

PM: We are not fishing for votes with tax reduction

KUALA LUMPUR, Fri. — Datuk Seri Dr Mahathir Mohamad said the reduction and abolition of taxes announced under the 1995 Budget was not to fish for votes for the forthcoming general election but has been a practice in the past decade to repay the people's support for the Barisan Nasional.

"We have had reduction in taxes nearly every year. If checked against the previous Budgets it is obvious we have been reducing taxes.

"Do not think we want to reduce the tax (this time) is only because of the general election," said the Prime Minister in Parliament House after the 1995 Budget was tabled by Finance Minister Datuk Seri Anwar Ibrahim.

He said all Budgets tabled by the Government were aimed at winning the hearts of the people but it was done because the Government knew its responsibility towards the people who elected the BN.

"We are elected by the people and there is no reason to cause hardship to them," he said.

He said the BN, being a responsible Government, wants to help the people all the time.

Asked whether he considered it an election Budget, he said:

and cautioned traders and businessmen to reduce prices accordingly.

Dr Mahathir said although the development and operational expenditure exceeded revenue, the Government was confident of collecting sufficient taxes to meet the requirements of the Budget.

He said the Government would spend less on the estimated allocations.

On the one-month bonus for the 800,000 civil servants, he said it would be paid as soon as possible, adding that the Government would not delay the bonus payment especially taking into consideration the needs of the lower income group.

"We have to consider that they have to spend more to prepare their children for the next school term," he said.

He cautioned traders and businessmen not to increase the prices of goods unnecessarily following the decision to pay the RM1 billion bonus.

"Maybe, there will be people who want to make quick profits by taking advantage of the bonus payment. If these people raise the prices of goods, we have to question the rationale for doing so. The Domestic Trade and Consumer Affairs Ministry will monitor the situation," he said.

"It must be an election Budget because there will not be any other Budget before the Government's term of office expires. The elections can be held within a year," he said in a lighter vein.

Dr Mahathir said the abolition and reduction of taxes and duties on more than 2,600 items was to reduce the burden of the people

Last year the Government paid a half-month bonus to all its employees with a minimum payment of RM400.

Dr Mahathir said the RM600 minimum payment would mean that those in the very low category of income earners could get as much as two months bonus.

On the excellent econom-

ic growth, the Prime Minister said he feared that the people might become complacent.

"It must be remembered that when incomes are increased, productivity must follow suit. It is meaningless to raise salaries when the level of productivity remains the same," he said.

Dr Mahathir said some

unions were asking for increase in wages for no reason at all.

He said it did not mean that since the country has achieved the full employment status, people should make unreasonable claims.

"For example, new engineers who just qualified are asking for exorbitant salaries although they do not

have experience.

"Many experienced engineers are not even earning as much as the claims made by the new engineers."

Dr Mahathir said the Government would administer its financial management of the economy prudently and would not spend more than necessary.

He said some developed

countries overspend and increased the salaries of their workers yearly.

"What is the use of more money when the prices of goods reflect the raise."

On the huge allocation to encourage sporting activities, Dr Mahathir said this was in preparation for the 1998 Commonwealth Games.