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Treat SMIs better, PM tells banks (HL)

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KUALA LUMPUR, Mon. - When it comes to disbursing and managing loans, banks and financial institutions should not treat small and medium-sized industries as though they were major corporations, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the Government had received many complaints against financial institutions for their delays and impractical approaches to SMI loan applications.

"I hope these institutions are not only interested in deriving profits but also in executing their social responsibility to ensure the success of our national agenda.

"Rather than just providing loans, they could play an important role by providing proper guidance and expertise in management, finance and technical aspects.

"This is in line with the smart partnership concept," Dr Mahathir said in the Dewan Rakyat today, in reply to questions from Muhamad Mustafa (Pas-Peringat) and Lim Bee Kau (BN-Padang Serai).

"If the same criteria are applied to SMIs and big corporations, SMIs will never be able to get funds.

Dr Mahathir, who is also Finance Minister, told the House the Government had so far established 47 different funds, with a RM15.6 billion capacity, to assist local entrepreneurs.

However, he pointed out that the private sector also had to play a positive role in assisting businesses, as Government efforts alone were insufficient.

On his recent visits to Washington and Europe, including the Vatican City, he said he explained Malaysia's stand on Islam and terrorism, and Kuala Lumpur's strategy to assist the Palestinians.

"We are willing to do whatever necessary to help the Palestinians, the only thing that we are not willing to work with is the syaitan (Satan).

Dr Mahathir said he explained Malaysia's stand on attempts to link Islam, terrorism and the Palestinian crisis.

"I also had to explain to many non-Muslim nations that we are, in fact, a fundamentalist Islamic nation and not a moderate one as often described. They were initially shocked because as far as they knew, fundamentalists were a violent lot.

"But for me, if we hold tight to the fundamentals of Islam, then we won't be 'bombs' because Islam requires us to be good to others, be united and not do bad things. So it is not wrong to be a fundamentalist."

Datuk Seri Dr Mahathir Mohamad said American newspapers 15 years ago had reported that he was an Islamic fundamentalist.

"I am not ashamed (of those reports). I am a fundamentalist and the policy that Malaysia adopts is based on Islamic fundamentals, in compliance with Islam - not according to interpretations of 'political-ulama'."

He told the House this was extensively explained during his recent trip, and that those who listened agreed they had misinterpreted the word "fundamentalist".

"They think that moderate Muslims are the good ones, but the good ones are those who hold to the fundamentals of Islam."

To a supplementary question from Dr Tan Seng Giaw (DAP-Kepong), the Prime Minister said both Muslim and non-Muslim nations recognised Malaysia

as a model Islamic nation.

"This includes Pope John Paul II, who invited me because I am regarded as a Muslim leader from an Islamic country.

"If the DAP doesn't accept this, never mind, we do not care."

Dr Mahathir said Malaysia, being an Islamic nation, did not mean that non-Muslims would be discriminated against, adding that according to the fundamentals of Islamic administration, there is place for everyone, including non-Muslims.

On Palestine, he said the United Nations was a giant with clay feet as the world body stood useless in resolving the crisis there.

He said Malaysia had urged the UN to send a peacekeeping force to separate the warring parties and support the peace proposal initiated by Prince Abdullah of Saudi Arabia.

"Unfortunately, we see that the UN has clay feet, has no stand. When Israel opposed a team bound for Jenin to ascertain if Israel had committed terrorism, my friend (UN Secretary-General) Kofi Annan said: 'It does not matter, they are not allowing it, so we will not go ahead'."

To a supplementary question from Datuk Seri Hadi Awang (Pas-Marang) on whether the United States had exerted pressure on him or Malaysia, as it had been said that any leader who goes into the White House would emerge in a different "colour", Dr Mahathir pulled up his right sleeve to reveal his forearm, and drew laughter from MPs when he said, "Mr Speaker, please look at the colour of my skin.

"It has not changed a bit. Even if I go to Terengganu, I will not be a Pas member. I am consistent. From my school days until now, I am the same. This is Dr Mahathir."

On a more serious note, Dr Mahathir said that Jews had more political clout in the US than Muslims as they (Jews) were united and able to influence Government decisions.

The Muslims there formed a larger number but they were fragmented, with more than 1,000 different organisations representing them.

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