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MAHATHIR (REPETITION WITH CORRECTION IN PARA TWO)

DN

FROM ANHAD BEJAL ARSEE

*Mr. Davies*

LONDON, SEPT 26 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMED IS EXPECTED TO SIGN A MEMORANDUM OF UNDERSTANDING WITH HIS BRITISH COUNTERPART MARGARET THATCHER ON TUESDAY TO ENABLE MALAYSIA TO PURCHASE MODERN DEFENCE EQUIPMENT WORTH UP TO A BILLION POUNDS STERLING.

THE PURCHASE WILL INCLUDE FIGHTER AIRCRAFT AND OTHER EQUIPMENT FOR THE ARMY, AIR FORCE AND NAVY, WHICH WILL BE PAID FOR IN MALAYSIAN OIL AND MANUFACTURED GOODS.

IN CONFIRMING THIS TO MALAYSIAN JOURNALISTS HERE MONDAY, THE PRIME MINISTER SAID HE WOULD DISCUSS THE PURCHASE WITH PM MARGARET THATCHER TOMORROW IN THEIR MEETING AT DOWNING STREET.

HE WILL ALSO BRING UP MALAYSIA AIRLINES' (MAS) QUEST FOR ADDITIONAL FLIGHTS TO LONDON. TALKS ON THIS BETWEEN MAS AND BRITISH AIRWAYS ARE STILL DEADLOCKED.

THE PRIME MINISTER SAID THE PURCHASE WAS FOR REPLACEMENT AND FOR PROVIDING THE ARMED FORCES WITH MODERN EQUIPMENT TOWARDS MORE EFFECTIVE CHECKING OF INTRUSION INTO THE COUNTRY'S EXCLUSIVE ECONOMIC ZONE (EEZ) WATERS. -- MORE

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HE SAID THE MEMORANDUM OF UNDERSTANDING DID NOT CONSTITUTE A SPECIAL AGREEMENT BUT WAS MORE IN THE NATURE OF AN ACKNOWLEDGEMENT OF SEVERAL PURCHASE PROPOSALS PRESENTED TO BRITAIN.

THE PURCHASE WOULD NOT BE CONDUCTED ALL AT ONE GO BUT STAGGERED OVER PERHAPS 10 YEARS WITH PAYMENT MADE EACH TIME AN ORDER WAS PLACED.

AS THE PURCHASE WOULD BE MADE ON A +COUNTER TRADE+ BASIS MAINLY INVOLVING SUPPLY OF MALAYSIAN OIL AND PRODUCTS, A FINANCIAL ALLOCATION WOULD NOT BE PROVIDED IN THE FEDERAL BUDGET ESTIMATE, HE ADDED.

DATUK SERI DR MAHATHIR SAID ALTHOUGH THE MEMORANDUM WOULD BE SIGNED, IT WOULD NOT COMMIT MALAYSIA TO THE PURCHASE OF ANY EQUIPMENT. ANY PURCHASE TO BE MADE WILL BE SUBJECT TO NEGOTIATIONS.

THE MEMORANDUM SIMILARLY WILL NOT BIND MALAYSIA TO BUYING ONLY FROM BRITAIN. +WE CAN ALSO BUY FROM OTHER COUNTRIES.+ -- MORE

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THE PRIME MINISTER SAID DISCUSSIONS ON THE PURCHASE OF THE DEFENCE EQUIPMENT WERE HELD LAST YEAR DURING HIS VISIT TO BRITAIN WHICH HAD PROPOSED +VERY ATTRACTIVE+ TERMS OF PAYMENT.

AMONG THE EQUIPMENT MENTIONED AS UP FOR OFFER IS THE TORNADO JET FIGHTER BUILT BY A BRITISH-GERMAN-ITALIAN CONSORTIUM. BRITAIN ALSO OFFERED SUBMARINES AND SEVERAL AIR DEFENCE SYSTEMS AS WELL AS EQUIPMENT FOR THE ARMY.

DATUK SERI DR MAHATHIR WAS ALSO TAKEN ON AN INSPECTION TOUR OF A SUBMARINE AT A BRITISH NAVAL BASE AS WELL AS SEVERAL DEFENCE BASES HERE.

MALAYSIA WAS EARLIER SAID TO HAVE BEEN OFFERED F-16 FIGHTER JETS OF THE UNITED STATES TO REPLACE THE ROYAL MALAYSIAN AIR FORCE'S (RMAF) FIGHTER JETS WHICH ARE NOW CONSIDERED OBSOLETE. HOWEVER, IT WAS SAID THE F-16S OFFERED MALAYSIA ARE NOT AS SOPHISTICATED AS THE F-16S THE US HAD AGREED TO SELL SINGAPORE.

TO A REPLY FROM JOURNALISTS, DATUK SERI DR MAHATHIR SAID THE MALAYSIAN ARMED FORCES HAD TO BE EQUIPPED WITH MODERN DEFENCE EQUIPMENT TO ENHANCE THEIR POTENTIAL FOR DEFENDING THE COUNTRY AGAINST ATTACKS.

THE COUNTRY CANNOT ESCAPE FROM THE NEED TO HAVE SELF-DEFENCE CAPABILITIES, AT LEAST FROM INITIAL STRIKES, ACCORDING TO HIM. --  
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THIS MINIMUM CAPABILITY WAS ESSENTIAL EVEN THOUGH MALAYSIA HELD TO THE PRINCIPLE OF RESOLVING PROBLEMS WITH OTHER COUNTRIES THROUGH TALKS, HE ADDED.

→OUR AIRCRAFT FLEET CAN BE CONSIDERED TO BE AGEING. WE SHOULD HAVE MODERN PLANES. IF WE CONTINUE TO HAVE OBSOLETE AIRCRAFT, WE MIGHT AS WELL NOT HAVE ANY,→ HE ADDED.

→WE MUST ALSO HAVE THE CAPABILITY TO FACE ANY ENCRDACHMENT OF OUR WATERS. THE TRESPASSERS DO NOT HAVE THE INTENTION OF ATTACKING OR INVADING US BUT INTRUSION INTO OUR WATERS EXISTS AND EACH NEEDS TO BE MONITORED AND FACED.→

HE SAID DETAILS OF THE PURCHASE PAYMENT WOULD BE DISCUSSED MORE EXTENSIVELY. THE PURCHASE OF THE EQUIPMENT WOULD ALSO DEPEND ON THE PRICE TO BE NEGOTIATED.

THE PRIME MINISTER HAD SUNDAY MORNING MET AND TALKED WITH MORE THAN 300 STUDENTS AT MALAYSIA HALL HERE. HE ANSWERED VARIOUS QUESTIONS ON DEVELOPMENTS BACK HOME INCLUDING THE QUESTION OF HIS LEADERSHIP STYLE, THE CONFLICTS IN UMNO AND NATIONAL POLITICS, GRADUATE UNEMPLOYMENT AND ALLOWANCES FOR OVERSEAS STUDENTS. -- MORE  
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HE SPENT ALMOST THREE HOURS IN THE QUESTION AND ANSWER SESSION WITH THE STUDENTS AND HAD LUNCH AFTERNWARDS.

PRESENT AT THE MEETING WERE TRADE AND INDUSTRY MINISTER DATIN PADUKA RAFIDAH AZIZ, PRIMARY INDUSTRIES MINISTER DATUK DR LIM KENG YAIK, CHIEF SECRETARY TO THE GOVERNMENT TAN SRI SALEHUDDIN MOHAMAD, SECRETARY-GENERAL OF THE FOREIGN MINISTRY DATUK MOHAMED YUSOF HITAM AND MALAYSIAN HIGH COMMISSIONER TO BRITAIN DATUK HON JAMALUDDIN.

DATUK DR MAHATHIR ARRIVED HERE FROM BRUSSELS SATURDAY EVENING AND WILL LEAVE FOR NEW YORK WEDNESDAY TO ADDRESS THE UNITED NATIONS GENERAL ASSEMBLY.

WHILE IN NEW YORK, HE IS EXPECTED TO MEET EDITORS OF SEVERAL LEADING NEWSPAPERS TO CLARIFY THE SITUATION IN MALAYSIA IN CONNECTION WITH THE CRITICAL AND BIASED ARTICLES OFTEN PUT OUT BY CERTAIN NEWSPAPERS. -- BERNAMA  
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