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Dr M slams critics (HL)

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KUALA LUMPUR, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said critics of alleged poor corporate governance in Malaysia are always trying to sensationalise the issue to show that the country is really backward.

"People are looking for sensational news, proof that this country is really backward, does not know how to run companies, knows nothing about management and there are always crooks and the corrupt."

But Dr Mahathir argued that there were crooks and the corrupt all over the world and if a study was conducted, one could find worse standards of corporate governance in certain developed countries.

The criticisms should instead be directed at these countries and currency traders who were not transparent at all in their conduct, he said when asked to comment on criticisms that Malaysia had a long way to go in corporate governance after the recent United Engineers Malaysia and Renong deals.

Sentiment on the Kuala Lumpur Stock Exchange was affected last week when UEM extended the deadline to Renong executive chairman Tan Sri Halim Saad for the payment of the put option by 15 months for a buyback share agreement.

The Prime Minister was speaking at a Press conference after presenting the MS ISO 9001 quality assurance certificate to the Faculty of Veterinary Medicine at Universiti Putra Malaysia in Serdang.

Dr Mahathir reasoned that for a country that had experienced a period of recession, some weaknesses in corporate governance would emerge, largely due to the threats imposed on companies during the bad period.

If the United States were to go through a similar experience, poor corporate governance would also be seen, he said.

"During the good times, that kind of management is all right but during the bad times, things will always surface which may not sound right.

"Nobody makes any comment when the companies are doing well, but now (due to the economic slowdown) everybody seems to know which is good and bad governance."

He reminded the critics that Malaysia had gone through a recession caused by other people like currency traders who practised no corporate governance at all.

"We don't know what they are doing and so the criticisms (on corporate governance) should be directed at them (instead)."

At a dialogue with UPM students later, Dr Mahathir stressed that Malaysia would not establish diplomatic ties with Israel until issues affecting the Palestinians were resolved.

Replying to a question from a student on whether Malaysia had any ties with the Jewish state, Dr Mahathir remarked that he (student) would not have asked if he believed no such ties existed.

"Those who make such claims are spreading fitnah (lies). But this does not mean that I cannot write to them or vice-versa. It is true that Netanyahu (former Israeli Prime Minister Benjamin Netanyahu) wrote to me, asking Malaysia to establish diplomatic ties with Israel.

"The reply given was that the request would not be considered as long as the Palestinian issue was not resolved. When Barak (Prime Minister Ehud Barak) won, I wrote to congratulate him (but) in the congratulatory message, I stressed the need to respect the agreements reached on

Palestine but it was clear that he failed to do so."

The Prime Minister said the Government's policy on Israel was supported not only by Muslims but also non-Muslims in Malaysia.

Dr Mahathir said Malaysia did not fear criticising Israel although it (Israel) had wide networks and support in the world.

"If they do something wrong like oppressing the Palestinians, we are prepared to air our views which are not influenced by any party."

On Malaysia's ability to compete in the globalised world, Dr Mahathir said as a small nation, it needed to initiate measures to survive.

"If we don't have the knowledge, we bring in outsiders like in the Multimedia Super Corridor and its panel of advisors so that we know the direction and trend of the industry."

With knowledge, he said, the country could effect plans to master information technology, where Malaysia was now recognised as having the advantage among developing countries.

But Dr Mahathir said the real strength of the country was its ability to address the economic crisis without foreign help and that it was not indebted to anyone.

To a question on racial tension and the role of university students in promoting racial unity, Dr Mahathir said the situation arose when extremist groups in the country made demands threatening the social contract that had united the people.

"When demands are made, tension surface. Ties are not as good as one year ago following the demands which centred on equality and meritocracy. But in Malaysia, no one race will get all their rights, they need to sacrifice a little."

Dr Mahathir felt students could play their role by having greater racial integration on campus, adding that associations should have members comprising people of all races.

"Their activities should also be geared towards unity and integration. Do not have activities where certain races are alienated."

The Prime Minister also fielded questions on the K-economy, the lack of awareness among the people on environment and the need to green the nation, the delay in tabling the Mental Health Act and the practice of Muslims labelling other Muslims as infidels which had even spread to campuses.

Earlier, Dr Mahathir spoke on globalisation and its dangers, reminding the students on the hidden agenda of rich nations and companies which advocated the concept.

He warned of the possibility of developing countries being re-colonised through the economy.

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