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LEAD Howard-Cancel

HOWARD PUTS OFF VISIT TO M'SIA DUE TO IRAQI SITUATION

KUALA LUMPUR, Feb 21 (Bernama) -- Australian Prime Minister John Howard has cancelled a three-day official visit to Malaysia beginning tomorrow due to the situation in Iraq.

Howard personally informed his Malaysian counterpart Datuk Seri Dr Mahathir Mohamad by telephone this morning that he had put off the trip.

"He called just now and asked for his trip to be put off.... He said that there is a problem in Australia pertaining to Australia's involvement in the action in Iraq," Dr Mahathir told reporters after attending a Kongsi Raya celebration of the Prime Minister's Department at the Kelab Bukit Perdana here today.

"As such, he said he has to remain in Australia to make whatever decisions," Dr Mahathir added.

Howard told a news conference in Sydney that while disappointed, Dr Mahathir understood the situation.

Howard said he particularly regretted not going to Malaysia because he wanted to personally convey the confidence the Australian government felt in the efforts taken by the Malaysian government to cope with its severe economic difficulties.

Expanding on his decision to cancel his visits to Malaysia and Papua New Guinea, Howard said: "It has become quite obvious to me that crucial decisions about the possible involvement of Australian forces in military action against Iraq might need to be taken during the next week and I would not want the possibility to arise of those decisions being required during my absence from Australia."

Asked what kind of decisions would have to be made, Howard said the first would be about whether further peace efforts would be pointless if the diplomatic mission of United Nations Secretary General Kofi Annan failed.

"The second could be the involvement of Australian forces in military action," said Howard who hopes to reschedule his visit to Malaysia in the near future.

Australia has committed a total force of 250 military personnel to any United States strike against Iraq over President Saddam Hussein's refusal to allow UN arms inspectors free access to Iraq's arsenals.

Australia has already sent 110 members of its elite Special Air Services (SAS) corps to Kuwait, along with two Boeing 707s for refuelling purposes. The troops have not yet been cleared for active military engagement.

Howard was scheduled to arrive tomorrow evening for his first official visit to Malaysia since he took office in March 1996.

The Australian premier and Dr Mahathir met shortly after Howard's election when Dr Mahathir made a stopover in Australia on his way home from New Zealand after attending the Commonwealth Heads of Government Meeting.

Dr Mahathir said earlier today that Malaysia-Australia ties had improved and that he expected better relations between the two countries.

He said among the areas of cooperation that would be looked into were business and trade as well as Australia's wish to identify itself more with Asia.

Australian flags heralding Howard's visit have been put up in the streets of Kuala Lumpur.

A trade mission of about 40 Australian business people led by the

Australia-Malaysia Business Council (AMBC) was also due to begin a three-day visit to Malaysia along with Howard.

AMBC president Paul McClintock and executive director Paul Gallagher were frantically trying to contact mission members to inform them the visit has also been cancelled.

AMBC executive director Paul Gallagher is already in the Malaysian capital completing arrangements for the mission. About 30 Australian journalists were also due to fly out with the Prime Minister.

McClintock said he was disappointed but understood Howard's decision to cancel his visit.

"Mr Howard phoned me and expressed his regret that the visit was not going ahead. It's a shame, but we understand the reasons for his decision," McClintock told Bernama.

"We are hopeful that a visit would be rescheduled soon because the level of support for the trip by our members had been very positive and encouraging," he said. -- BERNAMA

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