

MAHATHIR-CUT
BM

BY IDZAN ISMAIL

83
KUALA LUMPUR, JUNE 30 (BERNAMA) -- THE GOVERNMENT HAS DECIDED TO SLASH ALMOST \$4 BILLION FROM THE BUDGET ALLOCATION THIS YEAR, DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY.

THE PRIME MINISTER SAID A TOTAL OF \$1.2 BILLION WOULD BE SLASHED FROM THE OPERATION EXPENDITURE AND ABOUT \$2.8 BILLION FROM THE DEVELOPMENT EXPENDITURE.

THE DECISION WAS REACHED AT THE WEEKLY CABINET MEETING HERE TODAY.

SPEAKING TO REPORTERS AFTER THE MEETING, THE PRIME MINISTER SAID THE CUT AMOUNTED TO 12 PER CENT OF THE OPERATING COST.

HE SAID THAT THE REDUCTION WAS IN LINE WITH THE GOVERNMENT'S ECONOMY DRIVE IN VIEW OF THE WORLD-WIDE ECONOMIC DEPRESSION. -- BERNAMA MORE 1543/SZ

NO51 (F)

MAHATHIR-CUT 2 KUALA LUMPUR

HOWEVER, DATUK SERI DR. MAHATHIR SAID SOME MINISTRIES WOULD GET AN INCREASED ALLOCATION, WHILE OTHERS WOULD HAVE THEIR ALLOCATION CUT.

HE SAID THAT THE FINANCE MINISTRY WOULD BE AMONG THOSE WHICH WOULD HAVE AN INCREASED ALLOCATION, WHEREAS THE DEFENCE AND EDUCATION MINISTRIES WOULD BE AMONG THOSE WHICH ALLOCATION WOULD BE REDUCED.

IT IS UNDERSTOOD THAT THE DECISION WHETHER TO CUT OR NOT WAS MADE AFTER THE CABINET REVIEWED WHICH IMPORTANT PROJECTS SHOULD BE IMPLEMENTED AT ONCE AND WHICH COULD BE DELAYED UNTIL THE ECONOMY IMPROVED.

THE 1982 DEVELOPMENT EXPENDITURE AMOUNTED TO \$14.632 BILLION, WHILE THE OPERATION EXPENDITURE STOOD AT \$17.319 BILLION.

A TOTAL OF 45.4 PER CENT OF THE DEVELOPMENT EXPENDITURE AMOUNTING TO \$6.640 BILLION WENT TO THE ECONOMIC SECTOR.

-- BERNAMA 1555/SZ