

## **Transcript of News Conference by Prime Minister Howard**

Sydney, September 3, 2007 -- The Australian Prime Minister and Chair of the 15th APEC Leaders' Meeting, Hon. John Howard MP, held a news conference in Sydney to discuss preparations for APEC meetings this week.

The following is a transcript of the news conference covering APEC issues:

**PRIME MINISTER:**

The APEC Meeting is undeniably the most important international meeting ever to have been held in Australia. The countries that comprise APEC represent eight out of 10 of Australia's top trading partners. Total trade with APEC economies was worth about \$250 billion in 2006 and that represents 70 per cent of our total trade. So the first and most important point to be made is that APEC is hugely significant to Australia, both from an economic point of view and also from a strategic and security point of view. To have simultaneously here in Sydney the Presidents of the United States, Russia, China, Indonesia and the Prime Minister of Japan is an extraordinary event and it does represent an opportunity for this country to be displayed to the world and most particularly to our region. So I see this meeting optimistically and positively, I see this as an opportunity for the modern, sophisticated Australia through its largest city, undeniably the most beautiful, big city in the world, this country to be paraded for the modern, sophisticated, tolerant, multi-racial society that it is. And that is the mindset that I will bring to this meeting.

The bread and butter of APEC of course is trade and economic interchange. The other great advantage of APEC is it affords an unrivalled opportunity for bilateral exchanges. The fact that the President of the United States will spend four days in Sydney, a very lengthy period to be in one country, indicates that he will see the APEC Meeting in Sydney as a marvellous opportunity for bilateral discussions not only with me but also of course with the Russian President and the Chinese President and other APEC Leaders. It will incidentally be the first time ever that a Russian or before the modern Russian era, Soviet head of State or head of Government has ever visited Australia.

Now I have put climate change on the agenda and it will be an important item, but it won't be the only item but because of the rare conjunction of events, given that this meeting is taking place before another major economies meeting that the President has convened in Washington at the end of this month and also the United Nations Meeting in Bali this meeting is particularly apposite and particularly relevant to issues of climate change.

We must be realistic about what can be achieved on climate change. We won't reach agreement, nor do we imagine for a moment that we could reach agreement on binding targets amongst the member countries of APEC. The

developing countries have made that clear and for very understandable reasons. But we can reach a framework agreement if we work hard enough on the shape of a post-Kyoto approach to the international response to climate change. And that can be built on a recognition that different countries come to their contributions to reducing greenhouse gas emissions in different ways and it is patently absurd to try and impose a top-down approach on countries having such diverse needs as say China, on the one hand a developing country but a powerful economy and some of the economies of Europe and indeed the economies of the United States and Australia. You've got to remember that developing countries account for around half of global emissions and they will account for three-quarters of the projected increase in emissions up to the year 2030.

We do not believe that continuing down the Kyoto path is going to provide a solution to the problem. We think that will be a recipe for a partial and ultimately ineffective response to a growing problem. What I would like to see the APEC Meeting in Sydney do is develop a consensus on a post-Kyoto international framework that attracts participation by all emitters. And if we just have a singular focus at this meeting as some are naively urging on binding targets, that will just postpone the development of that agreement by years.

We have to recognise that the economic and social aspirations of all APEC economies in reaching a consensus on what to do and that means working constructively, recognising the different needs and different interests of the various countries. Our view is that we need a new flexible framework that includes a long term global goal and encourages a wide range of natural actions by all with ongoing review processes. And we will seek to balance at this meeting the level of ambition and realism proposed for agreement to the leaders this week.

In that context, in that spirit, I want to announce several Australian initiatives in the area of climate change, energy security and clean development. Firstly we propose to fund \$5 million for a major energy technology research conference in Australia in 2008 in support of our proposal for an Asia Pacific Network for Energy Technology, and that is designed to accelerate the development of low emissions technologies.

Secondly I commit a further contribution from Australia of \$50 million to the Asia Pacific Partnership on Clean Development and Climate to fund large scale clean technology projects in addition to the 63 projects already supported through our initial contribution of \$100 million. This initiative, the APP is important because it includes major developed and developing regional economies accounting for half of global greenhouse gas emissions, energy use GDP and world population.

Thirdly, we will provide \$15.7 million over four years for an Asia Pacific Forestry Skills and Capacity Building Program to assist countries to increase forest

management expertise and improve the carbon sequestration performance of their forests. This reflects the importance we attach to forestry practices and management in providing for carbon sinks.

Finally, I am pleased to launch today a report from the Australian Bureau of Agricultural and Research Economics entitled "Energy Security, Clean Technology Development and Climate Change."

Let me finish my remarks by saying again how significant this meeting is for Australia, for the region in which we live. The countries of this region overwhelmingly represent Australia's economic and strategic future. Therefore the hosting of a meeting in 2007 by Australia is not only the good manners of a partner and member of APEC because it's our turn but it's also a recognition of the crucial significance to Australia's future of the countries that provide this grouping. And in that context it is a highly significant event in Australian history. Questions?

JOURNALIST:

Prime Minister, you've talked about a long term global goal in terms of emissions. Would you like to see the Leaders Meeting discuss the actual figure, the actual figure for that global goal and would it be possible to actually agree on a specific figure as distinct from principle?

PRIME MINISTER:

I think it will be difficult to agree on a figure but I am sure that discussion will include the possibility of that, but I think it's very unlikely that agreement can be reached on figure.

JOURNALIST:

What sort of figure would you like to see?

PRIME MINISTER:

I wouldn't want to, at this stage, speculate what that might be.

JOURNALIST:

Why would there be disagreement over a figure...?

PRIME MINISTER:

Well I think you could easily reach agreement that we, at this meeting, we could conceivably reach agreement at this meeting that it would be a good idea for the

APEC countries to agree on such a figure and then there would be further discussion as to what that figure might be.

JOURNALIST:

PM, climate change, is it overshadowing international security to the extent that APEC will be neglecting its role in that area?

PRIME MINISTER:

I don't think so because security will feature very prominently in the bilateral discussions. I imagine in the bilateral discussions I have, for example, with President Bush I will talk as much, if not more, about security than I will about climate change. Climate change will feature but security issues will be very important, not only Iraq, but more generally. And I am quite certain that security issues will figure in his discussion with President Yudhoyono, given the importance of Indonesia's role as the largest Islamic country in the world and giving a wonderful lead of how moderate Islam can work. That is very important. The relationship between those two countries is always something that I have seen as highly significant because Indonesia is a very important part of the whole broad approach to containing terrorism. If leaders such as President Yudhoyono can successfully project to the Islamic world that moderate Islam works, that's a huge part of the successful fight against terrorism.

JOURNALIST:

Has Mr Bush's attention been distracted by the troubles in Iraq at the expense of APEC and Asia?

PRIME MINISTER:

No, I don't believe so. The fact that he's coming to the meeting underlines that fact. The United States' presence in our part of the world is crucial to the security of the APEC region and to the South-east Asian area of the world. It's important to Australia bilaterally and American involvement in Asia is something that more far-sighted Asian leaders have always seen as an absolute essential. You talk to people like Harry Lee and the current leadership of Singapore, you talk to the Indonesians, you talk to the Malaysians, they know the importance of an American presence. It doesn't mean to say they agree with everything the Americans do, but American commitment to this region is enduring in my opinion.

JOURNALIST:

Prime Minister do you have a perspective how hosting APEC might change your standing in the polls?

PRIME MINISTER:

Oh look I am not going to talk about that.

JOURNALIST:

Mr Howard, you have mentioned George Bush's four-day visit here as being particularly important, but President Hu of China is here for seven days. Does that mean he regards APEC and Australia as more important than President Bush?

PRIME MINISTER:

I think it demonstrates the closeness of the bilateral relationship. I think you've actually said it all. I think it's pretty important that Australia in 2007 can have the American President for four days given the other pressures on his time, both as a head of government and politically, and can have the Chinese President for more than that, for seven days. That says something about Australia's status in the world, doesn't it? Doesn't it say something about the twin success of the foreign policy of this Government over the last decade, that we have built an ever closer relationship with the United States but it's not been at the expense of our relationship with China? I mean isn't that the metaphor for the last 10 years?

JOURNALIST:

Could I just ask PM, I mean what is the main thing you'd like to see, the main achievement you'd like to see emerge from the Leaders Meeting and if it's climate change, what is the specific nature of the climate change achievement that you would like to see?

PRIME MINISTER:

Well I would like to see out of this meeting a recognition that the true way forward post-Kyoto is an understanding on climate change that everybody must make a contribution, a recognition that a global goal is a desirable thing, and a necessary thing, but a recognition that the contributions of countries are going to be different according to the structure of their economies. I mean it is a fundamental to a realistic understanding that you cannot expect a country like China to accept precisely the same constraints and disciplines as a country like Germany or the United Kingdom. Their economies are at vastly different stages of development and that has always been the fundamental weakness of the Kyoto approach. You have to recognise that there are different paths towards the summit, if I can put it that way, and what we have to do is encourage the different nations to find that path and to tread that path, but recognising that they may, they will come at the summit from different directions and they will come at it at different paces of delivery, a different pace of delivery because their economies are different. You

cannot say to the Chinese well we have paid no regard to greenhouse gas emissions while we have developed a supercharged, modern, sophisticated economy but we expect you to pay a price in development that we weren't prepared to pay in the past. But you nonetheless have to get the Chinese involved, you have to get them on a path and the aim of this meeting will be a recognition of that kind of approach and some consensus that the way forward is an agreement around that type of approach.

JOURNALIST:

Prime Minister did you see the security barrier when you came into work this morning?

PRIME MINISTER:

Yes I did.

JOURNALIST:

What were your thoughts on...when you saw them?

PRIME MINISTER:

Well look my thoughts are that if people didn't threaten violence, they wouldn't be necessary.

JOURNALIST:

Are you concerned that the security presence and the potential for protestors would overshadow APEC, I suppose?

PRIME MINISTER:

No it won't. I am concerned that people in our community threaten violence which renders that necessary but unfortunately this is part of life whenever you have an international meeting anywhere in the world. You either don't have them, which is handing the streets and a victory in public affairs to people who preach violence or you have these sort of security arrangements. Nobody likes them. The alternative is not to have the meeting.

JOURNALIST:

It sounds like they are expecting violence?

PRIME MINISTER:

Well I don't know. I hope not. But we had it in Melbourne and the Melbourne meeting was chaos, the G20 meeting was chaos. And quite rightly the New South Wales police made it plain they were not going to see the same thing happen in Sydney. And I would just say to Sydneysiders, don't blame the police, don't blame the New South Wales Government, don't blame any of our guests, don't blame the Federal Government, blame the people who threaten violence.

JOURNALIST:

You said you wanted a tolerant Australia to be on display. Do you think that the security might make that a little difficult?

PRIME MINISTER:

Malcolm, we all wish you didn't have to have it, but you know as well as I do that you can't run a meeting like this given the sort of threats of violence that we know would be around and would materialise if there weren't a strong security presence.

JOURNALIST:

Your bilateral with President Bush comes on the eve of the Petraeus Report and the assessment by the Bush Administration about the situation in Iraq so can I just ask you, what is our approach to the Iraq commitment on the eve of this US reassessment?

PRIME MINISTER:

Well our approach remains as I have articulated in the past. We will continue to have the current presence in Iraq, current number of troops in Iraq until we believe, as best we can measure it, that their job has been done. While ever it is necessary to assist the process of transitioning to a time when the Iraqis can provide for their own security. There is evidence that the surge is yielding results. We don't want to over-claim, but we don't want to undersell. And it's a very difficult time for the United States. One of the things that does influence my thinking is a belief that at a difficult time for your major ally, you should deliver as much international support and display as much international solidarity with your most important ally as is appropriate. And that is another reason, apart from the practical contribution that our forces are making, that's another reason why I do not believe in any reduction in those forces in present circumstances. Of course the Americans are doing it tough in Iraq, everyone knows that, it's a very difficult issue. And even those who violently disagreed with what we and the Americans and the British did in 2003 have to contemplate the consequences of any weakening in the eyes of the world of the coalition resolve and presence in Iraq. Don't underestimate for a moment the blow to American prestige if America is seen to leave Iraq in circumstances of perceived defeat. The impact of that would

have lasting and incalculably negative consequences for the Western cause not only in the Middle East but the rest of the world.

JOURNALIST:

Prime Minister are you disappointed at Peter Garret's direct criticism of President Bush as being one of the reasons why the world is lagging behind in dealing with climate change?

PRIME MINISTER:

Well I saw that interview. President Bush is the democratically-elected President of the United States. He's the democratically-elected President of our most important ally and I thought Mr Garret's comments indicated the deep tensions within the Labor Party regarding the American alliance.

JOURNALIST:

Mr Howard I understand that President Yudhoyono has delayed his arrival by a couple of days into Sydney and obviously Mr Bush is leaving early. Is everything on track otherwise?

PRIME MINISTER:

As far as I know.

JOURNALIST:

You're not worried about it?

PRIME MINISTER:

I'm not worried about what?

JOURNALIST:

Dr Yudhoyono coming a couple of days late?

PRIME MINISTER:

No I am not. I am seeing him on Monday so he's, that's all fine.

JOURNALIST:

Prime Minister on trade, how crucial do you see APEC in winding back a growing sense of protectionism, particularly with the US?

PRIME MINISTER:

Well I think it's a reminder APEC, to all countries, all member countries that the last thing we can do at this point in our globalised experience, the last thing we should try and do is lurch back into protectionism. It's a reminder to everybody, I mean there's protectionism lurking beneath the surface in all countries. I understand why, because people fear constant change and it's something that has to be repeatedly explained and defended and justified. But you look at what has happened in the APEC region itself, you look at the millions of people who in the last 15 years have been lifted out of poverty in this region, it's a reminder of the value of globalised trade. People who demonstrate against APEC in the name of poverty and in the name of helping the underprivileged ought to actually sit down and absorb what has happened over the last 15 years and the benefits that more open trade and greater globalisation has brought and the contribution it has made to lifting millions of people out of poverty. As I have said on many occasions, in half a generation's time, the centre of gravity of the world's middle class will have shifted to Asia for the first time since the Industrial Revolution and the implications of that, the poverty reduction implications of that for our region, the benefits that that will bring to us if we are sensible in interacting with them are enormous.

JOURNALIST:

PM, there's been some talk that the APEC Meeting might be the occasion for a trilateral Japan-America-Australia meeting. Can you just tell us what is happening on that front?

PRIME MINISTER:

Well what will happen is that there will be a breakfast on the Saturday morning between the Prime Minister of Japan, the President of the United States and myself. And that is a Head of Government trilateral breakfast if you want to call it that.

JOURNALIST:

And what is on the agenda for that breakfast?

PRIME MINISTER:

Well I think the sort of thing that have been on the agenda, security issues and the like that have been on the agenda in the discussions that have taken place with the deputy Secretary of State, Foreign Minister, Foreign Minister level, or it's now been elevated to Foreign Minister, Secretary of State, Foreign Minister level. We're quite open about having that. It's not directed at anybody. It's certainly not directed at the Chinese but it's an expression that the commonality of interests

that three Pacific democracies have, the three longest standing and biggest Pacific democracies, America, Australia and Japan, and the common interest we have as people that have worked together very closely on security issues over a number of years.

JOURNALIST:

This will be the first such meeting?

PRIME MINISTER:

The first such meeting at a head of Government meeting.

JOURNALIST:

Sure, sure, but I mean does this mean we're likely to see more such head of Government meetings at this trilateral level institutionalised?

PRIME MINISTER:

I am not sure it will be institutionalised Paul because there's a limit to how many different meetings you can have and go to. You've got to spend some time on domestic politics, in case you hadn't noticed. But I do think that when you've got the opportunity as this meeting presents, I mean to have the three of us together in Sydney and it's a wonderful opportunity to have the meeting.