

D991

B E839 AAE
MAHATHIR-CUTBACK
BM

86
KUALA LUMPUR, OCT 11 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THE FEDERAL GOVERNMENT MAY BE FORCED TO CUT DOWN ALLOCATIONS TO STATE GOVERNMENTS IN VIEW OF THE NATION'S FINANCIAL SITUATION.

HE STRESSED THE IMPORTANCE FOR STATE GOVERNMENTS TO BE AWARE OF THE PROBLEM OF DECLINING FINANCES AND THE NECESSITY FOR THEM TO WATCH THEIR EVERY EXPENDITURE.

HE TOLD BERNAMA THIS AFTER A LUNCHEON WITH MENTERI BESARS, CHIEF MINISTERS AND SEVERAL CABINET MINISTERS AT AN HOTEL HERE.

THIS MORNING, DATUK SERI DR MAHATHIR CHAIRED A SPECIAL CLOSED-DOOR MEETING WITH MENTERI BESARS AND CHIEF MINISTERS IN HIS OFFICE ON THE COUNTRY'S ECONOMIC POSITION, DURING WHICH MOVES TO BE TAKEN TO FACE THE SITUATION WERE DISCUSSED.

+TO OVERCOME THE PROBLEM, STATE GOVERNMENTS NEED TO CUT DOWN THEIR EXPENSES AS FAR AS POSSIBLE,+ HE SAID. -- MORE
1704MST 11 10 86

D996

B E840 AAE
MAHATHIR-CUTBACK 2 KUALA LUMPUR

+SEVERAL UNIMPORTANT PROJECTS WILL HAVE TO BE SHELVED BY THE STATE GOVERNMENTS,+ HE SAID.

DATUK SERI DR MAHATHIR SAID THAT HE HAD GIVEN AN INDEPTH EXPLANATION TO MENTERI BESARS AND CHIEF MINISTERS ON THE CURRENT ECONOMIC SITUATION.

+I HOPE THE STATE GOVERNMENTS WILL NOT BE SURPRISED WHEN WE CUT BACK ON THEIR ALLOCATIONS,+ HE ADDED.

ASKED WHETHER HE HAD ISSUED ANY DIRECTIVES IN PARTICULAR TO THE STATE GOVERNMENTS DURING THE MEETING, THE PRIME MINISTER SAID THERE WERE NO DIRECTIVES BUT HE TOLD THEM THAT THEY HAD TO DEFER UNIMPORTANT PROJECTS.

BESIDES THIS, THE STATE GOVERNMENTS WERE TOLD THEY HAD TO BRACE THEMSELVES FOR A CUTBACK IN ALLOCATIONS, HE ADDED. -- MORE
1712MST 11 10 86

D009

B E846 AAE
MAHATHIR-CUTBACK 3 KUALA LUMPUR

DATUK SERI DR MAHATHIR'S REMINDER TO THE STATE GOVERNMENTS WAS WELL RECEIVED BY THE STATE LEADERS WHO WERE INTERVIEWED AFTER THE LUNCHEON.

PERAK MENTERI BESAR DATUK SERI RAMLI NGAH TALIB SAID A CUTBACK IN ALLOCATION WAS UNAVOIDABLE DURING THE CURRENT ECONOMIC RECESSION.

+BY ACCEPTING THIS FACT, WE WILL BE BOLDER AND MORE WILLING TO FACE THE SITUATION SUCCESSFULLY. WE CANNOT ALL THE TIME BE LIVING IN AN EASY SITUATION,+ HE SAID.

ASKED HOW THE PERAK GOVERNMENT WILL FACE THE CUTBACK, HE SAID NOT ALL PROJECTS WOULD BE SHELVED, PARTICULARLY THOSE THAT WOULD BENEFIT THE PEOPLE SUCH AS WATER AND ELECTRICITY SUPPLY.

PAHANG MENTERI BESAR DATUK KHALIL YAAKOB SAID THE STATE GOVERNMENT UNDERSTOOD THE NATION'S PROBLEMS AND, AS SUCH, ACCEPTED THE MOVE BY THE FEDERAL GOVERNMENT. -- MORE
1733MST 11 10 86

B E854 AAE
MAHATHIR-CUTBACK 4 KUALA LUMPUR

MAJOR PROJECTS IN THE STATE DEPENDED ON ALLOCATIONS FROM THE FEDERAL GOVERNMENT AND, IF SUCH ALLOCATIONS WERE PRUNED, THEIR IMPLEMENTATION WOULD HAVE TO BE STREAMLINED ACCORDING TO THE AVAILABLE FUNDS, HE SAID.

HE SAID THERE WERE SEVERAL MAJOR PROJECTS IN THE STATE THAT MIGHT HAVE TO BE DEFERRED.

DATUK KHALIL GAVE AN ASSURANCE THAT RURAL PROJECTS WHICH FULLY BENEFITED THE PEOPLE WOULD NOT BE POSTPONED.

PERLIS MENTERI BESAR DR ABDUL HAMID PAWANTEH DESCRIBED THE CUTBACK IN ALLOCATION TO STATES DURING THE CURRENT RECESSION AS NOT ONLY APPROPRIATE BUT NECESSARY.

HIS STATE GOVERNMENT WILLINGLY ACCEPTED THIS STEP AND FULLY SUPPORTED IT, HE SAID.

HE WAS CONFIDENT THAT DEVELOPMENT IN THE STATE WOULD CONTINUE, PARTICULARLY THOSE BENEFITING THE PEOPLE, DESPITE THE REDUCED ALLOCATIONS.

-- BERNAMA
1751MST 11 10 86