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Umno heads give PM full support (HL)

Badrul Hisham Mahzan; Ashraf Abdullah

KUALA LUMPUR, Wed. - Datuk Seri Dr Mahathir Mohamad held a closed-door dialogue with Umno divisional heads this afternoon, after which they declared their full support for the party president and Prime Minister in resolving the economic problems facing the country.

The dialogue was held to enable divisional leaders, including those newly elected, to get a deeper understanding of the problems and the ways and means to overcome them.

Deputy president and Deputy Prime Minister Datuk Seri Anwar Ibrahim said the leaders spontaneously gave their support to the Prime Minister in handling the problem. It is also learnt that they gave Dr Mahathir a standing ovation at the end of the session.

"They not only understand the problems we are facing, but have given their support to the Prime Minister in resolving the problems," Anwar told reporters after the meeting.

Dr Mahathir, at a Press conference soon after, said the meeting was to brief the divisional leaders on the current economic situation, the steps taken to resolve them and why such measures were taken.

Asked why the meeting was held today, Dr Mahathir said it should have been held earlier. "Due to certain problems, we could not have it earlier."

The purpose of the meeting, he added, was to enable the divisional leaders to understand what the Federal leaders were doing to solve the problems.

Asked whether there were any specific instructions given to the division heads, Dr Mahathir said he did not issue any.

"I only gave an explanation of the situation," he said.

To a question whether there were areas the leaders least understood, Dr Mahathir said they all understood the problems but wanted to know when the problems could be completely resolved and what caused them.

"I told them that we could not decide when they would be completely resolved," he said, "because many things are beyond our control."

Dr Mahathir said the Government would try to minimise the adverse foreign influence on the economy, particularly those who manipulated the value of the currency.

On the International Monetary Fund's suggestion that Malaysia should further tighten its monetary policies, the Prime Minister said the country did not need to do so.

"We have already tightened so much that the companies are complaining that they can't breathe," he said.

On the IMF's call that companies should not be bailed out, Dr Mahathir said it depended on how one interpreted a bailout.

"If a company is badly managed and we go in and use public money, it is wrong," he said. "But, when they devalue the ringgit and depress the value of shares, any company may collapse."

Dr Mahathir said even the United States Government would step in to help Chrysler, the US auto giant, if the car manufacturer lost half of its share capital and the value of the US dollar dropped by 50 per cent.

"Of course, that is not a bailout because it is not done in Malaysia," he said. "But if this happened in Malaysia, then it is considered a bailout...."

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