

# PM defends Cabinet decision to impose toll

**NST 14 AUG 1987**

**MALACCA, Thurs.** — The Prime Minister today defended the Cabinet decision to impose toll on motorists and other users of the completed stretches of the 640km North-South Highway (NSH).

At the same time, he stressed that the best option available to the Government to realise the construction of the NSH without aggravating its financial position and denying the people of the benefits of further development was the Cabinet decision to privatise it.

He also denounced opponents of this project as "opposers of economic development".

**Datuk Seri Dr Mahathir** said that it was time the people realised that travelling free was a myth.

He said there was no truth in allegations by certain quarters that motorists and other road users had been paying virtually nothing for using the country's roads in the past.

The truth of the matter is that motorists had been paying through such payments as road tax, car registration fees and the Government's tax on petroleum and other products, he added.

"They do not realise that these taxes are collected to offset the Government's burden of building and maintaining the country's roads," said Dr Mahathir when opening the 62.6km of the Senawang-Ayer Keroh

highway here which is part of the 640km NSH.

Dr Mahathir said that the Government decision to collect toll to finance the construction and maintenance of the NSH was the best alternative.

He said that the Government could have allowed motorists to use the highway free and instead raised the road tax, car registration fees and petroleum tax as proposed by certain quarters.

However, he said that this was unfair as motorists and other vehicle owners who use their transport only for town and kampung travel would have to subsidise those who frequent the highways.

"Therefore, it is only fair that the cost of building the highway is paid by motorists using it," he added.

Dr Mahathir said that the toll rates as announced by Works Minister **Datuk S. Samy Vellu** today were also fair.

He said that in some countries like Japan, the motorists have to pay 13 sen per km and the traffic volume was several times bigger than Malaysia's.

(Critics claimed that the low traffic volume could not bring in the desired revenue as projected by the Government to offset the costs of building and maintaining the NSH).

He added that the people should

not be misled into believing that the toll rates were too high.

The DAP proposed yesterday that the Government reconsider its 100 per cent increase in toll rates.

Dr Mahathir said motorists who still felt strongly about having to pay toll could continue to use other roads but he advised them to calculate the real costs.

He said motorists would have to travel extra kilometres using the existing roads and this could be translated into more petrol and greater wear and tear on the engines.

## Development

"So the motorist actually doesn't save by avoiding the highway."

On the DAP's call that the Government be solely responsible for building and maintaining the NSH, Dr Mahathir said certain quarters did not realise the implications of the move.

He said that the Government could, of course, adopt this proposal.

"But what will be the consequences?"

"We will have to cut our allocations for schools, hospitals and clinics and others.

"Who will the people blame if they are deprived of these facilities, if not the Government?"

Dr Mahathir said that based on these considerations, it was the Government's stand that the project be privatised.

By privatising the project, the Government need not have to allocate a huge amount of money to build the highway and later, to maintain it.

He said that the funds which would have to be allocated to the pro-

ject could then be diverted for other development projects.

Dr Mahathir said the Government could continue with its past practice of building ordinary roads instead of highways like the NSH.

However, this was not practical considering that transportation trends in the past 30 years had changed tremendously.

Speed limits had increased, requiring better standards in road building and maintenance to ensure a higher level of road safety. At the same time, highways are considered essential to the economic development of the country.

This could only be achieved by building highways that would cut travelling time, ensure road safety and spur economic development in the country.

Dr Mahathir regretted that there were certain quarters that failed to realise that the NSH was not just a highway project but an integral aspect of the Government's effort to accelerate the country's economic recovery.

He said that the NSH would benefit not just the contractor but also suppliers of the materials for the project, unemployed Malaysians, residents living nearby who could open small businesses along the highway (and who in turn, could spend their profits on buying goods in urban centres) and motorists who could drive safely within a shorter period of time.

He added that the Government also stood to gain from the project as the contractor for the entire NSH project, **United Engineers Malaysia**, would have to pay the 40 per cent corporate tax.