

80 (P)
 KUALA LUMPUR, (BERNAMA) -- THE FEDERAL GOVERNMENT, IN A MOVE TO ACCELERATE THE CONSTRUCTION OF LOW-COST HOUSING, HAS AGREED TO INCREASE TO 320 MILLION THE REVOLVING FUND FOR LOW-COST HOUSING TO EVERY STATE.

THE FUND IN EACH STATE NOW AMOUNTS TO ONLY 65 MILLION AND THE INCREASE WILL COST THE GOVERNMENT A TOTAL OF 3200 MILLION.

ANNOUNCING THIS TODAY, DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD SAID DETAILS OF THE INCREASED ALLOCATION WOULD BE ANNOUNCED IN THE 1981 BUDGET.

THE 1981 BUDGET WILL BE DELIVERED BY FINANCE MINISTER TENGGU RAZALEIGH HAMZAH IN THE PARLIAMENTARY SESSION BEGINNING NEXT MONTH.

DATUK SERI DR. MAHATHIR WAS SPEAKING TO REPORTERS DURING TEA-BREAK AFTER CHAIRING THE SECOND MEETING OF THE NATIONAL FINANCE COUNCIL AT KHAZANAH NEGARA HERE. -- BERNAMA MORE 1231/A1

NO26 (F)
 COUNCIL-MAHATHIR 2 KUALA LUMPUR

HE ASSURED THAT THE GOVERNMENT WOULD INCREASE THE PROVISIONS IF THE AMOUNT WAS STILL INADEQUATE.

DATUK SERI DR. MAHATHIR ALSO DISCLOSED THAT TOGETHER WITH THE INCREASED ALLOCATIONS FOR THE FUND, THE GOVERNMENT HAD AGREED TO REVISE THE TERMS OF ITS LOANS TO THE STATES.

THE GOVERNMENT HAS DECIDED ON THIS BECAUSE WE FELT THAT IN SO MANY AREAS IT MIGHT BE NECESSARY TO CHARGE LOWER INTEREST RATES PARTICULARLY FOR PROJECTS AIMED AT ERADICATING POVERTY.

BESIDES THIS, THE GOVERNMENT WOULD ALSO CONSIDER PROVIDING FUNDS FOR DEVELOPMENT, PARTICULARLY TO THE DEFICIT STATES.

REQUESTS FOR THE LAUNCHING OF SUCH FUNDS WERE MADE BY SEVERAL STATES DURING THE MEETING. --BERNAMA MORE 1303/BY

NO27 (F)
 COUNCIL-MAHATHIR 3 KUALA LUMPUR

ON THE MEETING, DATUK SERI DR. MAHATHIR SAID THE COUNCIL REVIEWED THE PROGRESS IN THE IMPLEMENTATION OF SOME OF THE DECISIONS OF THE FIRST MEETING HELD IN FEBRUARY.

THE MENTRIS BESAR AND CHIEF MINISTER ALSO VOICED THEIR PROBLEMS RELATING TO THE FINANCES OF THEIR ADMINISTRATIONS.

A MAJOR PROBLEM RAISED WAS THE SHORTAGE OF FUNDS FOR ROAD AND DRAINAGE CONSTRUCTION AND THE QUESTION OF WHICH BODY SHOULD BE RESPONSIBLE FOR THE TASK, ESPECIALLY IN CERTAIN NAVAGUE AREAS.

DATUK SERI DR. MAHATHIR SAID A COMMITTEE HAD BEEN APPOINTED TO SORT OUT THIS PROBLEM.

ON ASSUMPTION, THE COUNCIL WAS BRIEFED BY TENGGU RAZALEIGH ON THE ECONOMIC AND FINANCIAL SITUATION OF THE COUNTRY.

HE ALSO BRIEFED THE COUNCIL ON THE DIRECTION OF THE 1981 BUDGET. --BERNAMA 1306/BY