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KEATING BOOK TELLS OF IMMINENT TRADE WAR WITH KL

By: Neville D'Cruz

MELBOURNE, March 31 (Bernama) -- Former Prime Minister Paul Keating almost declared a trade war on Malaysia in 1993 in retaliation against Kuala Lumpur's threat of sanctions for Keating's "recalcitrant" comment about Prime Minister Datuk Seri Dr Mahathir Mohamad.

Keating, speaking on radio to promote his new book "Engagement: Australia Faces The Asia-Pacific", said the Australian Department of Foreign Affairs had prepared, at his request, a 22-page paper outlining possible Australian responses to Malaysian sanctions.

Keating used the word "recalcitrant" to describe Dr Mahathir's decision to skip the inaugural Apec trade meeting in Seattle in November 1993.

Keating said former Australian Defence Minister Senator Robert Ray had indicated to his Malaysian counterpart, Datuk Seri Najib Razak, that Australia would find it very difficult not to take action on defence and trade if Malaysia opted for sanctions.

According to Keating, the Malaysian Cabinet later decided to take no further action against Australia.

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