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Dr M: British-Malaysia ties have matured to one between equals

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KUALA LUMPUR, Fri. - Datuk Seri Dr Mahathir Mohamad said the relationship between Malaysia and Britain have matured and should now be viewed as that "between equals."

Mindful of the two diplomatic hitches the two Governments had in the past, the Prime Minister said he was confident both countries could be partners and do well in third country joint-ventures and endeavours.

"Hiccups will occur, but we have had two major hiccups and came out of them with better understanding and stronger relations. We should be able to take future hiccups in our stride," Dr Mahathir said in a speech laced with what he described as "gallows humour".

The Prime Minister said this at the opening of the Malaysia-British Society and British-Malaysia Society joint meeting at Putra World Trade Centre today. Among the British audience were BMS president Lord Pryor, who is also chairman of leading British conglomerate GEC and British High Commissioner to Malaysia David Moss.

Dr Mahathir was referring to the Buy British Last policy in 1981 and suspending of new contracts to British firms in 1994.

The Buy British Last Policy came about after was the violent British reaction to Permodalan Nasional Bhd's "dawn raid" on the London Stock Exchange on Sept 7, 1981.

In the raid, PNB gained control of British plantation conglomerate - Guthrie. The LSE rules were amended in September by the Council of the Securities Industry that disallowed such operations, triggering bitter reactions among Malaysians.

The second hiccup came after the British Press ran a series of reports alleging corrupt practices involving Malaysian leaders in major projects and a row over aid for arms. The Sunday Times alleged that Dr Mahathir had asked for and obtained US\$50,000 (RM125,000) as earnest payment from British firm George Wimpey International for its bid for an aluminium smelter building contract.

Dr Mahathir said partnership between British and Malaysian companies should do well in third world countries.

"Malaysian companies are now testing the waters in many countries of the South. They have not done too badly but they need greater skills and sophistication.

"Employing British engineers and other professionals is one way out for Malaysians. They could have employed Russian or Poles but there is a language problem."

Dr Mahathir said joint-ventures by Malaysian and British companies with each side contributing its particular strength, could enhance the capacity of the joint-venture company.

"It is difficult to identify what strength the Malaysian companies have which is not found in British companies. But I do believe they have something to contribute which could be worthwhile," he said.

Dr Mahathir said to gain access to British technology and other assets, Malaysians had bought into its companies.

"The purchase of Lotus is a case in point. The potential is tremendous," he said.

Dr Mahathir said Malaysia was keen to receive European students, particularly from Britain to study in Malaysia so that they would learn to appreciate Malaysian value systems and be more friendly when they later

work in the British Press or in the British Foreign Office.

"They might even learn how to understand and speak Malaysian English and I am sure Malaysia-British relations will benefit from this.

"We assure you our universities will be just as good. You can provide some of the teachers and the external examiners," he said.

Dr Mahathir said it was decided at the Asia Europe meeting in Bangkok last year that there was merit in European students in large numbers studying in Asian universities.

The Prime Minister said just as Asian students studying in Europe learnt to understand the culture and the way of life of the Europeans, European students studying in Asia would learn Asian culture and Asian ways.

He said they would then be more understanding and less critical of Asians and would contribute towards better relations between the West and the East.

However this might not happen as there could still be clashes of civilisations "but we can try".

"For more than a century Malaysian students have been going to Britain to study and this has benefited both Malaysia and Britain.

"Malaysia of course gained the kind of knowledge and skills it requires for its development while Britain on the other hand gained from the tendency of those who had studied in the United Kingdom to favour everything British, particularly the engineering students," he said.

Dr Mahathir said Malaysia had plans to become a fully developed country by the year 2020 and to achieve this target, it needed help from friends.

"British friends are the most comfortable."

Later when answering questions from the floor, Dr Mahathir said Malaysia had been successful in containing its inflation rate at a low level.

"We have been successful in controlling the inflation rate in the country to 3.5 per cent and our aim is to continue to reduce it to a bearable level," he said.

Dr Mahathir was asked on how effective Malaysia's zero inflation campaign was.

He said to ensure that Malaysian goods were competitive in the world market, Malaysia had to ensure that their production cost and the inflation rate were low.

"If wages go up but the purchasing power remains the same, it will be meaningless. The unions in this country understand the situation and thus the pressure for higher wages is not a problem in Malaysia," he said.

The Prime Minister later witnessed the signing of a Memorandum of Understanding between Mara and the British Government for the establishment of a technical training institute to be known as the British Malaysian Institute.

Mara was represented by its chairman Datuk Othman Abdul while Moss signed for the British Government.

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