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U E828 AAE  
MAHATHIR-WORKERS  
BM

86  
FROM AHMAD REJAL ARBEE

(P) Trip Overseas -

NEW YORK, SEPT 29 (BERNAMA) -- ~~DATUK SERI DR MAHATHIR MOHAMAD~~  
HAS HINTED THAT THE GOVERNMENT MAY CONSIDER REDUCING ITS STAFF AS A  
MEANS TO CUT EXPENDITURE IN THE WAKE OF THE CURRENT ECONOMIC  
RECESSION.

THIS IS THE FIRST TIME THE PRIME MINISTER HAS MENTIONED SUCH  
POSSIBILITY ALTHOUGH TWO OF HIS MINISTERS HAVE HINTED IT EARLIER.

SPEAKING AT A DIALOGUE SESSION WITH OVER 200 MALAYSIAN STUDENTS  
HERE SUNDAY MORNING, HE SAID THAT ALTHOUGH THE GOVERNMENT HAD NOT  
GIVEN SERIOUS CONSIDERATION TO THE POSSIBILITY OF REDUCING REDUNDANT  
STAFF, IT SHOULD START THINKING ALONG THOSE LINES.

HE SAID THE GOVERNMENT NOW HAD ABOUT 860,000 EMPLOYEES AND THIS  
WAS A BIG NUMBER AND BURDEN IN TERMS OF NATIONAL EXPENDITURE.

IT WAS NO LONGER ABLE TO TAKE IN ANY NEW STAFF, EITHER SCHOOL  
LEAVERS OR GRADUATES, OR TO CONSIDER A PAY RISE FOR CIVIL SERVANTS,  
HE ADDED.

HE ADVISED THE STUDENTS NOT TO BE TOO DEPENDENT ON THE  
GOVERNMENT FOR JOBS BUT TO BE ADEPT AT FINDING JOBS FOR THEMSELVES.

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THE GOVERNMENT, HE SAID, INTENDED TO PRIVATISE SEVERAL OF ITS  
SERVICES IN THE HOPE THAT THEY WOULD MAKE PROFIT AND GENERATE MORE  
JOB OPPORTUNITIES.

THIS WAS A REALITY WHICH THE PEOPLE MUST ACCEPT, HE SAID.

DATUK SERI DR MAHATHIR SAID THE COUNTRY WAS FACING A VERY  
SERIOUS ECONOMIC SITUATION WITH ITS EARNINGS HAVING DROPPED BY  
TWO-THIRDS OF ITS PREVIOUS EARNINGS.

HE SAID THAT, FOR EXAMPLE, PALM OIL WHICH AT ONE TIME FETCHED  
\$1,400 A TONNE NOW ONLY FETCHED \$500, AND OIL, WHICH WAS PREVIOUSLY  
SOLD AT US\$28 (M\$72) TO US\$30 (M\$78) A BARREL, WAS NOW ONLY US\$10  
(M\$26) A BARREL.

IT WAS THE SAME WITH SEVERAL OF MALAYSIA'S OTHER COMMODITIES  
WHOSE PRICES HAD DROPPED, HE ADDED. -- MORE

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U E836 AAE  
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HE SAID THE FALL IN COMMODITY PRICES WAS EXPERIENCED NOT ONLY  
BY MALAYSIA BUT ALSO BY OTHER PRODUCING COUNTRIES, INCLUDING  
DEVELOPED NATIONS LIKE AUSTRALIA.

THERE WAS ALSO NOT MUCH NEW INVESTMENT, ESPECIALLY FROM FOREIGN  
INVESTORS, WHILE THE LOCAL INVESTORS DID NOT HAVE NEW IDEAS, HE  
SAID.

THE LOCAL INVESTORS CONCENTRATED TOO MUCH ON TRADING IN SHARES  
WHICH DID NOT CONTRIBUTE TO ECONOMIC GROWTH, HE SAID.

WITHOUT ECONOMIC GROWTH THE GOVERNMENT COULD NOT EFFECTIVELY  
IMPLEMENT THE NEW ECONOMIC POLICY (NEP), HE ADDED.

THE GOVERNMENT, IN EFFORTS TO ENCOURAGE INVESTMENT, PROPOSED TO  
RELAX SEVERAL CONDITIONS GOVERNING INVESTMENTS UNDER THE NEP. -- MORE  
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U E837 AAE  
MAHATHIR-WORKERS 4 NEW YORK

THEY INCLUDED RELAXING THE CONDITION ON EQUITY FOR INVESTORS. FOREIGN INVESTORS WOULD NO LONGER BE SUBJECT TO THE CONDITION LIMITING THEIR EQUITY TO 30 PERCENT FOR FIVE YEARS IF THEY INVEST IN NEW INDUSTRIES OR THOSE DEALING WITH GOODS FOR EXPORT.

THE PRIME MINISTER ALSO SAID THAT EFFORTS TO ACHIEVE THE OBJECTIVES OF THE NEP WERE NOT FOCUSED ONLY ON THE DISTRIBUTION OF SHARES ALTHOUGH MANY THOUGHT THIS TO BE SO.

SENDING BUMIPUTERA STUDENTS OVERSEAS WAS ALSO PART OF THE EFFORTS, HE SAID.

DATUK SERI DR MAHATHIR ALSO SAID THAT THE GOVERNMENT DID NOT CONSIDER THE POLICY TO HAVE +TERMINATED+ IN 1990 SO LONG AS THE EQUITY DISTRIBUTION BASED ON THE 30-40-30 FORMULA HAD NOT BEEN MET AND POVERTY HAD NOT BEEN ERADICATED.

HE ALSO SAID THAT THERE WERE NOW ABOUT 70,000 MALAYSIAN STUDENTS OVERSEAS, INCLUDING IN THE UNITED STATES, BRITAIN, AUSTRALIA AND NEW ZEALAND. -- MORE

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THE GOVERNMENT, ON THE AVERAGE, SPENT \$20,000 ON EACH STUDENT. ALTHOUGH THIS WAS A BIG BURDEN, THE GOVERNMENT CONSIDERED IT AN INVESTMENT FOR THE FUTURE OF THE COUNTRY.

DATUK SERI DR MAHATHIR ALSO ANSWERED SEVERAL QUESTIONS RELATING TO THE RECENT GENERAL ELECTION IN WHICH THE MCA FARED POORLY, COOPERATION WITH THE DAP, THE GOVERNMENT'S INVOLVEMENT IN THE TIN MARKET IN THE LONDON METAL EXCHANGE, UMNO'S POSITION AND THE PRIVATISATION OF TELECOMS.

ON UMNO, HE SAID HE DID NOT FORESEE ANY PROBLEMS CROPPING UP IN THE ELECTION OF PARTY LEADERS NEXT YEAR.

HE SAID THERE WOULD BE NO SPLIT IN UMNO BECAUSE UMNO WAS NOT A PARTY FOR ANY PARTICULAR INDIVIDUAL BUT A PARTY FOR ALL ITS MEMBERS.

ANYONE ELECTED WOULD BE ACCEPTED BECAUSE THE MEMBERS WOULD ABIDE BY THE RESULTS OF THE ELECTION, HE ADDED. -- MORE

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U E839 AAE  
MAHATHIR-WORKERS 6 NEW YORK

THE ELECTED LEADERS WOULD BE SERVING ALL MEMBERS AND NOT JUST THOSE WHO ELECTED THEM, HE SAID.

+IN SUCH A SITUATION, I DON'T SEE ANY PROBLEMS IN 1987,+ HE ADDED.

ON THE PRIVATISATION OF TELECOMS, HE WAS CONFIDENT THAT IT WOULD BE IMPLEMENTED NEXT YEAR. SO FAR 8,000 TELECOMS EMPLOYEES HAVE SIGNED THEIR OPTION PAPERS.

THE PROBLEM NOW WAS THAT THERE WERE WORKERS WHO WANTED ADVANTAGES FROM BOTH THE GOVERNMENT AND PRIVATISED SCHEMES.

THE STUDENTS WERE LATER ENTERTAINED TO A RECEPTION. -- BERNAMA  
1210MST 29 09 86