

# Keating under pressure

SYDNEY, Sat. — Australian Prime Minister Paul Keating came under mounting pressure today to swallow his pride and help mend Australia's frayed relationship with Malaysia amid fears the row could develop into a full-blown diplomatic crisis.

The onus to end the row, which threatens billions of dollars worth of business for Australia, fell back on Keating late yesterday when Prime Minister Datuk Seri Dr Mahathir Mohamad rejected a written peace offering by the Australian leader.

The blunt-speaking Keating, who sparked the tiff by referring to Dr Mahathir as a "recalcitrant" for not attending the Seattle Asia-Pacific Economic Co-operation (Apec) regional trade summit last month, was silent today.

But he is due to appear on a national television programme tomorrow and is expected to address the issue.

A Foreign Affairs spokesman said the Government was analysing Dr Mahathir's comments on Keating's letter. He said, howev-

er, he was not in a position to comment on reports that Keating might delay a proposed visit to Malaysia next month.

Foreign Minister Datuk Abdullah Ahmad Badawi had said yesterday that Keating had delayed the visit, giving no reasons. The decision was, however, made before the row broke out.

"Whether such a visit will take place in future will depend on ties between Malaysia and Aus-

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## Relations on the brink of crisis, says paper

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tra, and especially on relations between Mahathir and Keating," he said.

The Australian national newspaper said today that Australia's relations with Malaysia were on the brink of crisis, which could even see Australia reduce its involvement in the Five-Power Defence Arrangement, a key regional defence group.

"Those close to him say that Keating has been furious at the way the crisis has unwound over the past 11 days," *The Australian's* foreign editor, Greg Sheridan, wrote.

"He was incandescent with rage when he saw

statements attributed to Malaysian Defence Minister Datuk Seri Najib Tun Razak, which appeared to suggest that Australian defence contractors bidding to build patrol boats and frigates for Malaysia could be disadvantaged because of the row."

Australian engineering group Transfield has bid for a US\$2 billion (about RM5 billion) contract to build 30 naval patrol boats for Malaysia.

Australian opposition leader John Hewson told reporters that Foreign Minister Gareth Evans, now in Papua New Guinea, should go to Kuala Lumpur immediately to try to heal the

relationship and that Keating should speak directly to Mahathir.

Hewson said relations between the two countries had worsened despite Keating's attempt to mollify Dr Mahathir with a "carefully crafted" letter.

"I urge the Prime Minister to get Senator Evans to go and talk to his counterpart in Malaysia," Hewson told reporters.

"These things must be done as a matter of urgency."

Keating did not offer a formal apology in his letter to Dr Mahathir, as demanded by sections of the Malaysian Government, but as-

sured Dr Mahathir he had not intended to cause offence.

Dr Mahathir had said that while he did not expect an apology, the letter was not conciliatory. The text of the letter has not been revealed by either Canberra or Kuala Lumpur.

Australia will get its first chance to deal with the issue on a personal ministerial level tomorrow when Australian Trade Minister Peter Cook addresses the opening session of the Pacific Rim Business Collaboration Symposium in Kuala Lumpur.

Dr Mahathir will open the symposium.

Cook will also meet Malaysian Trade and Industry Minister Datuk Seri Rafidah Aziz and Abdullah (Foreign Minister).

He will also meet members of Kuala Lumpur's Australian business community, many of whom are concerned the row is getting out of control and could threaten trade.

Two-way trade between Malaysia and Australia was worth Australian \$2.4 billion (about RM4 billion) in the year to June.

Australian Defence Minister Robert Ray will visit Malaysia later in the week as part of a defence industry trade mission. — Reuter