

21 AUG 1998

Mahathir-Administration

M'SIA'S ADMINISTRATIVE SYSTEM DISTRIBUTES WEALTH FAIRLY, SAYS MAHATHIR

KANGAR, Aug 21 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the federal administrative system practised by Malaysia has proven successful distributing the nation's wealth fairly.

The prime minister said that under this system, the federal government looked at the macro aspects of the developmental needs and problems while the state governments took care of the micro aspects.

The system had helped distribute the taxes collected from the developed states to the not so capable ones, he said when opening the federal Building, here.

The system had worked well because of the efficiency of its administrators, he said.

The international community had in fact acknowledged the system as evidenced by the election of former chief secretary to the government Tan Sri Ahmad Sarji Abdul Hamid as president of the Commonwealth Administrators Association, he said.

"He was elected because of the good administrative system in Malaysia," Dr Mahathir said.

He said the system, inherited from the British after gaining independence was improved upon until Malaysia now had a good system.

With this system, the federal government was able to help Perlis, which always had a deficit budget and depended on federal allocations, he added.

"Some states with high revenue are unhappy to see the money collected from them being distributed to other states.

"But we remind the rich states that they prosper because our country is vast and includes remote and poor areas from which they also derive benefits," he said.

On the Perlis government's debts to the federal government, he said they would not be written off.

"The banks' debts can be taken over by Danaharta but not the state government's," he said in jest. Pengurusan Danaharta Nasional Bhd is an asset management company set up to buy over the non-performing loans (NPLs) of banks and financial institutions.

Earlier, Menteri Besar Tan Sri Shahidan Kassim said Perlis' deficits accumulated since 1995 totalled over RM108 million.

"Our survival depends greatly on support and assistance from the federal government," he said.

The RM41 million eight-storey Federal Building houses 21 federal departments and agencies.

-- BERNAMA

JM JK