

# Ban on contracts: Die is

KUALA LUMPUR, Thurs. — Datuk Seri Dr Mahathir Mohamad has said that the "die is cast" as far as the Government's decision not to offer new contracts to British firms is concerned.

The Prime Minister, in his letter to the *Financial Times of London*, said that there would be no contracts for Britain if the consequence was vilification of Malaysia.

Dr Mahathir said giving contracts to the British seemed to expose Malaysia to vilification and libellous attacks.

He asked why should Malaysia give contracts to British companies for them to make profits if vilification was the consequence.

"If we are going to be vilified, at least we should not pay for it. Thus the decision to stop giving contracts to British firms".

The following is the Prime Minister's letter as published in today's edition of

the English financial daily:

"The reports and debates on the Malaysian ban on contracts for British firms expose a sad degree of ignorance or carelessness on the part of the British Press and British personalities. In the first place, everyone seems incapable of distinguishing between a loan and a grant. Persistently, the loan for the Pergau dam is referred to as a grant.

"Had it been a grant, the amount which covered more than half the cost of the project would certainly have made it a wonderful buy for the Malaysians, contrary to what the Press and some British officials insist it was.

"A loan has to be repaid with interest, however small. The benefit for Malaysia would only be marginal. On the other hand, if it was not offered, the project could have gone to non-British companies. Japan

offers soft loans on a yearly basis. Other countries also offer grants or loans when bidding for projects.

"The Pergau loan serves to help pay a British company which presumably would make a profit. So the aid benefits a British company. Malaysia gets nothing other than a marginally lower price. How driving a hard bargain in order to save the Malaysian Government's money is considered corruption is beyond us.

"Malaysians are not concerned about British scruples over selling arms. Arms are arms and, whether they are gifts or subsidised or aided or sold at a massive profit, the purpose is the same. If you have scruples don't sell arms at all. In no other business is there so much hypocrisy in the West. When arms are sold, long-term payments or off-set programmes or special terms are invariably offered

by everyone.

"In any case, it is clear that the loan is for the Pergau dam. It has never been proven conclusively that it was for the arms purchase. The attempt to link it with the arms sale is political and intended to embarrass the British Government. Malaysia is not concerned and did not react or comment.

"Unhappy with the lack of results over the expose, the British Press then shifted its focus to Malaysia. Of course the natives are corrupt. They must be because they are not British and not white. To allege that the Malaysian Prime Minister accepted bribes is second nature. He should accept this allegation because, as a British newspaper later commented, all politicians in Asia are corrupt. The question is: why do the British insist on corrupting 'corrupt' people. Don't they have any scruples, or do

## cast, says PM

they consider giving bribes is not corruption?

"The allegations against the Malaysian Prime Minister have turned out to be baseless. Wimpey denied (them). Even the editor of *The Sunday Times* said he was misunderstood.

"There was no tender for an aluminium smelter. There was no smelter project. Only a feasibility study aided by the British Government, which hoped to get the project for a British company, Wimpey. It was not feasible.

"Alleging wrongly that the Malaysian Prime Minister is corrupt may be part of British Press freedom. But the Malaysian Prime Minister need not subscribe to that, even as Andrew Neil himself did not accept reports on his affair with Pamela Bordes.

"Press freedom is about telling the truth, not fabricating lies for whatever pur-

pose. The contempt for the hurt inflicted on others seems to be condoned by the British Government and people. No scruples about lying, seemingly plenty about selling arms? The standard answer to the Malaysians is that the British Press is free. "Lies, damned lies" are free. Redress isn't. This is what western democracy and human rights are all about. If this is not moral decadence, what is?

"Giving contracts to the British seems to expose Malaysia to vilification and libellous attacks. Why let British companies make money out of Malaysia if this is to be the consequence? If we are going to be vilified, at least we should not pay for it. Thus the decision to stop giving contracts to British firms.

"And Britain should be happy. No contracts means no soft loans, no grants and no corruption of the natives.

Since Britain was, according to British papers, responsible for Malaysia becoming one of the "economic tigers" of South-east Asia, Malaysia would soon realise the folly of its ways. Then the free Press can gloat when Idi Amin/Hitler/Mahathir comes crawling back with offers of contracts.

"Instead we hear more threats and lies. Seems that paper gunboats still abound. What can Malaysia do? The free Press is free for the British. It is not free for Malaysians. While British newspapers are freely available in Malaysia, Malaysian papers are not available to the British. And the British papers never publish Malaysian views. This is the practical result of Western-style Press freedom.

"For Malaysia, the die is cast. No contracts in exchange for British Press freedom to tell lies."