

# Quick gain motive behind firms owned by Umno divisions

JOHOR BARU, Tues. — Umno divisions have been ordered to close down their companies because they were set up to make short-term gains, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

In some cases, the Umno division-owned companies dispose shares allotted for Bumiputera companies immediately for quick profits.

Dr Mahathir said: "We see this as a loss as we expect the Bumiputera companies to make full use of the shares given to them, and not to just sell them to make short-term profits.

"That is why we have directed Umno divisions or members to dissolve companies formed under the party's name for the sake of getting shares.

"This (making short-term profits) is also one of the reasons why the New Economic Policy introduced by the Government could not fully achieve its objectives," said Dr Mahathir, who is also Umno president.

He was speaking to reporters after opening the RM350-million Palm Resort, which comprises three 18-hole golf courses and a five-star hotel in Senai near here.

Also present were Menteri Besar Abdul Ghani Othman, Youth and Sports Minister Tan Sri Muhyiddin Yassin, Defence Minister Datuk Syed Hamid Albar, Information Minister Datuk Mohamed Rahmat and chairman of the United Nations 51st Commission on Human Rights, Tan Sri Musa Hitam.

Also present were Palm Resort Berhad executive

vice-chairman Datuk Nik Ibrahim Kamil, managing director Yoshiharu Miyake and board chairman Chng Heng Tin.

Dr Mahathir said if Umno members and Bumiputeras continued to dispose of the shares allotted to them, they would lose out in the long run.

The Prime Minister, however, pointed out that not all of the 16,000 companies set up by Umno divisions and individuals were incorporated for the purpose of securing shares.

Some, he added, genuinely wanted to venture into business.

Asked if the party divisions had been given a deadline to close down their companies, Dr Mahathir there was no time-frame for them to do so.

He said the Umno supreme council would in future scrutinise all applications for shares by companies to ensure they were not linked to any party divisions or branches.

Dr Mahathir, on Saturday, said that all Umno divisions were prohibited from setting up companies using the party's name.

He had said that the decision to prohibit Umno divisions from forming companies was made by the supreme council to prevent them from competing with genuine Bumiputera firms.

Commenting on a closed-door meeting with Johor Umno division leaders today, Dr Mahathir said he briefed the party leaders about several matters pertaining to money politics and their responsibilities as Members of Parliament and State Assemblymen.