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MAHATHIR-BANK  
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KUALA LUMPUR, JULY 17 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TONIGHT URGED LOCAL BANKS NOT TO BE HASTY IN TAKING ACTION AGAINST BORROWERS PARTICULARLY BUMIPUTERAS AS THEIR COLLATERAL VALUE HAS FALLEN BECAUSE OF THE PRESENT ECONOMIC RECESSION.

HE SAID IT WAS NOT FAIR FOR THE BANKS TO TAKE HASTY ACTION BECAUSE THE PRICE OF BORROWERS' COLLATERAL SUCH AS LAND OR SHARES HAD FALLEN THROUGH NO FAULT OF THEIRS.

SPEAKING AT THE MALAY CHAMBER OF COMMERCE AND INDUSTRY DINNER HERE, THE PRIME MINISTER SAID SUCH ACTION WOULD CAUSE PROBLEMS TO THE TRADERS AND ENTREPRENEURS AND POSSIBLY LEAD TO BANKRUPTCY.

IF A LARGE NUMBER OF TRADERS AND ENTREPRENEURS BECAME BANKRUPT NOT ONLY THE BANKS STOOD TO LOSE BUT EFFORTS TO REVIVE THE ECONOMY AND TO ACHIEVE THE OBJECTIVES OF THE NEW ECONOMIC POLICY (NEP) WOULD ALSO BE JEOPARDISED.

AS SUCH, HE HOPED, BANKS WOULD BE PATIENT AND WITH ECONOMIC RECOVERY SOON, THE VALUE OF COLLATERAL WOULD ALSO RECOVER. -- MORE  
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THE PRIME MINISTER REGRETTED THAT CERTAIN BANKS REACTED TO THIS BY SAYING THAT IT COULD NOT BE DONE AS IT WENT AGAINST BANKING PRINCIPLES.

HE SAID IF NEED BE IT COULD BE DONE AS THE PRINCIPLES THEMSELVES WERE MAN-MADE.

WHAT WAS IMPORTANT, DATUK SERI DR MAHATHIR SAID WAS EFFORTS TO ENSURE ECONOMIC RECOVERY AND WHEN THE ECONOMY HAD RECOVERED IT WAS LIKELY THAT THE VALUE OF BORROWER'S COLLATERAL WOULD BE HIGHER THAN THE LOAN THAT WAS GIVEN.

THE PRIME MINISTER ALSO SYMPATHISED WITH THE BANKS AS THERE WERE BORROWERS WHO COULD REPAY THEIR LOANS BUT DID NOT WANT TO DO SO.

IT WOULD BE WISE FOR BORROWERS TO REPAY THE BANKS BECAUSE THE BANKS' REVOLVING FUND WAS PUBLIC MONEY. -- MORE  
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IF BORROWERS COMMITTED CRIME OR IRREGULARITIES THE GOVERNMENT HAD NO SYMPATHY FOR THEM AND WOULD CALL ON THE BANKS TO PROSECUTE THEM, THE PRIME MINISTER SAID.

AS SUCH ALL QUARTERS INCLUDING BANKS AND BORROWERS SHOULD STRIVE TOGETHER TO BRING ABOUT ECONOMIC RECOVERY FOR THE NATION.

DATUK SERI DR MAHATHIR ALSO EXPRESSED REGRET THAT MALAY ENTREPRENEURS WHO HAD HIGH POSITION NOW HAD FORGOTTEN THE CONTRIBUTIONS MADE BY UMNO TOWARDS THEIR SUCCESS.

AFTER HAVING ACHIEVED SUCCESS AND RICHES THEY HAD FORGOTTEN THEIR OWN BEGINNINGS, HE SAID.

THE PRIME MINISTER WAS ALSO HAPPY TO NOTE THAT CERTAIN BUMIPUTERAS HAD ACHIEVED SUCCESS AND THIS HAD AT LEAST CONTRIBUTED TOWARDS ENSURING THE SUCCESS OF THE NEW ECONOMIC POLICY AND RESTRUCTURING OF SOCIETY IN THIS COUNTRY. -- BERNAMA  
0058MST 18 07 87