

D707

B E934 AAE
MAHATHIR-BUDGET R'R'R'
BM 86

KANGAR, OCT 29 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THE GOVERNMENT WILL NOT COMPROMISE IN IMPLEMENTING THE PROPOSALS TO INCREASE THE INTEREST RATE FOR ITS HOUSING AND CAR LOANS AND TO DO AWAY WITH PENSIONS FOR NEW GOVERNMENT EMPLOYEES AND THOSE NOT YET EMPLACED ON THE PERMANENT AND PENSIONABLE ESTABLISHMENT.

THE INCREASE IN INTEREST RATE FROM FOUR TO SIX PER CENT WAS SMALL AND THE CUT-OFF POINT FOR EMPLACEMENT IN THE PENSIONABLE SCHEME WAS PROPER, THE PRIME MINISTER TOLD REPORTERS AT RUMAH TETAMU HERE AT THE END OF HIS ONE-DAY VISIT TO PERLIS.

BOTH PROPOSALS WERE CONTAINED IN THE BUDGET PRESENTED IN THE DEWAN RAKYAT LAST FRIDAY BY FINANCE MINISTER DAIM ZAINUDDIN.

DATUK SERI DR MAHATHIR'S VISIT TO PERLIS KICKED OFF HIS NATIONWIDE TOUR TO MEET AND DISCUSS WITH SENIOR GOVERNMENT OFFICERS AND BARISAN NASIONAL AND UMNO LEADERS GOVERNMENT POLICIES, PARTICULARLY THOSE RELATED TO THE PRESENT ECONOMIC SLOWDOWN.

DURING HIS VISIT HERE, HE HELD SEPARATE MEETINGS WITH SENIOR GOVERNMENT OFFICERS AT THE STATE SECRETARIAT AND WITH BN AND UMNO LEADERS AT RUMAH TETAMU. -- MORE
2049MST 29 10 86

D770

B E953 AAE
MAHATHIR-BUDGET 2 KUALA LUMPUR

ON THE CIVIL SERVANTS' CONCERN OVER THE INCREASE IN HOUSING AND CAR LOAN INTEREST RATES, DATUK SERI DR MAHATHIR SAID THAT COMPARED WITH THE 14 PERCENT INTEREST EMPLOYEES IN THE PRIVATE SECTOR HAD TO PAY, THE SIX PERCENT RATE FOR CIVIL SERVANTS WAS LOW.

+WHEN WE (THE GOVERNMENT) FIXED THE INTEREST RATE AT FOUR PERCENT, THE BANKS' ACTUAL PRIME RATE WAS SEVEN PERCENT AND THE DIFFERENCE BETWEEN THE PRIME RATE AND GOVERNMENT LENDING RATE WAS ONLY THREE PERCENT.

+THE BANKS' PRIME RATE NOW STANDS AT 11 PERCENT AND THEIR LENDING RATE IS 14 TO 15 PERCENT BUT THE GOVERNMENT HAS ONLY RAISED ITS INTEREST RATE TO SIX PERCENT,+ HE SAID.

DATUK SERI DR MAHATHIR SAID THAT WHEN THE COST OF MONEY ROSE, THE GOVERNMENT COULD ONLY GIVE THAT MUCH SUBSIDY.

PREVIOUSLY, THE GOVERNMENT PROVIDED A THREE PERCENT SUBSIDY AND WHEN THE PRIME RATE ROSE TO 11 PERCENT, THIS WAS INCREASED TO SEVEN PERCENT BUT EVEN IN RAISING ITS LOAN INTEREST RATE TO SIX PERCENT, THE GOVERNMENT SUBSIDY CAME TO FIVE PERCENT WHICH WAS STILL HIGHER THAN PREVIOUSLY. -- MORE
2233MST 29 10 86

D777

B E955 AAE
MAHATHIR-BUDGET 3 KUALA LUMPUR

THE PRIME MINISTER WANTS CIVIL SERVANTS TO LOOK AT THE INCREASE IN INTEREST RATES FROM THE GOVERNMENT'S POINT OF VIEW, THAT IS, THAT THE MONEY USED WAS THE PEOPLE'S MONEY.

+WE HAVE TO BORROW THE MONEY AND PAY INTEREST ON IT,+ HE SAID.

+IT IS NOT THE GOVERNMENT'S MONEY. THE MONEY TO BUY HOUSES IS MONEY WE BORROW FROM OTHER PEOPLE AT A HIGHER COST.+

ON THE POSSIBILITY OF EXTENDING THE REPAYMENT PERIOD FOR LOANS TO REDUCE THE BURDEN ON CIVIL SERVANTS, HE SAID THIS COULD BE CONSIDERED.

+BUT THE EXTENSION WILL RESULT IN THE CIVIL SERVANTS HAVING TO PAY MORE,+ HE POINTED OUT. -- MORE

2245MST 29 10 86

B E956 AAE
MAHATHIR-BUDGET 4 KUALA LUMPUR

DATUK SERI DR MAHATHIR ADVISED CIVIL SERVANTS NOT TO SPEND BEYOND THEIR MEANS.

ON PENSION, HE SAID THE CUT-OFF POINT OF 10 YEARS WAS APPROPRIATE.

IF THE GOVERNMENT LOWERED THE CUT-OFF POINT TO ACCOMMODATE THOSE WHO WERE ONLY SIX OR SEVEN DAYS AWAY FROM QUALIFYING FOR PENSION, THEN OTHER CIVIL SERVANTS WERE LIABLE TO TRY TO MAKE DEMANDS ON OTHER GROUNDS.

+WHEN THERE IS A CUT-OFF POINT, THERE WILL BE SOME PEOPLE WHO WILL GET AND SOME WHO WILL NOT,+ HE SAID.

THE PRIME MINISTER ALSO SAID THE GOVERNMENT WAS PREPARED TO DISCUSS THE TWO ISSUES WITH CUEPACS BUT CUEPACS MUST BE PREPARED TO ACCEPT THE GOVERNMENT'S VIEWS AND NOT CONSIDER ONLY ITS VIEWS AS RIGHT.

ON THE PROPOSED VOLUNTARY MORATORIUM ON WAGE INCREASE, HE SAID IT COULD INVOLVE BOTH YEARLY INCREMENT AND NEGOTIATIONS FOR HIGHER SALARIES.

HOWEVER, THIS INTERPRETATION WAS NOT FIXED AND IT WAS UP TO THE PUBLIC TO MAKE THEIR OWN INTERPRETATION.

DATUK SERI DR MAHATHIR WILL VISIT KEDAH TOMORROW AND TERENGGANU FRIDAY.

-- BERNAMA
2252MST 29 10 86