

Clean slate vital, banks told

By **AHIRUDIN ATTAN**

PRIME Minister **Datuk Seri** Dr Mahathir Mohamad said yesterday it is **vital that banks** and financial institutions maintain a clean slate because dishonesty on their part could undermine the whole economy.

Opening the Arab-Malaysian building at Jalan **Raja** Chulan in Kuala Lumpur, the Prime Minister said no one in the business community worldwide would want to deal with a country that is known **for corrupt practices** in its banks and financial institutions.

Datuk Seri Dr Mahathir said in view of the importance of the credibility of these **institutions** to the national economy, the Government cannot allow dishonest management and corrupt practices in banks and financial institutions.

The Government, he said, will not hesitate to act against

those who betray the trust that has been placed upon them. The Prime Minister said money is not the main trade of banks and financial institutions. **trustworthiness** is.

He said those who use these institutions for various purposes do so because they trust these institutions. Otherwise, they would not have kept their money with these institutions or buy promissory notes issued by the banks.

Banks and financial institutions, therefore, must ensure that every promise made is met. This is the only way to **earn credibility** and **trustworthiness**, he said.

The management of these institutions must be firm in the matter of upholding the trust placed upon their institutions. **Datuk Seri Dr Mahathir said** staff who betray the trust of the customers should be pun-

ished.

He said financial institutions, as important components in the monetary system, should also play a more active role in national economic recovery. Efforts toward increasing the private sector's participation in the economy, for example, should be stepped up.

Datuk Seri Dr Mahathir said the Government would like to see these institutions continue assisting businesses which have the potential to make it. They should also continue to be accommodative by not foreclosing **such businesses**.

Earlier, the Prime Minister urged merchant banks in the country to play an active role in developing the secondary mortgage market by supporting the efforts of Cagamas which the Government set up to play a central role in the market.

Ye **said** in this way, the merchant banks will also be making it possible for themselves to channel their funds to more productive loans.

Merchant banks were also urged to go into equity participation **in stockbroking firms in keeping with the Government's aspirations to increase funds, resources and upgrade professionalism in the industry.**

Datuk Seri Dr Mahathir said he is pleased with the performance of local merchant banks despite the economic slowdown.

Meanwhile, Arab-Malaysian group chairman **Datuk Azman Hashim** said the group has been able to achieve improvements in efficiency, productivity and communication with the new building. **Formerly, the various companies under the group were housed in nine different locations in the city.**