

# Recipe for

13 SEP 1992

# corruption

**By Jeffrey Ramayah**

**KUALA LUMPUR, Sat.** — Politics and business should not be allowed to mix as this would only lead to widespread corruption, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said politics and business were separate areas which should not be mixed for personal gain.

"The role and responsibility of politics is to provide infrastructure and facilities so that there will be a healthy growth in business and the country's economy," he said when opening the 12th annual general meeting of Koperasi Usaha Bersatu (KUB) at Pusat Islam.

Dr Mahathir said some people felt that if they could use political power in their business transactions, they would be able to reap huge profits.

He added that because of this, many businessmen frequently asked politicians in power to help them.

He said these businessmen wanted the politicians to abuse their powers for their own selfish gains.

"If this is allowed to happen, the country's economy would be eventually destroyed because of widespread corruption," he said.

Dr Mahathir said there were no laws to prevent

politics from being mixed with business and to do so was not an offence.

"The Government would, however, advise businessmen to refrain from making use of politicians for their selfish motives."

On KUB, the Prime Minister said it was timely for honest Bumiputeras to lead the co-operative movement and turn it into a strong and viable entity which would be able to attract non-Bumiputeras as well.

Dr Mahathir said it was more than a year since KUB was re-launched with the aim of turning the organisation into an effective commercial force which would benefit its members.

He said he believed that the new KUB directors have the professional efficiency to lead the co-operative to become a successful business organisation.

"But I would like to urge them to always keep abreast of the latest developments and trends in the economy, industries and financial markets.

"Many people have placed their trust in KUB management by investing in the co-operative with the hope that their trust would be respected and they could reap profits."

He said in working towards success, KUB should establish its own corporate

culture that was objective and has a clear understanding of the role it could play in the country's economic development.

He said KUB should also take steps to map out its strategies to achieve its aims and to implement its goals.

It also needed employees who are loyal to the organisation and to the struggle of the co-operative movement.

Dr Mahathir said KUB should reassess its performance because it had accumulated losses of \$95 million and liabilities totalling \$120 million when it was re-launched last year.

He said KUB and other co-operatives were affected during the recession years of 1985 and 1986 because they had miscalculated by investing in the property and building sectors.

He said some were involved in subsidiaries or businesses that suffered losses.

"In their bid to make quick profits, some co-operatives were even involved in complex financial deals which were only transactions on paper only," he said.

KUB chairman Hassan Harun said that since its re-launch the co-operative had taken steps to revamp its management to make the organisation effective and viable.