

Safeguard unity, says Dr M

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COMPONENT parties of Barisan Nasional must support each other as they are all members of a large family which is as strong as the weakest link, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said he was proud of the achievements of Gerakan and that the strength of Barisan Nasional's component parties reflected the strength and effectiveness of the coalition as a whole.

"There should be no jealousy between the component parties and I believe there is no jealousy among them over the success of other component parties," added Dr Mahathir, who is the Barisan Nasional chairman.

The Prime Minister said at the opening of the 16th annual delegates' conference of the Gerakan in Kuala Lumpur yesterday that at present there were some Barisan component parties facing chal-

lenges internally and they included Umno and Gerakan.

This was not too worrisome as the Barisan had been successful in the recent national elections.

He hoped that the internal challenges would result in the parties' members becoming more politically matured.

"What is important is to safeguard unity, especially when we face an economic recession or social and political tension," he said.

Unity among members of a coalition and among the member-parties themselves is important to overcome problems and challenges.

On the economy, Datuk Seri Dr Mahathir said Malaysians should be proud that the prices

of commodities are going up as well as investments both inside and outside the country.

He added that there was growing confidence in the nation's economic climate, and that the balance of payments last year showed a surplus of \$4,131 million, \$922 million more than the surplus for 1985.

Production costs

He also revealed that the international reserves of Bank Negara last year were \$16,358 million, an increase of \$3,883 million compared to with the 1985 figure. It is the highest amount of reserves since Independence.

He said the reserves were sufficient for 7.1 months' im-

ports instead of being sufficient for five months' imports as was the case in 1985.

Dr Mahathir also criticised anti-national elements who spread rumours to cloud the country's economic climate.

He also hit out at those who panicked easily in the face of an economic recession.

"If they panic and react impulsively, the situation will only worsen," he said.

The Prime Minister said the ringgit was allowed to depreciate slightly to lower production costs.

Furthermore, interest rates were also reduced to lower production costs.

However, a lot will depend on the skills of managers to lower production costs.