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**BODY:**

Malaysian Prime Minister Mahathir Mohamed today raised the possibility of establishing an OPEC-type cartel to counter plummeting tin prices on the London market.

"We have no desire for any kind of competition (on prices), and we do have the desire to end current competition," Mohamed, now visiting the United Arab Emirates, told the UAE news agency.

"The tin market is not free in this sense of the word," Mohamed said. "Speculators are behind the current drop in prices and the market is beset with commercial maneuvers similar to those affecting oil producers in the past."

Meanwhile, Dow Jones News Service quoted unidentified sources in London as saying the International Tin Council called a special meeting for next Monday and Tuesday. The sources told Dow Jones the council would discuss falling tin prices, and that it might consider establishing export controls.

Mohamed denied that his country was already in unofficial negotiation with other tin producers on forming a tin cartel.

"Malaysia does not want to raise tin prices," he said. "We only want reasonable prices in our interest."

"Tin now being sold on the London market is creating a competition contrary to our interests, and we are striving for a solution to this," he said.

Malaysia is the world's leading producer of tin, used in production of computers and metalware.

Tin prices have fallen sharply in the past several days after rising steadily since July. Mysterious buyers who are widely believed to be a consortium of tin-producing countries had been pushing the price higher by amassing a stockpile estimated at 50,000 metric tons or more. A metric ton is about 2,204 pounds.

Many in the tin market feared a repeat of the silver crisis of 1980 when the Hunt brothers of Texas succeeded in temporarily driving prices up by heavy buying.

Late last month, London Metal Exchange officials set a limit of \$220 in daily penalties that would be owed for each ton not delivered by the contract date. Shortly afterward, the price began to drop sharply.