

All banks have a role in nation's progress, says PM

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JITRA, Fri. — Commercial banks will continue to play their role in the development of the country despite the setting up of the Islamic Bank, Datuk Seri Dr Ma-hathir Mohamad said here today.

This was because the Islamic Bank would not be able to cope with the entire needs of the people, especially in the granting of loans, he added.

However, the Prime Minister said the Government would also expand the activities of the Islamic Bank from time to time.

He said he was aware that certain quarters had been making allegations against commercial banks, saying that they were charging interest which was considered usury.

"Actually, such allegations are more for political reasons rather than religious," he added when opening the Umno complex of the Kubang Pasu Umno division, of which he is chairman.

A burden

The occasion was also to mark the opening of a Bank Bumiputra branch here, the seventh in Kedah.

Datuk Seri Dr Ma-hathir said that whatever the allegations, it remained a fact that banks played a vital role in helping the people, especially those in the rural areas, get out of the grips of money-lenders and the "padi kunca" system.

The Prime Minister said the money-lending and "padi kunca" system had in the past been a burden to rural people.

"With the opening of more banks such activities have been curbed," he added.

Unlike money-lenders, he said, banks were not interested in seizing people's land grants.

"What they are interested in is only to get back the loans that they have given out on a minimal interest rate," he added.