

U E102 DES COR
SHULTZ - MAHATHIR
KUALA LUMPUR, JULY 9 (BERNAMA) -- DATUK SERI D R. MAHATHIR
MOHAMAD TODAY TOLD THE VISITING U.S. SECRETARY OF STATE GEORGE
SHULTZ THAT MALAYSIA WAS NOT SATISFIED WITH FLOW OF TRADE, BETWEEN THE
TWO COUNTRIES.

HE SAID WHILE THERE HAD BEEN SOME IMPROVEMENT, THE TRADE BETWEEN
THE TWO COUNTRIES HAD BEEN VERY SLOW.

THE PRIME MINISTER ALSO RAISED THE PROBLEM OF TRADE BALANCE
BETWEEN THE TWO COUNTRIES AND EXPRESSED HIS CONCERN OVER THE
PREVAILING HIGH INTEREST RATES IN THE U.S. WHICH WAS INDIRECTLY
AFFECTING MALAYSIAN DEVELOPMENTAL GROWTH, ACCORDING TO THE DEPUTY,
SECRETARY-GENERAL OF THE MINISTRY OF FOREIGN AFFAIRS DATUK MON
JAMALUDDIN.

THIS HAD BEEN FURTHER COMPOUNDED BY THE DIVERSION OF A LARGE
AMOUNT OF FUNDS FOR MILITARY SPENDING IN THE WEST PARTICULARLY IN
THE UNITED STATES.

ENCIK SHULTZ HOWEVER TOOK A DIFFERENT VIEW OF THE MILITARY
SPENDING, ADDED DATUK MON WHO WAS PRESENT DURING THE DISCUSSIONS
WHICH LASTED MORE THAN ONE HOUR.

DATUK SERI DR. MAHATHIR AND ENCIK SHULTZ DISCUSSED SEVERAL
ISSUES INCLUDING THE KAMPUCHEAN QUESTION, THE SITUATION IN WEST
ASIA, THE REFUGEES PROBLEM AND INTERNATIONAL TERRORISM. -- MORE
2053MST 09 07 84

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U E106 DES COR
SHULTZ - MAHATHIR 2 KUALA LUMPUR

ON THE KAMPUCHEAN QUESTION, ENCIK SHULTZ EXPRESSED THE U.S.
SUPPORT FOR THE ASEAN EFFORTS IN FINDING A DURABLE SOLUTION TO THE
PROBLEM.

DATUK SERI DR MAHATHIR SAID MALAYSIA AND ITS ASEAN PARTNERS
WOULD CONTINUE THEIR EFFORTS BUT UNFORTUNATELY HANOI HAD NOT BEEN
RESPONSIVE ENOUGH.

ON REFUGEES, ENCIK SHULTZ SAID THE U.S. APPRECIATED MALAYSIA'S
ROLE IN PROVIDING FIRST ASSYLUM TO THE INDOCHINESE BOAT PEOPLE. THE
U. S. HE SAID HAD TAKEN IN ABOUT HALF OF THE TOTAL REFUGEES FROM THE
FIRST ASSYLUM COUNTRIES.

THE TWO LEADERS ALSO EXCHANGED VIEWS ON THE SITUATION IN WEST
ASIA AND AGREED THAT THE PROGRESS OF PEACE HAD BEEN SLOW WHILE THE
SITUATION WAS HIGHLY EXPLOSIVE.

THEY WERE CONCERNED OVER THE POSSIBILITY THAT CHEMICAL WEAPONS
WOULD BE USED IN THE EVENT OF INCREASED HOSTILITIES BETWEEN IRAN, AND
IRAQ.

ENCIK SHULTZ ALSO INFORMED THE PRIME MINISTER THAT THE REAGAN
ADMINISTRATION WAS FIRM IN ITS STAND AGAINST MOVING THE U.S. EMBASSY
TO JERUSALEM FROM TEL AVIV.

DATUK SERI DR. MAHATHIR WELCOMED THIS ASSURANCE. DATUK MON
SAID. --- MORE
2117MST 09 07 84

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U E109 DES COR
SHULTZ -- MAHATHIR 3 KUALA LUMPUR

ON THE ROLE OF CHINA IN THE REGION, THE PRIME MINISTER
REITERATED MALAYSIA'S CONCERN OVER THE CHINESE THREAT IN THE LONG
TERM TO THE REGION.

HE EXPRESSED THE HOPE THAT THE UNITED STATES WOULD TAKE INTO
ACCOUNT THE CONCERN OF SMALL COUNTRIES. ON THIS PARTICULAR POINT, +
DATUK MON SAID.

ON U. S. -USSR RELATIONS, ENCIK SHULTZ DESCRIBED THE RELATIONSHIP
AS +STRAINED. +--BERNAMA
2127MST 09 07 84