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Mahathir-Deceive

GOVT HAS NO INTENTION TO CHEAT THE PEOPLE, SAYS PM

JOHOR BAHRU, April 18 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the government has no intention to deceive the people or to use their money for what some parties claim to be bailouts for certain companies or individuals in the country.

Speaking at length on efforts by certain parties to create hatred among the people for the government, the prime minister said the measures that had been, were being or would be taken by the government were not to rescue certain companies or individuals but the nation.

"Unfortunately there are some people and media in Malaysia who have started accusing the government of trying to bail out companies.

"We are not bailing out companies but the nation," he said at a lunch with the people at Menteri Besar Datuk Haji Abdul Ghani Othman's official residence, here.

Dr Mahathir arrived here with his wife, Datin Seri Dr Siti Hasmah Mohamed Ali, this morning for a two-day working visit to Johor.

He said most of the companies the government was trying to help now were companies that had made huge profits before the country's economy started to slump as a result of the fall in the ringgit and stock market.

"We know that before the economy slumped, companies could make huge profits, like (United Engineers Malaysia Bhd), Renong, Sime Darby made nearly RM2 billion a year. This means that RM56 million was the government's as taxes.

"So many other companies have made profits, like Tenaga (Nasional) made RM1.9 billion, Telekom (Malaysia) RM2 billion. From the profits the government collected revenue to run the country." he added.

However, he said, when the ringgit depreciated and the stock market fell, companies which previously made high profits were faced with financial problems.

They had difficulty servicing their bank loans, thus causing cash flow problems for the banks.

The prime minister said banks having problems recovering loans had no choice but to sell the shares put up as collateral by the problem companies and this in turn caused the companies' shares to drop further with the possibility of bankruptcy.

He said the government could not stop the banks from acting thus because otherwise they would face more serious cash flow problems and might become bankrupt themselves.

"What will happen to the government. We know that the government can administer the country because of money supply from corporate taxes which amount to 28 per cent of the company profits. Hence it is impossible for the government to collect enough taxes (if the current situation is allowed to continue).

"If we allow the companies to fall, the banks will fall, and finally the government will be destitute because it cannot collect taxes," he said.

Hence, he asked the people to unite because attempts to make them hate the government through allegations that it was inefficient and was trying "bailout" certain companies or individuals, had surfaced in the country.

Dr Mahathir said these parties were also trying to cause a lack of confidence among the people to split them up.

This was because they knew that Malaysia could resist coming under the International Monetary Fund's control all this while because of its

people's unity and support for the government.

"So we must not be influenced by their propaganda to cause confusion among the people.

"This is our weapon against re-colonisation. They will deny it and they will say Dr Mahathir is crazy and talking rubbish but what I said 10 months ago has happened," he said referring to attempts by certain parties to control countries in this region through pressure on the currency and share markets.

He said the people should not be easily swayed by their propaganda because what had happened in some countries like loss of jobs and food shortage could happen here.

-- BERNAMA

AH MKO JK