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Mahathir-water ' ' ' (P)

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IPOH, March 14 (Bernama) -- The Cabinet has approved \$250 million to Melaka to overcome the water problem in the state, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the aid was to enable the Melaka government to take long-term measures to overcome the problem by building pipelines from Sungai Muar to the Durian Tunggal Dam.

The Cabinet also approved \$24 million for the state government to dig a water storage pond as a short-term measure to overcome the problem, he told reporters after opening and touring the new building of the Perak branch of the Malaysian Handicraft Development Corporation in Enggor, Kuala Kangsar, about 60km from here.

The Melaka government would allocate \$10 million for the pond-digging project, he added.

Datuk Seri Dr Mahathir said the Cabinet had also decided to make public the report on the Melaka government's inquiry into the drying up of the Durian Tunggal Dam. -- more

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On the federal government's proposal to take over the supply of water from the states, Datuk Seri Dr Mahathir said: +We have yet to receive the support of all the states.

It was earlier reported that several states had expressed support for the proposal but wanted further discussions between the two parties.

The Prime Minister said states which had little water supported the proposal but those with huge supply appeared to disagree.

He explained that the federal government had no intention of keeping all the profits obtained from the supply of water under the proposal.

+All profits will be taken into account and given back to the states supplying the water to the other states,+ he said. -- more

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He said providing water supply services was actually not very profitable in view of the cost of building dams and other costs.

Datuk Seri Dr Mahathir said the main aim of the federal government's proposal was to ensure that all states received adequate water supply.

On the handicraft industry, he said the government, through the corporation, proposed to set up a multi-purpose factory to serve as a model of the new way of producing handicraft items in a profitable manner.

Various types of handicraft would be made at the factory by operators providing their own capital and workers, he said.

The factory would provide quality raw materials for the operators and help them market their products overseas, he added. -- more

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A body could be set up to run the factory and the operators involved were required to pay for the marketing services and raw materials, he said.

Asked when and where the factory would be built, he said: +The corporation can implement it at any time and anywhere. What is needed is we must ensure that there are genuine operators and workers.+

The corporation would also provide guidance on the workings of the handicraft for interested operators, he said.

Speaking when opening the training and production complex, the Prime Minister said handicraft producers were prepared to adopt modern methods to produce their goods.

Production of handicraft items as a sideline under the house must be replaced with mass production which could ensure not only quality control but also that orders were met in terms of amount and deadline, he said.

The Prime Minister, who was accompanied by Datuk Seri Datin Paduka Dr Siti Hasmah A. I., later visited the production and training workshop and toured an exhibition of handicraft items for over an hour.

Later he visited the Salmi Haji Tamin sauce factory in front of the complex before returning to Kuala Lumpur. — Bernama

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