

11/12/1997

PM: Ministers, deputies took 10pc pay cut to set an example

Zainon Ahmad in Teheran

PRIME MINISTER Datuk Seri Dr Mahathir Mohamad said the 10 per cent pay cut taken by Ministers and Deputy Ministers was to set an example to the people - that every belt-tightening effort contributed towards strengthening the economy of the country.

The measure, one of several announced by Finance Minister Datuk Seri Anwar Ibrahim, who is also Deputy Prime Minister, included the three per cent pay cut taken by parliamentary and political secretaries and top civil servants and was further bolstered when Menteri Besar and Chief Ministers announced on Tuesday that they would forgo 10 per cent of their salaries.

"We must make sure that we no longer spend as we used to - at least not until the country has recovered," Dr Mahathir told Malaysian newsmen at the end of the first day of the three-day summit of the Organisation of Islamic Conference.

He said the Government was taking the necessary measures and for them to be successful, they must be supported by the people, adding that little sacrifices would help improve the economy.

"Small things like reducing the consumption of sugar from four spoonfuls to three or two will help. If everyone does this, it will reduce the amount of sugar we have to import."

The Prime Minister said if Malaysians continued to consume and spend as before, the country's import bill, because of the depreciation of the ringgit, would increase by 40 per cent.

He added that Malaysians must sacrifice a little by supporting the Government's belt-tightening measures and undertake some on their own if they did not want outsiders to come and dictate stringent measures.

He was referring to the International Monetary Fund which would dictate cuts in salaries, an increase in interest rates and clamp down on loans.

When asked, Dr Mahathir could not say for how long Malaysians would have to undertake the belt-tightening effort, but he called on everyone to do their bit for the country.

He mentioned reducing consumption of foodstuff made from wheat flour as another example.

He recalled his early days when less wheat flour was available and people turned to eating more beehoon made from rice flour instead of the "yellow mee" made from wheat flour.

To a question whether he had approached any of the Muslim countries attending the OIC summit for help, he said: "So far, we have not asked anyone for help."

He said many countries, especially those attending the summit, had still not understood the magnitude of the problem Malaysia was going through.

Dr Mahathir said he had explained to them but because Malaysia had been such a success story, they did not think the country and its people were suffering and that it was only temporary as Malaysia had the "special capability" to overcome its problem.

"I was flattered but I had to explain to them what actually happened," he said.

Dr Mahathir said it had not dawned on them that the total loss suffered by the country was a colossal sum by any account and even if Malaysia accepted an IMF bailout, it was not going to get that amount.

"The IMF gave Thailand only US\$17 billion (RM61 billion), a fraction of

what the country actually lost," he said.
(END)