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PM: Civil service needs revamping (HL)

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KUALA LUMPUR, Fri. - The public service sector must be revamped to reduce red tape which can delay the approval of applications urgently needed to revive the economy.

Prime Minister Datuk Seri Dr Mahathir Mohamad said civil servants could no longer operate at the current pace given the present economic situation.

Companies could ill-afford delays resulting from red tape, he said. There was an urgent need to speed up the administrative and procedural processes if they were to get their due.

"Time means money. Civil servants can no longer delay the approval for an application as any delay will mean losses to our clients," Dr Mahathir said when speaking at the presentation of excellent service awards to the Prime Minister's Department employees today.

Dr Mahathir said the Government relied on the private sector for funds to finance its expenditure and development.

Without the private sector to pay taxes, the Government would not have enough funds to fulfil its financial obligations, he said.

In the past, companies paid large taxes because they were making huge profits, he said, adding that there were companies which made RM2 billion in profits and 28 per cent or RM560 million was paid to the Government as taxes.

The Prime Minister said profits derived by these companies were important to the Government and to the civil servants whose salaries were paid through private sector taxes.

He lamented that the private sector was now facing problems, not because of the civil servants or the Government but pressure from outside forces which had caused the currency to weaken and the stock market to fall.

"Hence, close co-operation between the public and private sector is essential because the Government will suffer if there are less taxes to collect.

"I call on the civil servants to work harder and longer hours in carrying out their tasks. As far as possible, they should expedite all applications and cut down any red tape."

Dr Mahathir warned if the civil servants failed in their task to help the economy recover, they would suffer in the process.

Some companies had terminated the services of their workers or slashed their salaries as there was not enough work to be done, he said.

"The automobile industry which can only sell 30 per cent of their production now has to reduce the salaries of their workers. However, if the situation deteriorates, they may have to reduce the workforce."

The Prime Minister said the Government might face a situation where it had to cut down the salaries of the civil servants if it did not have enough funds.

Dr Mahathir said the country might, if it failed to recover economically, be forced to seek assistance from the International Monetary Fund.

He reminded the civil servants of the IMF's approach which would cause severe hardship for the people if it was applied.

"To IMF, if there is something which fails, it is best to wind it up.

"I have spoken to them before regarding the problems faced by some companies. Their reply was to close down these companies. They do not

bother as to what happens to the workers.

"Hence, if IMF steps in, it may want to cut expenditure through cutting salaries and closing down departments and agencies which it feels are no longer important."

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