

# Workers may get more time to repay loans

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KANGAR, Wed. — The repayment period for civil servants who took government housing and car loans may be extended following the two per cent increase in interest rates proposed in 1987 Budget.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the Government would consider this to help those affected.

He said they must, however, realise that a longer repayment period meant they would have to pay more in the long run.

"If they are prepared to fork out more to overcome their immediate problem we will definitely consider it," he said.

Dr Mahathir was speaking to reporters after meeting State Barisan Nasional leaders at Rumah Tetamu.

This is the first of a series of visits he will be making all over the country to explain the economic situation and government policies to State leaders and government officials.

He will be in Kedah tomorrow and in Terengganu on Friday.

Dr Mahathir said the Government had to increase the interest rate from four per cent to six per cent "because we cannot afford to subsidise them too much."

He said the Government had been subsidising three per cent on the loans but could not continue to do so with the increase in bank rates from seven to 11 per cent.

"Even then, we only increased it by two per cent," he added.

He said that compared with the 14 per cent interest employees in the private sector had to pay, the rate civil servants had to pay was low.

He denied that there were civil servants whose monthly instalments were more than their salary "because the Government only give loans to those who are at least 35 years old and can afford it."