

# Austerity drive has brought results, says PM

TAMPIN, Sat. — Datuk Seri Dr Mahathir Mohamad said today that the austerity drive the Government started a few years ago has brought the country's financial situation under control.

"Even the *Far Eastern Economic Review*, which has not got very many good things to say about the country, conceded in a recent issue that the Malaysian financial situation was good and tidy," he said.

The Prime Minister said that up to 1983, the Government had incurred a debt of \$50 billion.

"And the World Bank warned us that if we were not careful we would end up like other bankrupt Third World countries," he told representatives of the civil service, trade unions and associations and Barisan Nasional component party members at a dialogue at the town hall here.

"This was why the Government had to act quickly and which was why we implemented the austerity campaign," he said.

Dr Mahathir said the Government was aware that the campaign had not been popular.

"But we are not too worried about the popularity stakes because it is not important. What is important is the financial standing of the country.

"If we wanted to be tops in the popularity polls then we could have easily spent and spent like other Third World governments," he said.

Dr Mahathir said the Malaysia Incorporated policy was to practise the concept that the private and public sectors were inter-linked.

He said the people stood to gain if companies made profits because 40 per cent of it would be taxed.

Dr Mahathir said the only way to combat the present unemployment rate was to encourage foreign investors to invest in the country.

"By doing so, we hope the foreign investors would provide more job opportunities for the unemployed," he said.

"We cannot afford to wait for the local investors to invest and to create jobs for the 70,000 to 80,000 school-leavers each year," he added.