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'Policies are to protect those least able to do so themselves'

KUALA LUMPUR, - Government policies since the financial crisis have been formulated with the sole aim of protecting those least able to protect themselves, acting Umno Youth head Datuk Hishammuddin Hussein said.

Unlike other affected Asian countries, he said, Malaysia had not experienced high inflation, mass unemployment, social instability and widespread business bankruptcy.

"We have given priority to protecting the poor from a drastic drop in living standards and deterioration in physical assets. In fact, we increased funding for education while others were forced to cut back on crucial social spending."

Hishammuddin was responding to an editorial titled "Malaysia's Black Gold" in the The Asian Wall Street Journal on March 28 that contained errors which undermined the code of conduct which the paper professed.

He said this in a letter dated March 31 to the AWSJ. The editorial also touched on political patronage and the rescue of companies with problems. Hishammuddin, who is also Youth and Sports Minister, said the people had, in the last general election, shown their approval by giving the Government the mandate to take Malaysia into the 21st century.

He pointed out that Umno and the Malaysian Government were two different entities and that it was the Government which owned Petronas and not Umno as suggested by the ASWJ editorial.

"Assets belonging to the Government, including Petronas, have never been used for the sole and exclusive benefit of Umno members, as the AWSJ editorial insinuates. It has been used to benefit Malaysians, some of whom are Umno members."

Hishammuddin said it was not morally wrong or illegal for Petronas, which was a state-owned asset, to bail out Bank Bumiputra, another state-owned asset.

"The biggest beneficiaries in that exercise were the depositors, including small-time farmers, fishermen and small traders."

He added that had the bank been allowed to go bankrupt, the biggest losers would be the depositors.

As for the bank's borrowers, he said, their loans were not extinguished and they still had a legal obligation to repay their loans.

The editorial also said Prime Minister Datuk Seri Dr Mahathir Mohamad's Government came under fire, both at home and abroad, when the state-owned Corporate Debt Restructuring Committee pulled together a bailout for the well-connected amid heavily indebted Renong conglomerate.

Hishammuddin clarified that the CDRC had not stepped in to help Renong repay its debts but all it did was to help Renong and its lenders to come up with a mutually satisfactory arrangement for the repayment of Renong's debts.

"If the lenders, especially the foreign ones were unhappy with the scheme, why did they agree to it?" he asked.

As for the MISC bailout of Konsortium Perkapalan, Hishammuddin said the editorial failed to mention that external valuers (Chase Manhattan and Clarkson) were brought in to ensure the assets were valued according to market price.

"The deal involved RM348 million write-down assets by Konsortium. The deliberate omission of this fact, intended or not, denied AWSJ readers a fair chance to assess for themselves whether the deal constituted a

bailout," he said.

He asked if, as the AWSJ insinuated, that Malaysia was being badly mismanaged by the Umno-led Government, why were foreign equity investors investing in increasing numbers in the Kuala Lumpur Stock Exchange?

Hishammuddin said anyone who cared to examine the Government's track record would see that those who had benefited the most from its commitment to equitable growth were not the frequently singled-out individuals, but "the countless and nameless" disadvantaged Malaysians.

"For all intent and purposes, they will remain anonymous to your readers. They are, and will continue, to be Umno's backbone."

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