

GOVT TO BUY \$4bil ARMS

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From V. K. Chin

LONDON, Mon. — Malaysia and Britain are expected to sign a memorandum of understanding here tomorrow for buying a submarine and other military hardware totalling £1 billion (about \$4.4 billion).

The signing is expected to take place at a meeting between Datuk Seri Dr Mahathir Mohamad and Mrs Margaret Thatcher at 10 Downing Street.

Dr Mahathir told Malaysian journalists here yesterday the purchase would depend on pricing, the methods of payment and the quality of the equipment.

He said the Government was not committed to buy the equipment, which is likely to include Tornado fighter-jets and Wasp helicopters.

Dr Mahathir said the memorandum was an acknowledgment of purchase proposals to Britain.

"It does not mean that we cannot look for other sources of supply in the meantime. We can still buy weapons from other countries if the terms are favourable to us," he added.

The Prime Minister said that if an agreement was reached, the sale would be spread over five to 10 years.

Officials from the two sides had already worked out the details but Dr Mahathir did not say what these were.

He would only say that payment would be in cash and in kind, with oil and gas among the goods involved.

Dr Mahathir said discussions on the purchase of defence equipment were held last year during his visit to Britain.

He said Britain had proposed "very attractive" terms of payment.

To a question, Dr Mahathir said the

arms purchase was not linked to the additional flights for MAS.

"There is no *quid pro quo*. I will raise the request by MAS for additional flights irrespective of whether we buy the British weapons," he added.

Dr Mahathir arrived in London on Saturday after making official visits to West Germany and Belgium. Although the London visit is unofficial, he will be having talks with Mrs Thatcher on bilateral issues with the arms deal and the additional MAS flights high on the agenda.

Yesterday, the Prime Minister spoke to a group of Malaysian students studying in Britain and later had lunch with them at Dewan Malaysia.

Tomorrow, Dr Mahathir will be interviewed by ITN news where he will have an opportunity to reply to allegations by the foreign media on the political situation in Malaysia.

From London, the Prime Minister will go to New York where he will address the United Nations General Assembly. While in New York he is expected to address businessmen and newspaper editors.