

PM: WE'LL PAY MORE WHEN WE EARN MORE

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THE Government will pay better salaries when it earns more, Datuk Seri Dr Mahathir Mohamad said.

The Prime Minister said that staff of privatised government agencies were earning more than they did when they were civil servants.

"In some cases, they earn twice as much as before. They can buy shares in their company (the privatised agency) and are paid bonus if they do well," he added in the programme *Conversation with the Prime Minister* over RTM last night.

Dr Mahathir said the chief executive of some of the privatised agencies earned as much as \$25,000 — "which is higher than my pay, higher than the salary of the Chief Secretary to the Government."

"That leaves those remaining with the Govern-

ment not getting the full benefit. But in the long run they will. We will earn more money and we will be able to pay better salaries," he said.

But he added that they "obviously cannot have their salaries doubled and they cannot be paid bonuses."

Dr Mahathir said the communist system of distributing wealth where everybody got as much as everybody else would make even the most efficient people inefficient.

"What we can do is to try and lift those who are least fortunate so that they will get a fair share of the economy," he said.

Dr Mahathir was answering questions from a panel comprising Institute of Strategic and International Studies director-general Dr Noordin Sopiee, Bank Buruh chief executive officer Tan Sri

Ramon Navaratnam and Malaysian Institute of Economic Research executive director Datuk Dr Kamal Salih.

The Prime Minister said that bureaucrats in privatised agencies had shown themselves to be more efficient in the changed environment.

He cited the case of Telecoms which he said had made many times more money after being privatised.

"For example, the Telecoms Department never thought of a Kedai Telekom (Telecom Shop) and to promote the use of the telephone," he said.

"But once in the private sector, the same government servant begins to think that in order to justify his existence, in order to earn more money and to get a bonus and better pay, he must strive to promote the success of the

company," he said.

Dr Mahathir said that privatised bodies were still subject to government regulations and "a little bit" of government interference.

For example, if road tolls were increased, the Government had to move in to protect public interest," he said.

Dr Mahathir added: "We are a democratic Government. If we don't protect the interests of the public we are not going to be re-elected. So that is always in the back of our minds."

Dr Mahathir said that "business is really not the business of the Government. When we do go into business, we do it very badly."

He said the Government was now improving the skills of civil servants and changing their attitude with new ideas.

Civil servants now had a workflow chart which enabled the Government to know exactly what to do when the job was given to a particular department, he said.

Dr Mahathir said it was wrong for civil servants to think that they had nothing to gain by working closely with the private sector as required of them under the Malaysia Incorporated concept.

There were those who felt that if they approved a scheme which enabled an entrepreneur to make millions of dollars on signing a contract, they themselves would get nothing, he said.

"Although they get nothing directly, the economy grows, taxes are paid, the Government has bigger revenue and we are able to pay them better salary," Dr Mahathir added.

The Prime Minister said the civil service had to be reduced because of the pressure on government financing given the rising cost of social expenditure due to economic growth and population growth.

With a smaller staff but without any fall in revenue, the Government could pay more to civil servants and on infrastructure and other social needs, Dr Mahathir said.

The Government's strategy was to reduce the size of the civil service and to increase revenue by running the economy efficiently and encouraging investment, Dr Mahathir said.

Asked if higher salaries would in the long run cause inflation, Dr Mahathir said that rising wages were only a problem without better productivity.