

Two-thirds of Aussies think Keating should apologise

NST - 9 DEC 1993

SYDNEY, Wed. — Almost two-thirds of Australians believe that their Prime Minister, Mr Paul Keating, should apologise for his derogatory statement against the Prime Minister of Malaysia, Datuk Seri Dr Mahathir Mohamad.

According to a special newpoll survey — conducted for the national daily, *The Australian* over the weekend — 63 per cent believe Keating should apologise.

Only 24 per cent of those polled believe Keating should not apologise and 13 per cent remain uncommitted.

The poll was taken after Keating's personal letter to Dr Mahathir, saying he did not intend to offend him, failed to mollify the Malaysian Government, which has intensified its demand for a full apology.

Keating's popularity rating has also taken a nose-dive after his outburst.

The poll shows there is much stronger demand for an apology in country areas than in metropolitan areas — 69 per cent in non-capital cities opting for an apology compared with 59 per cent in the five mainland capital cities, *The Australian* says in a front page report under the heading: "Large Majority Believes Keating Should Apologise."

There is also a much stronger inclination for Liberal-National Party supporters to expect an apology — 78 per cent compared with only 45 per cent of Australian Labour Party supporters.

Queensland has the highest level of support for an apology — 72 per cent — and Victoria the lowest, with 58 per cent.

Meanwhile, Australian firms expressed fears that they risk losing millions of dollars' worth of business with Malaysia as the Keating outburst threatens to

grow into a trade war.

Several companies operating in Malaysia say they have had contracts cancelled, future orders put on hold and business negotiations jeopardised by the crisis.

Prime Minister Paul Keating sparked the incident by calling his Malaysian counterpart Mahathir Mohamad a "recalcitrant" for boycotting the Asia Pacific Economic Co-operation summit in Seattle last month.

"This has gone beyond a cat-and-mouse game now and it needs some resolution. Now if that requires an apology from the (Australian) Prime Minister so be it," said David McClune, a spokesman for Brisbane-based Voxson International.

In the past 48 hours, Voxson has had several Malaysian orders for its cellular telephones cancelled.

"We have had communications from dealers in Malaysia that they are cancel-

ling Voxson orders for cellular telephones and they are being quite specific, as a result of the current diplomatic crisis," said McClune.

McClune declined to reveal how much the orders were worth but said Voxson's Malaysian market is estimated at between A\$40 million (RM68 million) and A\$50 million in 1994.

The Queensland architectural firm, McKerrel Lynch, has also suffered. The company had linked up with a Malaysian partner to bid for the design of a tourist project in Kuala Lumpur that would have generated A\$1 million in fees.

But this week it was dropped by its Malaysian partner, Goodyear Development, which is now tendering for the project with a new partner.

Managing director Bevan Lynch said because the pro-

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Several Aussie ventures in KL jeopardised

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ject needed the personal approval of Dr Mahathir, the firm's joint venture partner had said its participation was a liability.

"They couldn't afford any downside risk associated with an Australian design firm... in view of, in their words, the latest sensitivities created by the poor and inappropriate remarks uttered by Mr Paul Keating," Lynch said.

"We have put two years of hard work into building up a base in a tough market," Lynch told reporters. "Other projects where we have proposals have also been jeopardised."

Champion Compressors in Victoria says a A\$20,000 order for its industrial air compressors has been put on hold by the Malaysian Government. Eynesbury College in Adelaide says it will lose A\$1 million a year in fees by the cancellation of a Malaysian government programme to send students to Australia.

Consultancy firm SEAS Sapfor in South Australia says a potential contract worth A\$200 million for a reforestation consultancy is threatened.

A Tasmanian apple exporter has been told his apples, now on the Port Klang docks, are no longer welcome. Rural analysts say A\$380 million worth of primary industry exports to

Malaysia are now threatened.

Several major Australian defence and infrastructure projects in Malaysia are on the line, most notably that of Transfield Holdings. It is bidding for a A\$3 billion contract to supply up to 27 patrol boats to the Malaysian navy.

Malaysia is Australia's 11th largest trading partner with two-way trade totalling A\$2.4 billion in the year to June.

However, another report said, Malaysia will suffer greater long-term damage than Australia if it carries out threats of "far-reaching" retaliation.

Despite its tough response, Malaysia still receives aid from Australia, still enjoys favoured-nation status as an exporter and still needs Australian investment to help fuel its economic development, Canberra sources said.

It still also receives substantial benefits from Australia under the Five Power Defence Arrangement in which Singapore, Britain and New Zealand are also partners. All could become casualties in what Keating has said he wants to avoid — a "tit-for-tat" war.

A spokesman for Keating said he still had no intention of apologising despite two opinion polls published here today showing two-thirds of voters think he should. — Reuter/AFP