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Umno Youth changes stance on allegation of nepotism, cronyism

KUALA LUMPUR, Thurs. - Umno Youth tonight changed its stance on the allegation of crony-capitalism and nepotism, saying that the issue no longer arose.

Umno president Datuk Seri Dr Mahathir Mohamad told a Press conference at the end of the party's supreme council meeting that the movement no longer believed that such a practice existed in the country.

The movement's leader Datuk Ahmad Zahid Hamidi, when asked by Dr Mahathir to respond to reporters' questions on the issue, simply said: "Dah selesai." (It's solved.)

Zahid and several leaders of the movement had alleged that cronyism and nepotism were practised in the award of government contracts and shares before and during the movement's annual assembly on June 18.

Although the allegation was directed generally at Umno and the Government, it was seen by some as an attempt to undermine Dr Mahathir's leadership in the wake of leadership changes in Indonesia in May.

Dr Mahathir said the movement initially harboured suspicions that the practice existed in the country but changed its view after an explanation was given.

He told the media that the council also discussed at length the Barisan Nasional's defeat in the Arau parliamentary by-election on Saturday.

Dr Mahathir cited two major reasons for the defeat, the first being Pas' action in stationing its campaigners at voters' homes to influence them.

The second was over-confidence on the part of Umno as a result of obtaining a large majority in the 1995 general election in the constituency.

BN won the seat with a majority of 6,889 votes but lost in Saturday's poll by 1,323 votes.

The supreme council also blamed the defeat on poor campaign plans by Umno leaders.

Dr Mahathir said Pas used the allegations of cronyism and nepotism to hit at BN and its candidate.

Asked to comment if the fact that the BN candidate, Ismail Kassim, who is the younger brother of Perlis Menteri Besar Datuk Seri Shahidan Kassim, had contributed to the defeat, Dr Mahathir said of those proposed as candidates, he received the strongest support from the division.

Dr Mahathir said the label 'nepotism' was coined by the foreign media but was adopted by some segments of the local media.

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