political repression to prop up a particular regime. This ultimately will lead to frustration. And frustrations can create explosions”.³⁸ In effect the policy of supporting the Suharto government may well have contributed to instability in Australia’s nearest neighbour.

The fifth issue is that despite frequent ministerial visits the success of the relationship seemed to rely on the personalities of Keating and Suharto. The extent of the close rapport is however difficult to measure. Keating acknowledges in *Engagement* that he “liked him [Suharto] and valued the friendship”,³⁹ however Gough Whitlam (Australian Prime Minister from 1972-1975) also claimed a similar friendship and admiration. It is difficult to ascertain whether the ‘friendship’ was a reality or whether it was an

³⁶ Mackie, “Appeasing Jakarta Correspondence”, *op. cit.*, p. 90

³⁷ Keating, *Engagement*, *op. cit.*, p. 134

³⁸ P. Hartcher, “Australia on the Crackdown – Do as Little as Possible”, *Australian Financial Review*, 7 August 1996

³⁹ Keating, *Engagement*, *op. cit.*, p. 134

exaggeration by the Australian press. While Keating is aware of over personalising his relationship with Suharto he still describes the relationship as being important in achieving outcomes such as the Agreement on Maintaining Security. Given Suharto's political power in Indonesia then maybe Keating's approach to develop the relationship was the most appropriate in achieving Australia's national interests. This raises the issue of contemporary political relations focussed more on personal and leader-centred relationships. This notion oversimplifies bilateral relations and does not take account or appreciate that state-to-state relations are broadly based across a diverse and wide front and managed by a large number of both official (state) actors and non-official actors.

Long-term relations between states cannot rely just on personal contacts. They must be founded on an understanding and acceptance of the key differences between the two. While Keating was attempting to use the personal contact to cement the stronger structural foundations of the relationship and he promoted multi-layer contact within government there still remains the notion that it was the relationship between Keating and Suharto that was instrumental in advancing the Australia/Indonesia relationship.

In conclusion, Keating's plan for close engagement with Indonesia was desirable and in the long-term interests of Australia. The personal relationship that he developed with Suharto enabled the relationship to develop further than had been anticipated. Incidents are always likely to occur between Indonesia and Australia, given the political and cultural differences. In giving priority to the relationship with Indonesia, Keating was signalling both the importance of Indonesia to Australia but also the determination to achieve a successful outcome that could manage incidents of misunderstanding. There is no doubt that Keating's motives were in the best interests of Australia. However, Keating was never able to overcome the feeling of apprehension on the part of the Australian public towards Indonesia. This apprehension increased with the human rights abuses of the East Timorese conducted by the Indonesian military.

While Keating's commitment to engagement was no doubt real and he was correct in engaging more urgently with Indonesia, there remains a question as to the sustainability of his engagement. The level of engagement to which he aspired was never sustainable as the issue of East Timor, one he attempted to downgrade, was the very factor that would eventually reveal the extent of the political and cultural divides between the two countries.

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