

CNS2759

R GE 04-03 00212 EG150

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Mahathir-Britain

BRITISH GOVERNMENT CAN DEFUSE SITUATION BY EXPLAINING ISSUE

KUALA LUMPUR, March 4 (Bernama) -- Datuk Seri Dr Mahathir Mohamad today indicated that London could help defuse the ^{row} ~~row~~ between Malaysia and the British media if it explains the Pergau hydro-electric dam project to them.

The Prime Minister said: "As far as I'm concerned, we have no quarrel with the British government; we have no quarrel with the British people; our quarrel is with the press for printing rubbish."

"However, I think the British government is in possession of the truth about the Pergau project ... How much money they paid, whether in the form of a loan or in the form of a grant."

"It should be explained to the newspapers because obviously the newspapers were coming out with incorrect reports, so the British government can say, well, it was not a grant, it was a loan," he told a packed press conference after chairing an Umno Supreme Council meeting.

Asked if he was disappointed with Prime Minister John Major's remarks on the issue, Dr Mahathir said: "I don't want to make any comments on Mr Major's remarks. I had not said anything against him." -- more

▼04/03/21-36MST

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Mahathir-Britain 2 Kuala Lumpur

"Of course, we don't expect him to clamp down on the press but I don't know whether anybody should support the telling of lies by the press," he said.

On the British media, he said it would seem to him that they were very keen to get rid of the present British government.

"But don't ask me for help because I'm not interested in British politics," he said.

Malaysia last week announced that it would stop giving new government contracts to British companies following baseless allegations made by the British press that Malaysian leaders were corrupt.

Malaysia was also enraged by British press reports that the Pergau project was linked to its purchase of British arms.

Major had described Malaysia's move to deny future government contracts to British firms as short-sighted and unjustified. -- more

▼04/03/21-56MST

CNS2772

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Mahathir-Britain 3 (last) Kuala Lumpur

Asked to comment on Sunday Times editor Andrew Neil's contention that he expressed regret to Malaysia if the newspaper's report had been misunderstood, Dr Mahathir said it was quite clear that the report had inferred that he received money to give a contract to British construction company Wimpey.

Dr Mahathir said: "If I misunderstand what was written then lots of other people throughout the world (would also) misunderstand because they've been publishing remarks about how corrupt we all are."

Neil, in a letter to the Times yesterday, said his paper never claimed that the Malaysian Prime Minister had sought or been paid a bribe by Wimpey.

The Sunday Times had reported that Wimpey approved a US\$50,000 payment to a middleman who was to pay the money into a Swiss bank account for top politicians in Malaysia for helping the company to win the contract for an aluminium smelter.

The Malaysian government has described the Sunday Times report as a complete fabrication.

Dr Mahathir pointed out that there was no proposal to set up such a plant. -- Bernama

MGM YBY

♥04/03/22-12MST