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 MAHATHIR-THATCHER
 FROM WAN A. HULAIMI

(P) The overseas

LONDON, JULY 21 (BERNAMA) -- PROTON SAGA PARTS MADE WITH BRITISH COOPERATION WAS ONE OF THE POSSIBILITIES EXPLORED BY PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD WITH HIS BRITISH COUNTERPART PUAN MARGARET THATCHER AT THEIR FIRST MEETING HERE TODAY.

PUAN THATCHER TOLD (DATUK SERI DR MAHATHIR SHE WOULD LIKE TO SEE BRITAIN BUYING THE MALAYSIAN-MADE PROTON SAGA.

AT THE PRELIMINARY MEETING -- SAID TO HAVE BEEN CONDUCTED IN AN +EASY, AMIABLE ATMOSPHERE+ AT DOWNING STREET SOON AFTER DATUK SERI DR MAHATHIR WAS OFFICIALLY WELCOMED TO BRITAIN ON A SIX-DAY OFFICIAL VISIT -- THE TWO PREMIERS DISCUSSED A RANGE OF TOPICS INCLUDING THE GULF WAR, THE WORLD ECONOMIC SITUATION, DRUG ABUSE AND ILLICIT TRAFFICKING, INDO-CHINA, AND BILATERAL MATTERS, ESPECIALLY THAT RELATING TO TRADE.

DATUK SERI DR MAHATHIR TOLD PUAN THATCHER THE WORLD SHOULD ACCEPT A FORM OF DIVISION OF LABOUR WHERE THE DEVELOPED COUNTRIES WOULD CONCENTRATE ON THE MORE SOPHISTICATED INDUSTRIES WHILE THE DEVELOPING COUNTRIES WOULD CONCENTRATE ON THE LESS SOPHISTICATED ONES.

RELATING THIS TO TRADE BETWEEN THE DEVELOPING AND DEVELOPED COUNTRIES, DATUK SERI DR MAHATHIR RAISED THE QUESTION OF DISCRIMINATION IN DUTY AGAINST MALAYSIAN REFINED PALM OIL INTO THE EUROPEAN ECONOMIC COMMUNITY. -- MORE

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REFINED PALM OIL FROM MALAYSIA IS SUBJECT TO 12 PERCENT DUTY IN THE EEC, WHILE CRUDE PALM OIL IS LEVIED ONLY FOUR PERCENT.

DATUK SERI DR MAHATHIR FELT THAT THE HIGHER DUTY ON REFINED PALM OIL WAS UNFAIR BECAUSE SIMPLE PROCESSING LIKE THIS SHOULD BE LEFT TO DEVELOPING COUNTRIES, AND THEY SHOULD NOT BE DISCOURAGED FROM APPLYING THE SIMPLE TECHNOLOGY BY THE DEVELOPED COUNTRIES' IMPOSITION OF PROHIBITIVE DUTIES.

THE SAME ARGUMENT ALSO APPLIED TO THE ELECTRONIC AND TEXTILE INDUSTRIES WHERE IT WAS IMPORTANT THAT THOSE THAT WERE NON-VIABLE FOR DEVELOPED COUNTRIES SHOULD BE MOVED TO DEVELOPING COUNTRIES, HE SAID.

PUAN THATCHER TOLD DATUK SERI DR MAHATHIR SHE WAS HELPING THE MALAYSIAN PALM OIL INDUSTRY BY HER INTIATIVE AT EEC MEETINGS WHERE, WITH THE SUPPORT OF WEST GERMANY, THE NETHERLANDS, AND DENMARK, SHE HAD BEEN SUCCESSFUL AGAINST PROPOSED RESTRICTIONS.

DATUK SERI DR MAHATHIR THANKED HER FOR HER INITIATIVE.

THERE WAS, HOWEVER, STILL THE QUESTION OF TRADE IMBALANCE BETWEEN BRITAIN AND MALAYSIA -- A QUESTION WHICH BROUGHT TWO VIEWS BASED ON DIFFERENT STATISTICAL INTERPRETATIONS. -- MORE

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THIS DIFFICULTY WAS BROUGHT ABOUT BY THE EUROPEANS' METHOD OF INCLUDING MALAYSIAN PRODUCTS IMPORTED VIA A THIRD COUNTRY (SINGAPORE, FOR EXAMPLE) INTO THE TOTAL MALAYSIAN EXPORT FIGURES.

PUAN THATCHER WAS TOLD THAT MALAYSIA'S VIEW WAS THAT THERE WAS IMBALANCE IN FAVOUR OF BRITAIN, PARTICULARLY IN INVISIBLE TRADE. IN ANY CASE, DATUK SERI DR MAHATHIR SAID, BILATERAL TRADE BETWEEN THE TWO COUNTRIES NEEDED TO BE DIVERSIFIED.

DATUK SERI DR MAHATHIR ALSO TALKED ABOUT MALAYSIA'S PROGRAMME FOR DIVERSIFICATION AWAY FROM COMMODITIES TO MANUFACTURED PRODUCTS, AND EXPLAINED THE RATIONALE FOR THE PRODUCTION OF THE NATIONAL CAR, AND THE POSSIBILITY OF COOPERATION WITH BRITAIN IN THE PRODUCTION OF PARTS.

IN FACT, MALAYSIA WAS ALREADY TALKING TO SOME BRITISH AS WELL AS TO SOME AMERICAN COMPANIES, DATUK SERI DR MAHATHIR SAID.

ON NON-TRADE ISSUES, THE TWO PRIME MINISTERS SPOKE IN SOME DETAIL ON THE IRAN-IRAQ WAR AND THE CURRENT EXCHANGES NOW GOING ON IN THE UNITED NATIONS SECURITY COUNCIL, AND THE VARIOUS MEASURES ENVISAGED BY THE SECURITY COUNCIL TO BRING ABOUT A CEASEFIRE AS WELL AS A STOPPAGE OF ARMS SUPPLY. -- MORE
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IT IS UNDERSTOOD THAT PUAN THATCHER UNDERLINED THE FACT THAT THE CURRENT EXERCISE WAS VERY SIGNIFICANT -- THE FACT THAT FIVE PERMANENT MEMBERS WERE GETTING TOGETHER TO CALL FOR A CEASEFIRE.

THE TWO PRIME MINISTERS SHARED THE SAME PERCEPTION ABOUT THE CONFLICT, AND THE IMPORTANCE THAT IT SHOULD BE BROUGHT TO AN END AS SOON AS POSSIBLE.

DATUK SERI DR MAHATHIR, WHO HAD JUST PRESIDED OVER THE UNITED NATIONS CONFERENCE ON DRUG ABUSE AND ILLICIT TRAFFICKING IN VIENNA, ALSO EXCHANGED VIEWS WITH PUAN THATCHER ON THE MATTER.

PUAN THATCHER BRIEFED DATUK SERI DR MAHATHIR ON WHAT BRITAIN WAS DOING TO COMBAT THE DRUGS MENACE, PARTICULARLY BY INTRODUCING LEGISLATION WHICH ALLOWED FOR THE CONFISCATION OF PROCEEDS FROM DRUG TRAFFICKING.

DATUK SERI DR MAHATHIR'S VIEW, AS EXPRESSED AT THE MEETING, WAS THAT IT WAS IMPORTANT TO HAVE A CONCERTED INTERNATIONAL ACTION BECAUSE NO ONE COUNTRY COULD COMBAT THE DRUGS MENACE ALONE.

THEY AGREED TO CONTINUE THE DISCUSSIONS OVER DINNER HOSTED BY PUAN THATCHER AT DOWNING STREET LATER IN THE EVENING. -- BERNAMA
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