

# Dr M: Certain elements of NEP may be extended

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CERTAIN elements in the New Economic Policy (NEP) may be extended beyond 1990, Prime Minister Datuk Seri Dr Mahathir Mohamad hinted in an interview published in the July 1 issue of *Newsweek* magazine.

He was quoted as having said that "if you remove the crutches suddenly, there might be a collapse."

*Newsweek's* question was: "Malaysia's New Economic Policy, designed to give ethnic Malays a 30 per cent share in the country's economy, has five more years to run. Has it been successful so far?"

Dr Mahathir's answer was: "At the level of large corporations, we have done quite well at giving bumiputras their share. In the middle level we have not done well. Now the problem is whether the target is sustainable.

"When you do this kind of economic engi-

neering, you are providing crutches. If you remove the crutches suddenly, there might be a collapse.

"We'll have to see that what has been achieved is not reversed."

Launched in 1970, the NEP seeks to eradicate poverty and restructure society.

The "economic engineering" to restructure society took several forms such as incentives to bumiputras to rectify the economic imbalance among the races.

It also included quotas on bank loans, corporate shareholdings and university admission.

The NEP objectives were to be achieved within 20 years, that is, by 1990.

With the approach of the deadline, there had been strongly-worded calls from several quarters to extend the NEP while others argued otherwise.

During the debate on the economy at the Umno General Assembly last year, several delegates urged the Government to extend the NEP beyond 1990.

Gerakan president Datuk Dr Lim Keng Yaik last year issued a policy statement which called for a new development plan to de-emphasise race after 1990.