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CABINET ACCEPTS ELYAS' RESIGNATION, SAYS PM  
LEAD Cabinet-Elyas

<sup>72</sup> KUALA LUMPUR, Sept 8 (Bernama) -- The Cabinet has accepted Tan Sri Elyas Omar's resignation as Datuk Bandar of Kuala Lumpur, Prime Minister ~~Datuk Seri Dr. Mahathir Mohamad~~ said today.

Elyas' resignation will take effect from Sept 17 as stated in his statement issued on Sept 1.

Dr Mahathir said the Cabinet has yet to name Elyas' successor but the candidate would be picked before Sept 17.

+We've not discussed the candidates yet, + he told reporters after attending a dialogue session at the national seminar on the United Nations Conference on Environment and Development (UNCED) at Bank Negara here.

At the function, the Prime Minister also launched the +Marine Heritage of Malaysia+ book produced by Petronas.-- more

▼08/09/17-28MST

CNS8653

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LEAD Cabinet-Elyas 2 Kuala Lumpur

Dr Mahathir, however, said investigations into alleged irregularities in City Hall's purchase of a fleet of Volvo cars would proceed.

The purchase of the luxury cars was the issue linked to Elyas' decision to resign,

+But, we'll have to consider whether his action in leaving the government will mitigate his problem,+ he added.

Elyas', when announcing his decision to resign, made reference to the Volvo issue and said that he took full responsibility in all City Hall's decisions and actions.

The purchase of the cars created a controversy following claims of irregularities purportedly for ignoring Treasury regulations.-- more

▼08/09/17-33MST

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LEAD Cabinet-Elyas 3 Kuala Lumpur

Elyas, who was appointed as acting Datuk Bandar on Nov 1, 1981 and was subsequently confirmed to the post in 1983, is currently on leave.

Mahathir said Elyas, in his letter of resignation to the government, admitted his mistake.

+He admitted what he had done was something wrong and he takes full responsibility,+ the Prime Minister said in response to questions.

To another question, he said, in Malaysia's system, the head or leader was always held responsible.-- more

▼08/09/17-38MST

CNS8682

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'LEAD Cabinet-Elyas 4 (last) Kuala Lumpur

Yesterday, the Prime Minister commended Elyas for resigning and taking full responsibility for his actions, describing him as a gentleman.

Dr Mahathir said there was no hurry to pick Elyas' successor as 'there was still plenty of time.

+He will be selected before Sept 17. We don't know yet who (the successor) will be, he said in response to speculations on the new mayor.

The Prime Minister also said Elyas still have many days of his annual leave.

The government, would consider compensating Elyas in lieu of the outstanding leave days, Dr Mahathir said. -- Bernama

▼08/09/17-52MST