

PM-PRIVATISATION

83 (P)
KUALA LUMPUR, OCT. 10 (BERNAMA)--(DATUK SERI DR. MAHATHIR MOHAMAD TODAY ASSURED GOVERNMENT EMPLOYEES THAT THEY WOULD BE +BETTER OFF+ THROUGH THE IMPLEMENTATION OF THE PRIVATISATION CONCEPT.

THE PRIME MINISTER SAID THE GOVERNMENT WOULD NOT DISREGARD THE FATE OF ITS EMPLOYEES AND INDEED THEY WOULD BENEFIT FROM THE CONCEPT IN THE LONG RUN.

+THE GOVERNMENT IS CONSCIOUS OF THE POSSIBLE BAD EFFECT OF PRIVATISATION ON THE AFFECTED EMPLOYEES... WE ARE NOT ABOUT TO DISREGARD THEIR FATE.

+PRIVATISATION WILL NOT BE ALLOWED TO TAKE PLACE UNLESS WE CAN BE ASSURED THAT EMPLOYEES WILL NOT LOSE BY IT,+ HE TOLD A SEMINAR ON THE PRIVATISATION AND MALAYSIA INCORPORATED CONCEPTS AT THE DEWAN BANDARAYA AUDITORIUM HERE.

ON THE OTHER HAND, DATUK SERI DR. MAHATHIR EXPLAINED THE FACT THAT HAD TO BE FACED WAS THAT DEVELOPMENT WOULD NOT BE POSSIBLE AT THE DESIRED PACE UNLESS SHORTAGE OF GOVERNMENT FUNDS COULD BE MADE UP THROUGH PRIVATE SECTOR INVESTMENT AND PARTICIPATION.

+THE GOVERNMENT CANNOT KEEP ON RUNNING INSTITUTIONS IN ORDER TO SUSTAIN OR CREATE EMPLOYMENT. IN THE CASE OF NEW FACILITIES, THERE WILL BE NO OLD EMPLOYEES WHO ARE GOING TO BE AFFECTED,+ HE ADDED. -- MORE 1305/0M

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THE PRIME MINISTER ALSO MADE IT CLEAR THAT PRIVATISATION WOULD NOT NEGATE THE OBJECTIVES OF THE NEW ECONOMIC POLICY, ADDING THAT THE NEP WOULD NOT BE IGNORED.

THE BUMIPUTERAS WOULD GET THEIR SHARE, BOTH IN TERMS OF EQUITY AS WELL AS EMPLOYMENT, HE SAID.

DATUK SERI DR MAHATHIR REMINDED THAT IT WAS ALSO WRONG TO ASSUME THAT ONLY BUMIPUTERAS WERE ENTITLED TO THE BENEFITS OF PRIVATISATION AS NON-BUMIPUTERAS WERE EQUALLY ELIGIBLE.

+INDEED THE GOVERNMENT WOULD FAVOUR BUMIPUTERA-NON BUMIPUTRA PARTNERSHIPS RATHER THAN EXCLUSIVE GROUPS. OF COURSE, SUCH PARTNERSHIP MUST BE GENUINE,+ HE ADDED.

HE SAID PRIVATISATION DID NOT MEAN THAT THE GOVERNMENT AND THE BUREAUCRACY WASHES ITS HAND CLEAN OF ANY RESPONSIBILITY AFTER IT WAS TAKEN OVER BY THE PRIVATE SECTOR.

THE ACCOUNTABILITY FOR ANY PUBLIC SERVICES OR FUNCTIONS TRANSFERED TO THE PRIVATE SECTOR REMAINS WITH THE GOVERNMENT.

+THE GOVERNMENT REMAINS ACCOUNTABLE TO THE PUBLIC AND MUST, THEREFORE, CONTINUE TO TAKE THE RESPONSIBILITY FOR SEEING TO IT THAT PRIVATISATION BRINGS OUT ALL THE ADVANTAGES OF SUCH A MOVE BUT WITH A MINIMUM AMOUNT OF DISADVANTAGES,+ HE ADDED. -- MORE

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+SUCH DISADVANTAGES INCLUDE A BREAK IN THE CONTINUITY OF THE SERVICES CONCERNED, AN UNDUE OR UNFAIR RISE IN COSTS AND POSSIBLE GAPS IN COVERAGE AT AN EARLY STAGE OF PRIVATISATION.+

HE CALLED ON THE PRIVATE SECTOR TO BE AWARE OF THIS SO THAT THE DISADVANTAGES WOULD REMAIN AT A MINIMUM LEVEL.

+OTHERWISE, PRIVATISATION WILL BECOME ABORTIVE RIGHT FROM THE WORD GO,+ HE ADDED.

EXPLAINING THE RATIONALE FOR IMPLEMENTING THE CONCEPT THE PRIME MINISTER SAID EVER SINCE SOCIALIST THEORIES WERE PROPOUNDED, GOVERNMENTS, WHETHER OR NOT THEY BELIEVED IN FREE ENTERPRISE, HAD BEEN ASKED TO UNDERTAKE MORE AND MORE RESPONSIBILITIES AFFECTING THE DAILY LIVES OF THE WORKERS.

+IT WAS THE COMMUNISTS AND SOCIALISTS WHO DEMANDED THAT EVEN BUSINESS SHOULD BE OWNED AND MANAGE BY GOVERNMENTS. RATHER NAIVELY, THEY FELT THAT THE GOVERNMENTS OF THE PEOPLE WOULD BE FAIR TO THE WORKERS WHO MAKE UP THE VAST MAJORITY OF THE PEOPLE.+

DATUK SERI DR. MAHATHIR SAID IT HAD SINCE BEEN SHOWN THAT GOVERNMENT OWNED AND MANAGED BUSINESSES WERE NOT NECESSARILY GOOD TO THE WORKERS.

IN COMMUNIST COUNTRIES, THE WORKERS REMAINED POOR WHILE MONEY WAS SPENT ON ARMS, POWER GAMES AND PROXY WARS, HE SAID.

-- MORE 1331/OM
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IN SOCIALIST COUNTRIES THE MOST STRIKING THING WAS THE NUMBER OF STRIKES AND DEMANDS FOR BETTER TREATMENT BY WORKERS IN GOVERNMENT OWNED COMPANIES.

+OBVIOUSLY, GOVERNMENT OWNERSHIP DOES NOT NECESSARILY MEAN THE ABSENCE OF EXPLOITATION,+ HE ADDED.

AT THE SAME TIME, THE PRIME MINISTER SAID PUBLIC-OWNED ENTERPRISES NEVER SEEMED TO BE PROFITABLE OR EFFICIENT AND EVEN WHEN THEY WERE MONOPOLIES THEY COULD NOT SEEM TO EARN THEIR WAY, MUCH LESS PAY TAX OR DIVIDENDS TO THE OWNER-THE GOVERNMENT.

+MORE OFTEN THAN NOT, A PRIVATELY OWNED ENTERPRISE WHICH HAS BEEN MAKING PROFITS AND PAYING TAXES, NOT ONLY CEASES TO DO EITHER ON NATIONALISATION BUT WILL REQUIRE SUBSIDIES AND COPIOUS INJECTIONS OF CAPITAL EVERY NOW AND THEN BY THE GOVERNMENT.+

DATUK SERI DR. MAHATHIR SAID THAT ALTHOUGH MALAYSIA WAS NOT A SOCIALIST COUNTRY, A LARGE NUMBER OF PUBLIC UTILITIES HAD HISTORICALLY BEEN GOVERNMENT-OWNED.

INDEED, HE SAID, MALAYSIA WAS THE ONLY COUNTRY OUTSIDE THE COMMUNIST WORLD WHERE MEDICINE WAS ALMOST ENTIRELY FREE.

THE BRITISH NATIONAL HEALTH SERVICE WHICH ENTITLED EVERY CITIZEN TO FREE MEDICAL TREATMENT REQUIRED THE CITIZENS TO PAY SEVEN PER CENT OF THEIR ANNUAL INCOME TO THE GOVERNMENT TO MAINTAIN THE SERVICE. -- MORE 1337/OM

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EMPLOYERS WERE REQUIRED TO TOP UP TO MAKE THE TOTAL 15 PER CENT BUT NO SUCH CONTRIBUTION WAS REQUIRED IN MALAYSIA.

IN ADDITION TO THE LARGE NUMBER OF PUBLIC UTILITIES, THE GOVERNMENT HAD MOVED INTO BUSINESS IN THE INTEREST OF THE NEP.

THIS MOVE WAS MADE NECESSARY BECAUSE THERE WERE NOT ENOUGH CAPABLE BUMIPUTERAS, BOTH IN TERM OF SKILL AND CAPITAL.

+UNFORTUNATELY WITH THE EXCEPTION OF A FEW, MOST OF THE GOVERNMENT ENTERPRISES HAVE LOST MONEY+, HE ADDED.

HE WAS GLAD THE POSITION HAD NOW CHANGED A GREAT DEAL WITH A FAIRLY LARGE NUMBER OF BUMIPUTERA ENTREPRENEURS AND A NUMBER OF FUNDS OWNED BY BUMIPUTERAS WHICH CAN BE TAPPED AS A SOURCE OF CAPITAL.

THE NON-BUMIPUTARAS, TOO, HAD CHANGED THEIR ATTITUDE. HITHERTO THEY WOULD INVEST ONLY IN FAMILY-OWNED BUSINESSES, NOW THEY WERE PREPARED TO PUT MONEY IN LARGE PUBLICLY-OWNED AND PROFESSIONALLY RUN CORPORATIONS.

+INDEED IT IS NO LONGER STRANGE TO SEE SHARE OFFERS BEING OVER SUBSCRIBED BY 20 OR 30 TIMES.+

AT THE SAME TIME THE SIZE OF FUNDS REQUIRED FOR INVESTING IN UTILITIES HAD INCREASED BY LEAPS AND BOUNDS AND IT WAS NOT UNCOMMON FOR \$10 BILLION TO BE REQUIRED FOR ONE PROJECT ALONE. -- MORE 1345/OM

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THE PRIME MINISTER SAID IT WAS IN THE LIGHT OF THESE CHANGES THAT THE GOVERNMENT HAD DECIDED THAT THE TIME HAD COME FOR PRIVATISATION TO TAKE PLACE.

+PRIVATE SECTOR PARTICIPATION WILL LESSEN THE BURDEN OF GOVERNMENT WITH REGARD TO FUNDS.

+IT IS HOPED THAT SELF-INTEREST WILL ENSURE THAT THE UTILITIES AND OTHER GOVERNMENT-OWNED CORPORATIONS TRANSFERRED TO THE PRIVATE SECTOR, EITHER FULLY OR PARTLY, WILL BE BETTER RUN, MORE EFFICIENT AND MORE PROFITABLE.+

DATUK SERI DR. MAHATHIR SAID THE ALTERNATIVE TO PRIVATISATION MIGHT BE TO STOP IMPROVING OR PROVIDING THE NEEDED FACILITIES BUT THIS WOULD RESULT IN INCREASINGLY POOR SERVICES AND WOULD STIFLE GROWTH.

DEVELOPMENT WOULD BE RETARDED AND THE SECOND PRONG OF THE NEP-POVERTY ERADICATION WOULD NOT BE ACCOMPLISHED, HE ADDED. -
BERNAMA 1356/OM