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U E984 AAE
MAHATHIR-COOPERATIVE
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(P)

KUALA LUMPUR, MARCH 1⁸⁷ (BERNAMA) -- BUSINESSMEN IN THE COUNTRY, ESPECIALLY MALAYS, MUST BE TRUSTWORTHY IN DISCHARGING THEIR DUTIES AND CONDUCTING THEIR BUSINESS ACTIVITIES, NOT JUST FOR THEIR OWN SAKE, BUT FOR THE SAKE OF THE NATION GENERALLY, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

IN MAKING THIS REMINDER, HE SAID THE WHOLE WORLD WOULD BE WATCHING THEIR ACTIONS AND THIS WOULD HAVE SIGNIFICANT IMPLICATIONS FOR THE FUTURE.

+WHEN WE ARE KNOWN AS A TRUSTWORTHY PEOPLE, OUR LIFE WILL BE BETTER AND OUR CREDIT STANDING IMPROVE TO FACILITATE OUR BORROWINGS WHILE BANKS MIGHT EVEN WAIVE THE REQUIREMENT FOR COLLATERAL,+ HE ADDED.

HE SAID THERE WERE BUSINESSMEN GRUMBLING WHEN BANKS ASKED FOR VARIOUS SECURITY FOR THEIR LOANS BUT THIS SITUATION WAS DUE TO SOME PEOPLE IN THE PAST TAKING THEIR LOAN REPAYMENT OBLIGATION TOO LIGHTLY.

OPENING THE GENERAL MEETING OF KOPERASI USAHA BERSATU (KUB) MALAYSIA BERHAD HERE, THE PRIME MINISTER SAID THE PROFIT-LOSS POSITION OF A BUSINESS CONCERN AFFECTED NOT JUST THE BUSINESS ITSELF BUT ALSO THE WHOLE NATION. -- MORE
1311MST 01 03 87

U E992 AAE
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DATUK SERI DR MAHATHIR ALSO HIT OUT AT STUDENTS RELUCTANT TO SETTLE THEIR STUDY LOANS AFTER HAVING SECURED WELL-PAYING JOBS, SAYING THE REPAYMENT RATE CAME TO ONLY 10 PERCENT OF THEIR SALARY +AND THIS IRRESPONSIBLE ATTITUDE WILL CREATE PROBLEMS FOR OTHERS APPLYING FOR THE LOANS AFTER THEM.+

HE JOKINGLY SAID THERE WERE ALSO SOME MALAY BUSINESSMEN LAX IN LOOKING AFTER THEIR BUSINESS STARTED WITH A MARA LOAN +BECAUSE MARA LOANS NEED NOT BE REPAYED.+

HE STRESSED THAT IN ANY TYPE OF BUSINESS, ONLY AN EFFICIENT, TRUSTWORTHY AND SINCERE MANAGEMENT COULD ENSURE SUCCESS.

HE ALSO SAID THE PRACTICE BY SOME COOPERATIVES IN COLLECTING DEPOSITS FROM NON-MEMBERS WAS NOT THAT BAD BY ITSELF BUT PROBLEMS AROSE WHEN THEIR MANagements WERE NOT TRUSTWORTHY AND SINCERE IN DISCHARGING THEIR RESPONSIBILITIES. -- MORE

1430MST 01 03 87

U E993 AAE
MAHATHIR-COOPERATIVE 3 KUALA LUMPUR

THE PRIME MINISTER SAID THE MALPRACTICE PHENOMENON AMONG COOPERATIVE SOCIETY DIRECTORS LATELY WAS LINKED CLOSELY TO THE CURRENT ECONOMIC RECESSION AND HE USED A RIVER IMAGERY TO EXPLAIN IT.

+WHEN THE LEVEL OF THE RIVER IS HIGH, IT FLOWS RAPIDLY AND THE WATER LOOKS CLEAR ENOUGH TO DRINK BUT WHEN IT IS LOW, THE RUBBISH AND DETRITUS ON ITS BED CAN BE SIGHTED AND WE THEN REALISE THE WATER IS DIRTY.+

ACCORDING TO HIM, THE +POLLUTION+ IN COOPERATIVES WAS CLEARLY DISCERNIBLE WHEN THE ECONOMY WAS NOW IN RECESSION. A NUMBER OF COOPERATIVE SOCIETY DIRECTORS HAD MISUSED MEMBERS' FUNDS AND THE GOVERNMENT WAS COMPELLED TO TAKE LEGAL ACTION AGAINST THEM.

+HOWEVER, I AM THANKFUL THE GOVERNMENT NEED NOT TAKE SIMILAR ACTION IN THE CASE OF THE KUB,+ HE ADDED, TO THE LAUGHTER OF HIS AUDIENCE.

HE SAID SEVERAL BUSINESSMEN STILL CHOSE TO OPERATE COOPERATIVES BECAUSE OF THE INCENTIVES SUCH AS THE 40 PERCENT TAX EXEMPTION AWARDED BY THE GOVERNMENT ALTHOUGH ACTIVITIES OF COOPERATIVES WERE NOT MUCH DIFFERENT FROM THOSE OF OTHER BIG BUSINESS. -- MORE
1446MST 01 03 87

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U E995 AAE
MAHATHIR-COOPERATIVES 4 KUALA LUMPUR

DIRECTORS AND THOSE INVOLVED IN MANAGING COOPERATIVES MUST REMEMBER THAT COOPERATIVE OPERATIONS DEMANDED THE SAME QUALITIES OF SINCERITY AND TRUSTWORTHINESS AS OTHER BUSINESSES AND THEY SHOULD THINK OF THE INTERESTS OF THEIR ORGANISATION AND NOT JUST THEIR OWN INTERESTS.

ON THE KUB, HE SAID THE GOVERNMENT WAS PREPARED TO HELP IT IN ANY WAY BUT IT MUST MEASURE ALL ASSISTANCE AGAINST ITS BUSINESS PERFORMANCE.

THE KUB BOARD OF DIRECTORS MUST FIND OUT WHY THE COOPERATIVE SUFFERED LOSSES IF THERE WERE LOSSES AND CONSIDER WHETHER THE PROFITS ACHIEVED WERE ADEQUATE.

DATUK SERI DR MAHATHIR ALSO ASKED THE BOARD TO MAKE USE OF ALL AVAILABLE OPPORTUNITIES TO MAXIMISE PROFITS.

KUB CHAIRMAN DATUK HARUN IDRIS AND DEFENCE MINISTER DATUK ABDULLAH AHMAD BADAWI WERE AMONG THOSE AT THE OPENING. -- BERNAMA
1452MST 01 03 87