

**SUN. T. 25 JUN 1972**

## **KUALA LUMPUR,**

Sat. — The Government was today urged to make it a policy of allocating 50 per cent of its supply contracts and those of its agencies to bumiputra firms.

"Without this policy the question of 'Ali Baba' business will again be revived," Dr. Mahathir Mohamed told the Umno general assembly here.

The former MP for Kota Star Selatan made this suggestion when moving an amendment to a resolution by the Bukit Bintang Umno calling for measures to increase Malay participation in commerce and industry.

Dr. Mahathir's amendment also called for the awards of such contracts to bumiputra individuals or companies whose major shareholders are Malays or firms whose employees are mainly bumiputras.

Supporting the resolution, Dr. Mahathir said he was making the amendment to prevent the recurrence of 'Ali Baba' arrangements, in which the Malays were merely sleeping partners.

### **Quota**

The five-point resolution, sought, among other things, to:

**ALLOCATE** at least 50 per cent of the shares in companies, which are required to make special allocation of shares to the public, to bumiputras;

**URGE** the Government to require private companies to sell a portion of their shares to Malays in accordance with the quota specified by the Ministry of Trade and Industry; and

**URGE** for legislation to establish an issuing house to deal with such shares.

The assembly will continue debate on the resolution tomorrow.

In his speech, Dr. Mahathir referred to the Government practice of buying machinery at high cost — sometimes as much as \$200,000 just for one machine.

This had been done since colonial days and these machinery were supplied by non-bumiputra companies.

He also quoted the case where the Government was getting its regular supply of machinery from one entrepreneur with contracts valued at more than \$1 million a year.

This, he said, had only benefited one person.

### **Contracts**

A Setapak Umno delegate supported the amendment by Dr. Mahathir.

The Government, the delegate said, should review its policy of awarding supply contracts more in favour of bumiputras.

Raja Nong Chik bin Raja Ishak of the Sepang Umno, in supporting the resolution, said there was not enough effort by the government to improve the condition of Malays, especially the traders.

He said the call for a 50 per cent allocation of company shares to Malays as stipulated in the resolution would not be enough to ensure that Malays would control 30 per cent of the economy in 20 years.

"This is because the other races are well ahead," he added.

Of MAS, Malaysia's new national carrier, he said it would provide "golden opportunity" for participation by Malays.

He hoped that the Government would make every effort to get Malays, especially the land owners to invest.

This could be done by allowing titles for land in Malay reservations to be pledged as security for loans which could be used for investment.