

MAHATHIR - INVESTMENT

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(EMBARGO: TO BE RELEASED AFTER 8.30 PM)

PETALING JAYA, SEPT 7 (BERNAMA)⁷⁷ -- DATUK SERI DR. MAHATHIR MOHAMAD SAID TONIGHT THAT THE GOVERNMENT UNDER THE THIRD MALAYSIA PLAN WILL CONTINUE TO STRESS THE IMPLEMENTATION OF PROGRAMMES WHICH WILL DIRECTLY REDUCE THE +INCIDENCE OF POVERTY+ IN ORDER TO PERMIT INDIVIDUALS TO SAVE THEIR INCOME FOR INVESTMENT.

ONE OF THE MOST EFFECTIVE METHODS OF INVESTMENT WAS THROUGH THE UNIT TRUST SYSTEM, THE DEPUTY PRIME MINISTER SAID AT THE LAUNCHING CEREMONY OF MIC'S +FIRST INVESTMENT FUND+ HERE.

HE SAID THROUGH ITS DEVELOPMENT STRATEGY, THE GOVERNMENT WAS ENSURING THAT INVESTMENT FUNDS SUCH AS THE FIRST INVESTMENT FUND WOULD MOBILISE THE SAVINGS OF THE LOWER INCOME GROUPS IN THE COUNTRY.

AS A RESULT OF THE GOVERNMENT'S RECENT ANNOUNCEMENTS ON REDUCTION OF INTEREST RATES, HE ADDED, INVESTMENT IN PUBLIC LISTED COMPANIES HAD INCREASED SUBSTANTIALLY. --BERNAMA MORE 1830/MD

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MAHATHIR - INVESTMENT 2 KUALA LUMPUR

THESE FACTS WERE INDICATED IN THE RISING STOCK PRICES, ALTHOUGH PRICES HAVE NOT REACHED THEIR HIGH POINTS.

DATUK SRI (DR.) MAHATHIR ALSO SAID THAT THERE SHOULD ALWAYS BE A FUNDAMENTAL DISTINCTION BETWEEN POLITICAL AND FINANCIAL INTERESTS WITH THE LATTER PRE-EMINENT IN DECISION MAKING.

+POLITICAL CONTROVESY IF ANY, SHOULD NOT BE AN ELEMENT IN FUND MANAGEMENT OF A UNIT TRUST SYSTEM,+ HE SAID.

THE FIRST INVESTMENT FUND WAS A RESULT OF ONE OF SEVERAL RECOMMENDATIONS ADOPTED AT A SEMINAR OF THE MALAYSIAN INDIAN CONGRESS HELD IN MAY, 1974.

ITS OBJECTIVE WAS TO INCREASE THE EQUITY HOLDINGS OF MALAYSIAN INDIANS IN THE PRODUCTIVE ASSETS OF THE COUNTRY. --BERNAMA MORE

MAHATHIR - INVESTMENT 3 KUALA LUMPUR

DATUK SERI DR. MAHATHIR DESCRIBED THE FUND AS THE +SECOND MOST IMPORTANT STRATEGY+ UNDERTAKEN BY THE INDIAN COMMUNITY.

THE FIRST HE SAID WAS THE CREATION OF THE NATIONAL LAND FINANCE COOPERATIVE SOCIETY WITH INITIAL FINANCIAL ASSISTANCE AMOUNTING TO \$7-1/2 MILLION BY THE GOVERNMENT.

SINCE ITS INCEPTION IN 1960, THE SOCIETY HAS ACQUIRED 17 ESTATES TOTALLING 29 000 ACRES WITH ASSETS AMOUNTING TO APPROXIMATELY \$50 MILLION.

HE SUGGESTED THAT THE FIRST INVESTMENT FUND SHOULD NOT BE CONFINED TO MALAYSIAN INDIANS OF THE UPPER INCOME BRACKET.

+THE FUND SHOULD ALSO BE DIRECTED TO THE LOWER INCOME GROUPS. OTHERWISE, HE SAID, THIS INVESTMENT FUND WAS LIKELY TO AGGRAVATE FURTHER DISPARITIES OF EQUITY OWNERSHIP AND INCOME WITHIN THE COMMUNITY. --BERNAMA MORE 1840/MD

MATAHAIR - INVESTMENT 4 KUALA LUMPUR

DATUK SERI MAHATHIR THEN URGED THE MANAGERS OF THE FUND +TO LOCATE THOSE POVERTY GROUPS+ WHERE THE REPRESENTATION FROM THE INDIAN COMMUNITY WAS SIGNIFICANT AND ATTEMPT TO MOBILISE THEIR SAVINGS FOR PRODUCTIVE INVESTMENT.

+THIS IS THE ONLY VIABLE METHOD WHICH THE INVESTMENT FUND CAN CONTRIBUTE TOWARDS THE ERADICATION OF RURAL AND URBAN POVERTY AMONG THE COMMUNITY IN THE COUNTRY,+ HE ADDED.

THROUGH THESE EFFORTS ALSO, ACCORDING TO DATUK SERI (DR.) MAHATHIR, THE FUND WILL CONTRIBUTE SIGNIFICANTLY TO THE OBJECTIVES OF THE NEW ECONOMIC POLICY -- REDUCING +THE INCIDENCE OF POVERTY+ FROM ITS PRESENT 50 PERCENT TO 29 PERCENT BY 1990.

HE SAID THE NEW ECONOMIC POLICY HAD STATED CLEARLY THAT OWNERSHIP OF PRODUCTIVE ASSETS WILL BE DETERMINED THROUGH GROWTH.

+THIS IMPLIES A STRATEGY BASED UPON THE CAPABILITY OF GROUPS WITHIN THE ECONOMY TO MOBILISE THEIR SAVINGS FOR INVESTMENT IN AN EXPANDING ECONOMY,+ HE SAID.

THERE IS NO RESTRICTION ON THE ACQUISITION OF PRODUCTIVE ASSETS BY ANY GROUP OR COMMUNITY IN ITSELF IN ORDER TO IMPROVE ITS OWN WELFARE, HE ADDED. --BERNAMA 1845/MD

MAHATHIR-INVESTMENT 5 KUALA LUMPUR (REOPENS ITEM 109)

EARLIER, THE MINISTER OF COMMUNICATIONS, TAN SRI V. MANICKAVASAGAM, SAID THE MIC UNIT TRUSTS WHICH HED BEEN PLEDGED \$1 MILLION, THE MIC'S CONTRIBUTION TO ECONOMIC GROWTH AND ACHIEVEMENT FO THE OBJECTIVES OF THE NEW ECONOMIC POLICY.

HE SAID IT WAS A +VEHICLE TO HARNESS THE SAVINGS OF PEOPLE FROM ALL WALKS OF LIFE OF MALAYSIAN SOCIETY AND TO CHANNEL THEM INTO PRODUCTIVE INVESTMENT+ IN THE MALAYSIAN ECONOMY.

TAN SRI MANICKAVASAGAM WHO IS ALSO MIC PRESIDENT SAID THE MIC HAD ENDEAVOURED TO IMPLEMENT ITS LONG-TERM BLUE-PRINT WHICH SPELLED OUT THE WAYS TO OVERCOME THE WEAKNESSES OF THE INDIAN COMMUNITY.

ON THE NESA COOPERATIVE ESTABLISHED THREE YEARS AGO, HE SAID SOME 15,000 MEMBERS HAD BEEN ENROLLED WITH NEARLY \$3 MILLION SUBSCRIBED CAPITAL. IT HAD ESTABLISHED LAND OWNERSHIP FOR HUNDREDS OF FAMILIES APART FROM INITIATING HOUSING SCHEMES FOR ITS MEMBERS.

--BERNAMA 1022/MD