

15/06/1998

BN parties urged to close ranks (HL)

Badrul Hisham Mahzan; Chok Suat Ling

KUALA LUMPUR, Sun. - Prime Minister Datuk Seri Dr Mahathir Mohamad has urged Barisan Nasional component parties to close ranks, maintain unity and explain the current economic issues and problems to the people.

Dr Mahathir, who is BN chairman, said the explanation to the people should help them avoid confusion concerning the problems.

Dr Mahathir made the call when he chaired a BN supreme council meeting here today.

The call came a day after Dr Mahathir, who is also Umno President, met party veterans to get them to help explain to the people the current economic problems and measures taken to overcome them.

Speaking to reporters after the meeting at Menara Dato' Onn, the Prime Minister said: "Today's meeting is to enable me to explain to BN leaders the present economic situation, the remedial measures taken, the reasons why the problems cropped up and the role which BN plays in defending the economy."

Asked whether there were specific requests made by the component leaders on how to explain to their respective members, Dr Mahathir said there were some points raised by them.

He added that the meeting discussed them and the points raised could be used to assist them.

Dr Mahathir said there were BN leaders who mentioned that there were countries which felt that Malaysia should handle the economic problems more discreetly and in a less aggressive manner.

"I explained to them that those (countries) which were not aggressive were also affected by the problem. Thus, whether we are aggressive or not does not matter."

The Prime Minister said there were also BN leaders who wanted to know the reasons why there were people who appeared to be frightened in making criticism.

"I told them how we should act so that the fear can be minimised."

Asked why there was fear in them, Dr Mahathir said:

"They are frightened because if we make certain statements which are disliked by the market forces, pressure will be applied on the economy through weakening of the currency or transferring the capital out.

"Thus, any country that makes statements which are negative will face the test."

Dr Mahathir, also asked about the possible reduction in the spread of interest rates, replied that the Government had an idea on how to go about drawing up the formula.

"At the moment, we are not able to speak about it because these things are very sensitive and we have to handle this very carefully."

Deputy Prime Minister Datuk Seri Anwar Ibrahim was reported today as saying that there was a need to reduce the spread of interest rates - margins that banks imposed on top of the base lending rate - to make the economy more viable.

Anwar, who is also the Finance Minister, said he explained the need to introduce a programme to lower the spread at the last Cabinet meeting which discussed the issue of interest rates and other economic matters.

Anwar also said his position on this was in line with the views of Dr Mahathir.

One of the problems, the Prime Minister said, was that the interest

rates on ringgit loans were higher in other countries.

"When they are higher in other countries, the ringgit tends to migrate to those countries to take advantage of the higher deposit rates."

Thus, he added, the Government would have to be very careful as to how it should effectively lower the rates.

Asked whether the issue of nepotism was discussed, he said it was not.

When told that the issue was the current hot topic, he said it was hot for the Press, but not for them.

Asked to comment on the latest Time magazine report on him, Dr Mahathir replied: "Freedom of the Press. The Press can say anything but we cannot say anything we like."

He added that though the interview (with Time) lasted an hour, "only a small excerpt of my reply was printed and most of it sounded very negative.

"When you try to compress my answers into one sentence, you invariably carry the wrong message. But I have no right to demand that I have my full answer printed in Time because of freedom of the Press.

"Freedom of the Press means the Press leaves what it doesn't want, especially one who is as unpopular as myself."

(END)