

U 8396 AAE

MAHATHIR - BN

FROM AHMAD REJAL ARBEE

② Trip overseas.

NEW YORK, SEPT. 30 (BERNAMA) -- THE CROSSOVER OF 13 BARISAN NASIONAL MPS WITH THE POSSIBILITY OF ANOTHER SEVEN TO THE OPPOSITION BENCH IN THE DEWAN RAKYAT WILL NOT BRING DOWN THE GOVERNMENT + LIKE A PACK OF CARDS. +

THE GOVERNMENT WILL CONTINUE TO HAVE A STABLE MAJORITY TO BE ABLE TO GOVERN THE COUNTRY TO ENSURE CONTINUED GROWTH. + THE MALAYSIAN PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD TOLD A GATHERING OF ABOUT 200 AMERICAN BUSINESS LEADERS AT A LUNCHEON AT THE HILTON HERE YESTERDAY (1 AM TODAY IN MALAYSIA).

HE WAS RESPONDING TO A QUESTION ON THE STRENGTH OF THE DISSIDENTS WITHIN UMNO THAT HE WAS CURRENTLY FACING. HE SAID THE DISSIDENTS WERE NOT VERY STRONG BUT WERE NONETHELESS VERY VOCAL. +S IT APPEARS AS IF THEY HAVE THE STRENGTH. +

HE EXPLAINED RULING BARISAN NASIONAL FROM THE LAST ELECTION WITH A MASSIVE MAJORITY AND THE DEFECTION BY 13 OF ITS MPS RECENTLY IN THE DEWAN RAKYAT WOULD NOT AFFECT THE GOVERNMENT.

+WE ARE WAITING FOR ANOTHER SEVEN TO DEFECT AND EVEN THAT WILL NOT AFFECT BN MAJORITY. +

HE SAID THAT IN OTHER COUNTRIES EVEN LIKE BRITAIN MINISTERS HAD CROSSED THE FLOOR AND NOBODY TALKED OF MRS (MARGARET) THATCHER BEING TOPPLED. AND THE CONSERVATIVES HAD A LOWER MAJORITY IN THE BRITISH HOUSE OF COMMONS THAN THE BN HAS IN THE DEWAN RAKYAT. -- MORE
1218N1 30 09 88

U 8398 AAE

MAHATHIR - BN 2 NEW YORK

RESPONDING TO ANOTHER QUESTION ABOUT THE RELATIONSHIP BETWEEN THE GOVERNMENT AND THE JUDICIARY FOLLOWING THE DISMISSAL OF THE LORD PRESIDENT, THE PRIME MINISTER SAID THERE WAS NO DISPUTE BETWEEN THE GOVERNMENT AND THE JUDICIARY.

HE EXPLAINED CIRCUMSTANCES LEADING TO THE DISMISSAL OF THE LORD PRESIDENT AFTER A HEARING CONDUCTED BY A TRIBUNAL APPOINTED IN ACCORDANCE WITH REQUIREMENTS OF THE MALAYSIAN CONSTITUTION.

HE SAID POLITICIANS DID NOT HAVE ANY SAY WHATEVER IN THE MATTER. THE ONLY ROLE THAT A POLITICIAN PLAYED WAS HE AS THE PRIME MINISTER HAD TO REPORT TO THE KING AND ADVISE HIM ON THE SETTING UP OF THE TRIBUNAL.

HE SAID IN MALAYSIA THE POLITICIANS DID NOT HAVE ANY SAY AT ALL OVER MATTERS PERTAINING TO JUDGES UNLIKE BRITAIN WHERE THE LORD CHANCELLOR IS A MEMBER OF THE CABINET AND SITS IN THE HOUSE OF LORDS AND CAN HEAR CASES AGAINST JUDGES.

DATUK SERI DR. MAHATHIR SAID THAT JUDGES WERE LIKE OTHER CITIZENS OF THE COUNTRY AND WERE SUBJECT TO ITS LAWS. THOSE WHO BREACHED THE LAW WOULD HAVE TO FACE THE CONSEQUENCES AS PROVIDED FOR.

HE SAID THE GOVERNMENT HAD NOT TRIED TO SUBVERT THE JUDICIARY BUT IF THE JUDICIARY TRIED TO UNDERMINE THE GOVERNMENT, THEN THE GOVERNMENT WAS OBLIGED TO DEFEND ITSELF. -- MORE
1220N1 30 09 88

0926

U E601 AAE
MAHATHIR - BM 3 NEW YORK

THE PRIME MINISTER WAS ALSO ASKED A NUMBER OF OTHER QUESTIONS INCLUDING THE ROLE OF JAPAN IN MALAYSIA'S ECONOMIC GROWTH, THE NEP, EXPORTS OF PROTON SAGA AND PRIVATISATION.

ON THE NEP, DR. MAHATHIR SAID THAT PEOPLE HAD UNNECESSARILY BLAMED THE NEP FOR THE ECONOMIC DOWNTURN EXPERIENCED BY MALAYSIA IN THE LAST FEW YEARS.

BUT THESE PEOPLE SEEMED TO FORGET THAT MALAYSIA HAD HAD A CONSTANT GROWTH OF SEVEN PERCENT A YEAR AFTER THE LAUNCHING OF THE NEP IN 1970, A GROWTH LEVEL HIGHER THAN ACHIEVED BEFORE THE NEP.

AS SUCH IT WAS NOT TRUE THAT THE NEP HAD RETARDED GROWTH EVEN THOUGH A FEW PEOPLE HAD SHIED AWAY, HE SAID.

THE SLOWDOWN EXPERIENCED BY MALAYSIA IN THE LAST FEW YEARS WAS NOT DUE TO THE NEP BUT TO THE WORLD ECONOMIC SLOWDOWN.

HE SAID THE NEW POLICY REPLACING THE NEP AFTER 1990 WOULD BE PLANNED SO AS NOT TO AFFECT GROWTH. FOREIGN INVESTMENT WOULD CONTINUE TO BE WELCOMED AND INVESTORS NEED NOT WORRY ABOUT THEIR INVESTMENTS. -- MORE

1241MST 30 09 88

0928

U E602 AAE
MAHATHIR - BM 4 NEW YORK

DR MAHATHIR WAS OPTIMISTIC THAT THERE WAS GOOD PROSPECT FOR THE EXPORT OF THE NATIONAL CAR.

SALE OF THE CAR IN IRELAND HAD BEEN ENCOURAGING AND IT WOULD BE MARKETED TO BRITAIN IN JANUARY NEXT YEAR. PROTON WAS HOPEFUL THAT IN TIME THE CAR WOULD BE MARKETED IN THE UNITED STATES.

WHEN PLANNED, THE CAR WAS ONLY PLANNED FOR THE DOMESTIC MARKET BUT DUE TO THE SHRINKING OF THE MALAYSIAN CAR MARKET, IT HAD TO FIND MARKET OUTLET OVERSEAS FOR WHICH THE CAR HAD TO UNDERGO CERTAIN MODIFICATIONS.

ON JAPANESE INVESTMENT, THE PRIME MINISTER FELT THAT IT WOULD CONTINUE TO PLAY A MAJOR ROLE IN MALAYSIA ESPECIALLY WITH THE APPRECIATION OF THE YEN.

HE SAID JAPAN NOW ACCOUNTED FOR 33 PERCENT OF THE TOTAL INVESTMENT IN MALAYSIA. IT HAD GROWN TREMENDOUSLY IN THE LAST EIGHT MONTHS AND WOULD CONTINUE TO DOMINATE OVERSEAS INVESTMENT IN MALAYSIA.

+WE DO NOT, HOWEVER, WANT TO DEPEND TOO MUCH ON ANY ONE COUNTRY.+ MALAYSIA WAS NOW ALSO GETTING INVESTMENTS FROM TAIWAN AND WAS EXPECTING FURTHER INVESTMENTS FROM EUROPE AND THE UNITED STATES.

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1244MST 30 09 88

0929

U 2603 AAE
MAHATHIR - BN 5 NEW YORK

EARLIER IN HIS SPEECH DATUK SERI DR. MAHATHIR SAID THERE WERE CURRENTLY MORE THAN 121 AMERICAN COMPANIES INVOLVED IN MANUFACTURING IN MALAYSIA WITH TOTAL ASSETS EXCEEDING \$840.6 MILLION.

IN ADDITION MALAYSIA HAD ALREADY APPROVED ANOTHER 311 MANUFACTURING VENTURES WITH VARIOUS DEGREES OF AMERICAN PARTICIPATION WITH PROPOSED AMERICAN PAID-UP CAPITAL OF \$4488.3 MILLION.

THESE COMPANIES HAD THE POTENTIAL TO MAKE THE US A MAJOR FORCE IN THE MALAYSIAN MANUFACTURING ENVIRONMENT. HE ALSO EXPLAINED THAT THE INDUSTRIALISATION PROGRAMME IN MALAYSIA COULD NOT BE CARRIED OUT BY MALAYSIANS ALONE.

WE STILL LACK THE KNOW-HOW AND EVEN THE ENTREPRENEURIAL SKILL. WE ACCEPT AND WELCOME FOREIGN PARTICIPATION, + HE SAID.

EARLIER IN HIS INTRODUCTION OF THE PRIME MINISTER THE GROUP MARKETING EXECUTIVE, ASIA-PACIFIC GROUP OF CITIBANK N.A. ENCIL PETRER HONELL SAID MALAYSIA HAD A VERY ATTRACTIVE SET OF INVESTMENT INCENTIVES WITH AN ECONOMY THAT CONTINUED TO PROSPER.

IT HAD ALSO SHOWN FISCAL PRUDENCE WHILE IT WAS NOW PRE-PAYING ITS EXTERNAL DEBTS. -- BERNAMA
1246MST 30 09 88