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MAHATHIR-BRITAIN R'R'R'R'

BM

KUALA LUMPUR, AUG 10 (BERNAMA) -- CERTAIN QUARTERS ARE DELIBERATELY SPREADING FALSEHOODS TO SCARE OFF BRITISH INVESTORS FROM MALAYSIA THOUGH THE COUNTRY HAS LONG ABANDONED THE BUY BRITISH LAST POLICY, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE POLICY NO LONGER POSED ANY PROBLEMS IN BILATERAL RELATIONS BETWEEN MALAYSIA AND BRITAIN AND IN FACT THIS WAS RESOLVED WHEN BRITISH PRIME MINISTER MARGARET THATCHER VISITED MALAYSIA TWO YEARS AGO, HE SAID.

THE PRIME MINISTER WAS SPEAKING AT A NEWS CONFERENCE AT KUALA LUMPUR'S SUBANG INTERNATIONAL AIRPORT ON HIS RETURN FROM A THREE-WEEK VISIT TO BRITAIN, HUNGARY AND THE SOVIET UNION.

HE SAID THE QUARTERS WERE ALSO CRITICAL OF MALAYSIA BECAUSE ACCORDING TO THEM THIS COUNTRY PRACTISED A POLICY OF NATIONALISING INDUSTRIES AND CLAIMED THAT THE LIBERAL POLICY FOR FOREIGN INVESTORS WOULD BE CHANGED AFTER FIVE YEARS.

+IN TRUTH WE HAVE NEVER NATIONALISED ANY INDUSTRY AND HAVE NO INTENTION OF CHANGING THE INVESTMENT CONDITIONS OR MAKING THEM MORE DIFFICULT,+ HE SAID.

ASKED WHO WERE THE QUARTERS ATTEMPTING TO FOIL MALAYSIA'S EFFORTS TO ATTRACT BRITISH INVESTMENT, HE SAID: +IT IS UP TO YOU TO INTERPRET.+ -- MORE

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ON THE POSSIBILITY OF THE GOVERNMENT REDUCING CORPORATE TAX AS HE HAD INDICATED IN LONDON, THE PRIME MINISTER SAID THE MATTER SO FAR REMAINED A POSSIBILITY.

HOWEVER, HE ACKNOWLEDGED THAT CORPORATE TAX IN MALAYSIA, AT 40 PERCENT CONSIDERED THE HIGHEST IN THE REGION, SHOULD BE REVIEWED IN THE CONTEXT OF ITS EFFECT ON INVESTMENT IN MALAYSIA COMPARED WITH THAT IN OTHER COUNTRIES.

ASKED WHETHER THE PROPOSAL TO REDUCE THE TAX WOULD BE MADE IN THE 1988 BUDGET TO BE TABLED SOON, DATUK SERI DR MAHATHIR SAID: +LIKELY.+

DESCRIBING HIS VISIT AS SUCCESSFUL AND HAVING ACHIEVED ITS AIMS, THE PRIME MINISTER EXPRESSED CONFIDENCE THAT TRADE BETWEEN MALAYSIA AND THE SOVIET UNION WOULD BE EXPANDED.

THOUGH THE SOVIET UNION DID NOT PRACTISE A POLICY OF INVESTING OVERSEAS, COOPERATION IN A NUMBER OF INDUSTRIES IDENTIFIED BY BOTH PARTIES INCLUDING THE PRIVATE SECTOR REPRESENTATIVES WHO WERE MEMBERS OF THE MALAYSIAN DELEGATION, COULD CONTRIBUTE TO EXPANDED TRADE, HE SAID. -- MORE

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MAHATHIR-BRITAIN 3 KUALA LUMPUR R'R'R'R'

THIS WAS IMPORTANT IN VIEW OF THE SOVIET UNION'S COMPLAINTS THAT THE BALANCE OF TRADE WAS AT PRESENT IN FAVOUR OF MALAYSIA IN THE RATIO OF 10:1.

+THIS LARGE GAP CAN BE NARROWED AT LEAST FROM THE ASPECT OF PERCENTAGE IF TOTAL TRADE COULD BE STEPPED UP,+ THE PRIME MINISTER SAID.

REPLYING TO A QUESTION, DATUK SERI DR MAHATHIR SAID HE DID NOT DISCUSS THE PURCHASE OF SOVIET WEAPONS AS A MEANS OF REDUCING THE TRADE BALANCE BETWEEN THE TWO COUNTRIES, BUT CHIEF OF ARMY JEN TAN SRI HASHIM ALI, WHO WAS A MEMBER OF THE MALAYSIAN DELEGATION, EXPLORED THE MATTER WITH HIS RUSSIAN COUNTERPART. -- BERNAMA

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