

D342

R E354 ENG
MAHATHIR-GOLD
BM

KANGAR, AUG 20 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD HAS REJECTED THE ALLEGATION THAT THE COUNTRY HAS INCURRED LOSSES FROM ITS GOLD RESERVES DEPOSITED IN A US COMPANY, DREXEL TRADING.

+WE DERIVED PROFIT FROM ALL OUR GOLD RESERVES. WE HAVE NOT INCURRED LOSSES ON OUR (GOLD) RESERVES,+ HE TOLD REPORTERS AFTER ADDRESSING A RALLY ATTENDED BY ABOUT 10,000 STATE ELECTION WORKERS AND BARISAN NASIONAL SUPPORTERS HERE TO END HIS ONE-DAY VISIT TO PERLIS TODAY.

HE WAS REPLYING TO A QUESTION POSED BY A PRESSMAN RELATING TO THE ALLEGATION MADE BY THE DAP IN THE EDITORIAL OF ITS ORGAN, +THE ROCKET+, THAT THE COUNTRY HAD INCURRED LOSSES FROM BANK NEGARA'S GOLD RESERVES WEIGHING 112,646 OUNCES VALUED AT \$115 MILLION IN THE DREXEL COMPANY FOLLOWING ITS PARENT COMPANY, DREXEL GROUP, APPLYING TO BE DECLARED A BANKRUPT DUE TO FINANCIAL PROBLEMS.

THE ROCKET HAD QUOTED FINANCE MINISTER DATUK PADUKA DAIM ZAINUDDIN AS SAYING ON JUNE 29 THAT MALAYSIA WOULD RECOUP THE MONEY INCLUDING A PROFIT FOLLOWING THE LEASING OF THE GOLD BY BANK NEGARA IN THE COMPANY. -- BERNAMA

2129MST 20 08 90