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Govt financial admin system to be reviewed

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THE Government is reviewing its financial administration system aimed at cutting "red tapes" for the disbursement of fund for public development programmes.

At the same time, district officers and civil servants have been directed to speed up the process of approving projects so that the Government's allocation could be fully utilised and spent wisely, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

"The Government is studying the existing financial administration system which we had acquired traditionally from the British. At that time, we were not spending very much.

"Now, we are spending more than RM80 billion as allocated under the Seventh Malaysia Plan and it is not easy to disburse these funds.

"We have to check and balance but we must also make sure we spend (the allocation).

"However, based on statistics, there are signs that by the end of 1999, the large portion of the allocation will not be fully utilised because the slow disbursement of these funds," he said.

Addressing some 200 district officers and federal as well as state development senior officials at the opening of a two-day National conference in Bangi yesterday, Dr Mahathir said the Government has to review the existing system so that the allocation can be fully utilised to revitalise the country's economy and for the benefit of the people.

"We have to spend. The Government's money is for the public. If there are projects, we should expedite and speed up the process so that the money can be fully utilised for the benefit of the people. We should create the wealth among the people and the nation to prevent re-colonisation by external forces.

"It is important that those at the last stage of the transition period speed up the disbursement process and assist in the country's economic recovery," he said.

Based on the Government's track record, Dr Mahathir said, it was found that in the first month of any annual budget, only between 7 per cent and 8 per cent of the allocation were spent and to the extent, none were spent at all.

"Towards the last three months of the year, there will be a situation where a shopping crisis arose but in the end, much of the money will not be spent by the relevant authorities," he said.

Dr Mahathir defined the "red tape" as the long waiting period for approvals, and certificate of fitness. These are some of the reasons for the delay in disbursement of funds.

"I hope the district officers will take the opportunity during this conference to come up with ideas and solutions to address such problems and ensure the success of the development programmes as well as help revive the country's economy.

"If our economy is strengthened, no other external forces can take over the administration of this country from us.

"So everybody has to play their role. They have to spend, be it the Government or the ordinary people," he said, reminding his audience of the attempt by western powers to recolonise the country through economic activities, especially by the rogue international currency traders.

Dr Mahathir also reminded the responsibilities of the district officers

in carrying out the Government's policies and programmes.

"Whether they dislike the present Government or support individual leaders, they should be reminded that their responsibility is to carry out whatever government's policies and programmes.

"If they don't, the country will turn into chaos and there will be no development. If such a situation occur, we would not be able to rule the country by ourselves and we may have to turn in to beg from international financial institutions for help.

"And if we beg from these international financial institutions, they will impose condition such as opening up our market to foreign companies which have more money to buy all our banks and companies and thus, we have nothing, merely being a worker to the foreigners.

"The Government too cannot do anything, including implement its policies to help the people such as continuing with the National Economic Policy due to these conditions such as those imposed by the International Monetary Fund (IMF)," he said.

He said the Government can only collect from companies but under such condition, foreigners can force the Government not to collect tax so that they will easily take over the operation of the local companies.

"This is already happening in South America, Latin America and also East Asian countries whereby they dictate who to lead one particular country.

"However, we have managed to prevent such occurrence since we are not subscribing to IMF's conditions.

"In fact, we have been able to revitalise our economy through our own means and measures although earlier, there were criticisms towards our selective control measures. But the international community are now beginning to accept what we are doing which are found to be effective," he said.

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