

MAHATHIR-GRANTS

8) (F)
KUALA LUMPUR, MARCH 14 (BERNAMA) — AMENDMENTS WILL BE MADE TO THE CONSTITUTION TO ENABLE THE FEDERAL GOVERNMENT TO INCREASE MAINTENANCE GRANTS TO THE STATES, ACTING PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD ANNOUNCED HERE TODAY.

THE AMENDMENTS WILL BE TABLED TOWARDS THE END OF THE COMING SESSION OF PARLIAMENT BEGINNING MONDAY.

THE FEDERAL GOVERNMENT NEEDS TO GIVE BIGGER GRANTS TO THE STATES TO COVER RISING MAINTENANCE COSTS OF CERTAIN PUBLIC PROJECTS.

HOWEVER, BEFORE IT COULD DO THAT, IT MUST FIRST AMEND THE RELEVANT PARTS OF THE CONSTITUTION, OTHERWISE THE MOVE WOULD BE ULTRA VIRES THE CONSTITUTION, HE SAID.

DATUK SERI DR. MAHATHIR WAS SPEAKING TO REPORTERS AFTER CHAIRING THE NATIONAL FINANCE COUNCIL MEETING AT THE FINANCE MINISTRY HERE.

— BERNAMA MORE 1548/LK

NO511 (F)
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THE ACTING PRIME MINISTER ADDED THAT TODAY'S MEETING ALSO SOUGHT WAYS TO FORMULATE A NEW ARRANGEMENT WHEREBY THE FEDERAL GOVERNMENT NOT ONLY HELPED BUILD PUBLIC PROJECTS BUT ALSO HELPED MAINTAIN THEM.

THIS WILL INVOLVE PROJECTS UNDER +THE CONCURRENT LIST+ IN WHICH THE FEDERAL GOVERNMENT ORIGINALLY ONLY PROVIDED THE CAPITAL OUTLAY FOR THEIR CONSTRUCTION WHILE THE STATE GOVERNMENTS PROVIDED FOR THEIR MAINTENANCE.

BUT OVER THE YEARS, THE MAINTENANCE COSTS OF PUBLIC PROJECTS UNDER THE LIST SUCH AS IRRIGATION CANALS HAVE GONE UP TREMENDOUSLY.

FOR EXAMPLE, FOR THE WEST JOHORE DEVELOPMENT SCHEME, THE GOVERNMENT SPENT HUNDREDS OF MILLION OF RINGGIT TO BUILD CANALS WHOSE MAINTENANCE COSTS ALONE AMOUNTED TO BETWEEN \$10 MILLION AND \$15 MILLION ANNUALLY.

THE STATE GOVERNMENT COULD NOT AFFORD TO FOOT THIS ALONE, HE SAID. — BERNAMA MORE 1551/LK

NO521 (F)
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THE ACTING PRIME MINISTER ALSO ANNOUNCED THAT THE FEDERAL GOVERNMENT HAD DECIDED TO ALLOCATE \$140 MILLION ANNUALLY TO BUILD AND MAINTAIN LATERITE ROADS FOR VILLAGES.

FORMERLY, THESE ROADS WERE KNOWN AS +D.O.'S ROADS+ AS THEY WERE CONSTRUCTED BY THE DISTRICT OFFICES WITH STATE FUNDS.

IT COSTS \$60,000 TO BUILD A MILE OF SUCH ROAD AND PRESENTLY THE FEDERAL GOVERNMENT PROVIDES A GRANT OF \$6,200 TO STATE GOVERNMENTS TO MAINTAIN EACH MILE OF SUCH ROADS. — BERNAMA 1554/LK