

Keating hails Malaysian decision to end diplomatic tiff

CANBERRA, Sun. Australian Prime Minister Paul Keating welcomed Malaysian Prime Minister Datuk Seri Dr. Mahathir Mohamad's decision to end a 22-day diplomatic row between the two countries which began after Keating described Mahathir as a "recalcitrant".

Keating said today the Malaysian Government's decision not to impose sanctions on Australia or further intensify the row has ended the feud. A spokesman for Keating earlier had described Malaysia's decision as sensible and encouraging.

"We've had a good 30-year relationship," Keating told reporters. "I think it is a pretty robust relationship and I think this proves that."

When asked if he considered the row now over, Keating said: "I think so. They made that clear themselves."

The Malaysian Government said in a statement yesterday that Malaysians had felt slighted by Keating's remark but that there was now greater Australian appreciation of Malaysians' sensitivity and the matter should be considered closed.

"The Government does not wish to prolong this issue and will take no further action," the Malaysian statement said. "The matter should be regarded as closed."

Keating sparked the crisis when he called Mahathir recalcitrant for boycotting the Asia Pacific Economic Cooperation summit in Seattle last month.

The row threatened to

turn into a multi-billion dollar trade war after several Malaysian Cabinet Ministers announced they had suspended programmes with Australia.

Malaysia's decision "certainly echoes our signals to them which is that we want a normal relationship with Malaysia," a Keating spokesman said.

Australian Foreign Minister Gareth Evans also welcomed Malaysia's decision and said the end of the row now allows the two countries to resume developing trade ties.

"Our bilateral relationship has always worked to our mutual advantage and we look forward to further developing it," Evans said in a statement late yesterday.

Malaysia is Australia's 11th largest trading partner with two-way trade totaling A\$2.4 billion (about RM4 billion) in the year to June. — Reuter