

D824

R E296 AAE BMX
OBSERVER-DENIAL (RPTN CORRECTING PARA 2)
BY WAN A.HULAIMI⁸⁹

LONDON, MAY 15 (BERNAMA) -- A STORY IN +THE OBSERVER+ NEWSPAPER HERE YESTERDAY HAS BROUGHT A SWIFT DENIAL FROM THE MALAYSIAN HIGH COMMISSION THAT PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD IS ARRIVING HERE THIS WEEK TO HAVE A PRIVATE MEETING WITH HIS BRITISH COUNTERPART PUAN MARGARET THATCHER REGARDING TORNADO ARMS SALES TO MALAYSIA.

IN ITS STORY, THE LONRHO-OWNED NEWSPAPER CLAIMED THAT DATUK SERI DR MAHATHIR WAS FLYING IN ON A PRIVATE VISIT +AIMED AT RESCUING THE INCREASINGLY FRAUGHT TORNADO ARMS DEAL+, SAID TO BE WORTH ONE BILLION POUND STERLING (ABOUT M\$4.67 BILLION).

LAST WEEK, IN A FRONT-PAGE STORY AND A LENGTHY ARTICLE, THE NEWSPAPER CLAIMED THAT THE DEAL WAS TIED TO BRITAIN'S PROMISE OF AID TO MALAYSIA AND HUGE PAY-OFFS TO DATUK SERI DR MAHATHIR'S UMNO AS WELL AS TO MEMBERS OF THE MALAYSIAN RULING CLASS.

THE ACCUSATION HAS SINCE BEEN DENIED BY MALAYSIAN DEFENCE MINISTER TENGKU AHMAD RITHAUDDEEN.

A SPOKESMAN OF THE HIGH COMMISSION HERE SAID YESTERDAY THE OBSERVER'S REPORT OF THE PRIME MINISTER'S ARRIVAL IN BRITAIN THIS WEEK WAS A +TOTAL FABRICATION AND PURE IMAGINATION OF THE OBSERVER'S REPORTER.+ -- MORE (ENDS CORRECTED RPTN)

1109MST 15 05 89

D821

R E295 AAE BMX
OBSERVER-DENIAL 2 LONDON

THE PRIME MINISTER HAD IN FACT PLANNED TO COME TO LONDON MORE THAN THREE MONTHS AGO, WELL BEFORE THE PRESENT ROW HERE ABOUT THE TORNADO SALES, TO OPEN THE LONDON OFFICE OF BANK NEGARA, HE ADDED.

IT IS UNDERSTOOD FROM SOURCES THAT DATUK SERI DR MAHATHIR WILL TIME HIS VISIT SOME DAYS AFTER ATTENDING HIS SON'S GRADUATION CEREMONY IN NEW YORK AROUND MAY 24.

QUESTIONS ABOUT THE TORNADO SALES AND THE ALLEGED PAY-OFFS WILL BE MADE IN PARLIAMENT TODAY BY OPPOSITION SPOKESMAN ON DEFENCE PROCUREMENT ALLAN ROGERS. -- BERNAMA

1029MST 15 05 89