

# Australia: Up to KL to improve ties

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CANBERRA, Tues. — Australia insisted today there was nothing more it could do to settle the issue over its Prime Minister's remarks concerning Datuk Seri Dr Mahathir Mohamad which has raised threats of trade sanctions, saying it was now up to Kuala Lumpur to improve relations.

Foreign Minister Gareth Evans defended Paul Keating's refusal to apologise for calling his Malaysian counterpart a "recalcitrant", for boycotting the first summit of the Asia-Pacific Economic Co-operation (Apec) fo-

rum in Seattle last month.

Evans said Keating had made every attempt to correct any perception of an insult but would go no further.

"I don't believe it's fair to say there was irresponsibility or insensitivity on the part of the Prime Minister in the circumstances of the case," Evans told Parliament in response to an opposition question.

"The subsequent course of events has demonstrated a clear willingness on the part of the Prime Minister to look forward rather than

backwards; a very clear willingness ... to communicate the proposition that no offence was intended."

Keating had made it clear that if offence had been taken by Dr Mahathir "then it is regretted", Evans said.

"We can't state it any more clearly than that.

"We're going to go on stating it and restating it, and we hope that it will be possible for this situation to resolve itself in the not-too-distant future," he said.

Public opinion also appeared to support Keating's decision not to apologise to

Dr Mahathir. Editorials, talk-back radio callers and letters to the editor today generally supported Keating's position, if not his slip of the tongue.

"If Australia apologises, (Keating) loses face and he loses face in the eyes of the world," said a talk-back radio caller.

An editorial in *The Age* newspaper in Melbourne said: "Mr Keating has now said enough on this matter — and done enough to placate Dr Mahathir — and should now opt for silence."

Malaysia has already

banned the broadcast of Australian TV programmes, and newspapers here said a few Australian firms were feeling a chill in business dealings.

"That is matter for very deep regret and we just hope very much that the situation can be contained and ultimately resolved," Evans said of the bans.

He said Australian companies might well suffer further.

"But that is the nature and hazards of business life, I guess, and one has to contemplate the possibility that

things like that will occur when you are doing business with another country," Evans said.

Malaysia is Australia's 11th largest trading partner with two-way trade of A\$2.4 billion (RM4.15 billion) as of June this year.

Australian exports to Malaysia have grown 14 per cent a year for the past six years, and it runs an annual trade surplus, suggesting Australia has more to lose in a trade war.

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## Abdullah to propose actions to Cabinet

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In Kuala Lumpur, the Foreign Ministry will submit at this week's Cabinet meeting a paper proposing actions which could have far-reaching effects on bilateral relations between Australia and Malaysia.

Foreign Minister Datuk Abdullah Ahmad Badawi, disclosing this at a news conference today, declined to give details of the proposal beyond saying that it could have "far-reaching effects".

Last week, Abdullah had said that Malaysia would not rule out the possibility of downgrading ties with Australia. He had also warned that "anything can happen after this".

The Cabinet meeting, normally held on Wednesdays, has been shifted to Saturday this week as the Prime Minister is in Langkawi for the 1993 Langkawi International Maritime and Aerospace

(Lima '93) Exhibition.

Asked to comment on the call by Evans yesterday for a "cooling-off period" and his hope that the Malaysian Cabinet would not aggravate the situation when it meets this week to discuss the situation, Abdullah said Australia should not tell Malaysia what it should and should not do.

"We want to know what he meant by a cooling-off period... Keating is the one who started this and it all depends on him," he said.

In Kuantan, the Pahang State Legislative Assembly today approved a motion expressing regret over Keating's derogatory remark and suggested that the Government take further measures on the matter.

It called on the Government to immediately recall the Malaysian High Commissioner to Australia and downgrade ties with it.