

Business managers must have integrity, says PM

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KUALA LUMPUR, Sun. — ~~Datuk Seri Dr Mahathir Mohamad~~ today stressed the need for business managers to have integrity, trustworthiness and efficiency to avoid mismanagement.

Businessmen, particularly the Malays, must be trustworthy in discharging their duties and conducting business activities, not just for their own sake, but for the race and nation.

Opening the annual meeting of Koperasi Usaha Bersatu (KUB), the Prime Minister said in business or in the co-operative movement managers were entrusted with money belonging to the public and he expressed his concern that there was a tendency for people to feel less responsible

with money which belonged to others.

Dr Mahathir said if money was not properly and efficiently managed, the company would not only incur losses, but the credibility of the community would suffer.

"When in business, we are not doing business for ourselves but also for the race. We must therefore manage the business efficiently."

He said that banks have had to ask for various securities for loans because some people in the past took their repayment obligation too lightly.

The deposit-taking co-operative was a good concept, he said. The problem was the management did not always have trustworthy people.

The Prime Minister said re-

cent deviant practices among directors of deposit-taking co-operatives were closely linked with the economic slowdown.

He likened the situation to the ebb and flow of a river where when the water level was high the river looks clean, but when the water subsides, all the dirt and rubbish could be seen.

Assistance

He said the "dirt" in the co-operative movement became evident during the economic slowdown when a number of directors abused their positions, forcing the Government to take action against them.

On the KUB, Dr Mahathir said the Government was pre-

pared to assist the co-operative.

However, any assistance would depend on its performance.

Meanwhile, KUB chairman Datuk Harun Idris said the laws governing the co-operative movement should be reviewed in line with the business environment.

However, any step taken by the Government to tighten control on co-operatives should not be to the extent of curbing the growth of the movement.

In this respect, he said the board of directors and management of KUB were prepared to assist the authorities, particularly the Co-operative Development Department, in drafting improvements to the laws and regulations.

Datuk Harun also assured members of KUB that he would not hesitate to take action against any officer or staff of the co-operative who abuse their positions for their own interests.

On the performance of KUB, Datuk Harun said the economic slowdown had affected earlier projections but added that the board had formulated a number of programmes to adjust to the current sluggish economy.

He said that in 10 years, KUB had accumulated assets worth \$1.3 billion.

It also incurred \$815,000 in losses but added that members should not be unduly worried as steps had been taken to cut spending.

The accumulated losses of the KUB group, however, amounted to \$44.8 million in 1985, with a large portion due to losses sustained by subsidiaries.