

CNS1557

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Court-Mahathir

91 (P)
KUALA LUMPUR, March 84 (Bernama) -- Prime Minister ~~Datuk Seri Dr Mahathir Mohamad~~'s libel suit against the Far Eastern Economic Review and its editor over an article on the purported proposal to sell Limbang to Brunei was settled out of court today. He did not ask for damages.

Both parties, however, agreed that Datuk Seri Dr Mahathir Mohamad be paid costs amounting to \$50,000 and that a retraction and apology be published in the next issue of the Hong Kong-based magazine.

Attorney-General Tan Sri Abu Talib Othman, who represented the Prime Minister at today's proceedings before High Court judge Datuk Lim Beng Choon, said it was magnanimous of the Prime Minister not to ask for damages.

Encik Muhammad Shafee Abdullah represented the magazine and its editor, Derek Davies.

Datuk Seri Dr Mahathir had sued the magazine and Encik Davies in August 1987 over the article which appeared in its May 21 issue the same year. -- more

♥08/03/16-40MST

CNS1570

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Court-Mahathir 2 Kuala Lumpur

The article, appearing under the heading, '+Sarawak Sale?+', claimed that Datuk Seri Dr Mahathir discussed the possible sale of Limbang to Brunei for a starting price of US\$6 billion (about M\$17 billion) during his visit to the sultanate in March 1987.

Datuk Seri Dr Mahathir had also sought unspecified damages for the alleged libel contained in an apology and retraction relating to the article published by the magazine on June 4, 1987.

The magazine and Encik Davies, in their defence, denied that the article was meant to defame the Prime Minister, adding that if the words were defamatory, they were published with qualified privilege as Datuk Seri Dr Mahathir was a public figure known in Malaysia and the world.

The issues pertaining to the suit came up for hearing for the first time in 1988.

On June 17, 1988 the High Court, after hearing intensive arguments from both parties, rejected Datuk Seri Dr Mahathir's application for information from the magazine and Encik Derek relating to the article. -- more

♥08/03/16-56MST

CNS1576

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Court-Mahathir 3 Kuala Lumpur

Datuk Ajaib Singh (now a Supreme Court judge), who made the decision, said Datuk Seri Dr Mahathir was not entitled to get the particulars at that stage (before the trial proper).

The Prime Minister had wanted the magazine and Encik Davies to name the source or sources who, the magazine contended, had proved to be well-informed and reliable, and when and where the information was received, and in what form it was conveyed.

On April 8, the same year, Datuk Ajaib Singh refused an application by the magazine to include the Home Minister and the government as third parties to the suit, ruling that the application was clearly an attempt to embarrass the Prime Minister and prejudice the fair trial of his suit.

The Home Minister and the government could not be brought in as third parties as there was no nexus between them and Datuk Seri Dr Mahathir, the Judge had said. -- more

♥08/03/16-59MST

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Court-Mahathir 4 Kuala Lumpur

The retraction and apology to be published by the Review are as follows:

On May 21 1987, our +Intelligence+ column in an item entitled +Sarawak Sale+ reported that the Prime Minister of Malaysia, Datuk Seri Dr Mahahir Mohamad, on a visit to Brunei discussed with the government of Brunei a possible sale of the territory known as Limbang, which is part of the Malaysian state of Sarawak. The item asserted that this was the main reason for his visit rather than the stated purpose of improving transportation links. The said report was unfounded and we acknowledge that the Prime Minister never contemplated the sale of any part of the Federation of Malaysia to Brunei or any other foreign state. The Review unreservedly retracts any imputation defamatory of his character and the office he holds arising out of this report and apologises to the Prime Minister for any distress and embarrassment caused him personally, and to the government of Malaysia. -- Bernama

♥08/03/17-11MST