

PRIME MINISTER

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E & OE - PROOF ONLY

JOURNALIST: Prime Minister are you satisfied that there are no Australians involved in the round-up that seems to have taken place in Kuwait overnight?

PM: Just before I came into this press conference I rang my office and spoke to my International Relations Adviser on my staff and that was the best advice they had at that point.

JOURNALIST: How would you classify those Australians in Kuwait now, I mean, their situation would now look fairly great, wouldn't it, in view of what's happened?

PM: Quite obviously the position of any Westerners including Australians in Kuwait, in Iraq, is one which should generate concern. All I can say is, our diplomatic representatives and those who have been representing us in Kuwait where we don't have direct representation have been absolutely assiduous and persistent and consistent in the representation of the relevant authorities of our concerns and they will continue to be so.

JOURNALIST: What's your view of what Saddam Hussein seems to have done with Britains and Americans?

PM: It's despicable. Of course I suppose that if a man, a leader, will turn chemical weapons on his own people as this man has then you must have concern about how he will treat foreigners. But I hope and I trust that he, and those around him with any influence at all, will understand the fact that the rest of the world believes that there are standards of conduct in regard to innocent people that must be adhered to and if those standards are infringed then the world simply won't stand idly by if that happens.

JOURNALIST: It seems daily that the crisis is worsening, is that your advice?

PM: I think the right way to put it is this. There is certainly an increasing number of nations who are committing themselves to forces there to make it clear to Iraq that they are not prepared to accept the action that's been undertaken by Saddam Hussein. That increase in forces includes an increasing number of Arab states who are committing resources. Now this would lead one to the conclusion that if the leadership of Iraq were to be acting rationally, that they must come to the conclusion that their own best interest, apart from anyone elses, would be served by a withdrawal from Kuwait. But as I have said before, one has to question where the rationality is, the motivation or the sole motivation. I still carry the hope, however, that the overwhelming response of the rest of the world becoming increasingly clear in terms of the availability of forces there, will lead Iraq to the conclusion that it should withdraw. I'll continue to see that as far as Australia is concerned that we act on all fronts diplomatically as well as the despatch of our naval forces to try and bring about a peaceful resolution.

JOURNALIST: What does the Australian Government see as the status of those Australians left in that area, are we talking about them now as hostages given that they can't leave?

PM: I think the terminology is a matter of secondary significance. There has been a reluctance to use the word and I can understand that but the reality is that they are at risk and I've never tried to disguise that fact.

JOURNALIST: Today on both the front page of <u>The Financial</u> <u>Review</u> and <u>The Australian</u> privatisation has reared its ugly head again. Qantas, it seems as though it is now in a position to be sold off ... with the left. How do you see that?

PM: I see this as a matter to be dealt with within the Party and I have said from the beginning that's how it will be done. I haven't entered into any significant public debate about it. And as you know the processes are building up towards the special conference in the latter part of September and it will be resolved there.

JOURNALIST: In principle do you think then that it would be a fair trade-off to have the assets of a hypothetical privatisation sale going to more social justice areas?

PM: Let me put it this way. It relates to an answer I've already given. Government has not got unlimited resources but there are almost unlimited demands upon government. Now there is no doubt, for instance, that what is required for the benefit of all Australians, is a significantly improved national freight situation involving improved rail and interlink rail and road facilities and we were talking about roads before. Now that's going to cost a considerable amount of money and I've expressed the view, so I am not breaking new ground here, that to my mind it's infinitely more sensible to free public resources to create that better national freight structure with rail and road than to have those resources tied up in government running an airline. It's a perversion of priorities to continue this situation and say no we'll tie up resources in running an airline or airlines which would otherwise be available for doing these things which won't occur without government initiative.

JOURNALIST: The Telecom debate was on the front page of <u>The</u> <u>Financial Review</u> again today and two Ministers seem to be having a debate in the paper again, are you going to be taking any action against those Ministers? PM: It is not a question of taking action against Ministers. Before this emerged in the particular way you are talking about I had been having discussions with the two Ministers concerned and others, and I will continue to do that, but as I said in this area there is no point in making a secret of the fact that there are differences of emphasis. People favour one particular route of increased competition than another. Well that's healthy enough. I think it would be better if the debate weren't being conducted as publicly as it is but I have expressed the view that by the time the Party has to make a decision we will have a position of the Government which we'll be putting and which will be one which is calculated to achieve the best objectives for Australia. That is to get a more competitive situation but one within which you do have the protection of the existence of an efficient and viable public utility in this area. There will continue to be the fundamental division, not within my Party, we'll work out our position and when that's worked out there will continue to be a fundamental division between Labor and the conservatives. Because you see the conservative position now has been made quite clear, Brown, their spokesman has said they'll sell Telecom, they'll get right out of the communications area. In my judgement that's a recipe for disaster. The public utility should have competition but if you take the public utility out then in my judgement the public will suffer.

JOURNALIST: There'll be no carpeting of those Ministers who continue this debate?

PM: I'll be talking with them when I get back. I wouldn't describe it as carpeting but we'll be having an amicable discussion.

JOURNALIST: Can I just ask a non-Northern Rivers question?

PM: Sure.

JOURNALIST: Calling a silly old bugger a silly old bugger and getting caught doing it is much more like a normal bloke than a statesman, do you want to go down as a normal bloke or a statesman?

PM: Both. It is not a dichotomy.

JOURNALIST: Mr Hawke one other final thing. It's been asked around here and I put it to you if you were Prime Minister when the Indonesians entered Timor would you have sent a few frigates or Australian military forces to help out?

PM: I wasn't Prime Minister then and I wasn't therefore in possession of all the facts. Hypothetical questions never get much shrift from me but the hypothetical question which has got absolutely zero chance of an answer is a retrospective hypothetical.

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