

U.S. PLAYS DOWN PM'S SHARP CRITICISMS

STAR 22 JAN 1984

WASHINGTON, Sat. — American officials sought yesterday to play down reports of a sharp disagreement between the United States and Malaysia, following a stinging attack on Washington's attitude towards the Third World by Datuk Seri Dr Mahathir Mohamad.

State Department officials stressed that the Prime Minister's discussions with Secretary of State George Shultz were held in a "friendly and constructive" atmosphere and touched on "a wide range of bilateral, regional and international issues of mutual concern."

They admitted privately, however, that they had been surprised by the tone and content of a speech given by Datuk Seri Dr Mahathir on Thursday night before the World Affairs Council in Washington.

His attacks on the Reagan administration's policies towards the Third World seem to have touched a raw nerve. Washington has been growing increasingly sensitive to Third World criticism of the way it handles developing nations as well as the conflicts in the Middle East and Central America.

"He minced no words, but we're still very good friends and see eye to eye

on a lot of things," said a US official.

He added that the visit was "fruitful, positive, and upbeat."

The Prime Minister left here yesterday after a three-day official visit during which he had wide-ranging talks with President Ronald Reagan and senior officials.

After being received at the pentagon with full military honours, Datuk Seri Dr Mahathir, who is also Defence Minister, discussed the strategic situation in South-East Asia and the conflict in Kampuchea with Defence Secretary Caspar Weinberger, officials said.

"The United States has recently expressed grave concern over increased Soviet military activity in the region and has been looking at the possibility of increasing its military aid to the region's pro-Western nations."

On Wednesday, following a meeting with Datuk Seri Dr Mahathir, Mr Reagan made a point of praising Malaysia's "economic dynamism" and its "flourishing democratic institutions," observers noted.

Last year, during a tour of several Asian countries, Mr Shultz went to considerable lengths to reassure leaders there. He told them that the United States was neither

deaf nor indifferent to their problems.

Officials in Washington stressed, however, that the United States' capacity to provide economic aid to the Third World was severely limited by internal budgetary constraints.

They admitted that it would be politically risky, particularly in an election year, for Mr Reagan to ask Congress to approve a significant increase in the foreign aid budget.

Datuk Seri Dr Mahathir also accused the Reagan administration of not paying enough attention to the "legitimate aspirations" of the Third World nations.

"It is truly unfortunate that a great country like the United States all too often stands on the opposite side against small Third World countries," he said, adding that American leaders were opposed to international economic and monetary reforms aimed at aiding the developing nations.

He also strongly denounced the Reagan administration's tendency of placing "too much emphasis" on keeping its adversaries at bay through military means, and not enough on the "legitimate hopes and aspirations" of the Third World. — AFP.