

# PM: A lot will be spent on IT

## The aim is to reduce digital divide

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KUALA LUMPUR, Fri. — Prime Minister Datuk Seri Dr Mahathir Mohamad, in describing the Budget as for the people, said a lot would be spent on information technology to reduce the digital divide between the urban and rural folk.

He said another significant aspect was the Government's aim to alleviate the people's burden through tax reductions while allocating more funds for various activities and programmes.

Dr Mahathir said the approach was to develop the economy further and not merely depend on taxes to fill the Government's coffers.

"Through this, it has enabled us to increase expenditure by 16 per cent. One point that has to be noted is that more than one million people now do not have to pay (personal income) tax."

Dr Mahathir said the Government was going to spend lots of money to overcome the digital divide, through measures like building smart schools.

"They are very, very expensive because of the need for equipment, software and training of teachers. Out of the one million government employees, one-third are involved in education.

"The education budget is the biggest compared to other ministries, which shows of our focus on education.

"Even non-smart schools will be provided with computers and wherever there is electricity and telephone supply, they will be connected to the Internet...all this cost money, they are not cheap."

On the absence of bonus for civil servants, he said this was because their salaries had been increased by 10 per cent which was actually higher than the one-month bonus normally given.

"The Government gives out bonus when it has the money. Instead, tax is reduced and this means more people do not have to pay, which indirectly contributes to their income."



Asked if the forecast for next year's gross domestic product was too optimistic, Dr Mahathir said it was within reach, citing as evidence this year's figure which was higher than the earlier forecast.

"Our economy is performing well, growing at a... we can achieve it unless the world economy collapses."

On the absence of a reduction in corporate tax, Dr Mahathir said the Government could not afford to give reductions in all aspects.

"Personal tax has been reduced, if we reduce all, eventually the Government will have no funds. (Yet) more schools are being built next year, with the number of teachers to be increased by 11,000," he said.

"Everything is expanding while assistance to various sectors and groups is increasing, like for women who will get special allocations through the Prime Minister's Department."

On attempts by Pas MPs to disrupt Tun Daim Zainuddin's speech, Dr Mahathir said the Opposition was angry over the use of the word "ehsan".

"I admit that previously we used the word royalty, but the fact remains that it is *wang ehsan*."

"You can call a rose by any other name but it smells just as sweet. So, whether you call it royalty or *ehsan*, it is still a rose and the rose

here is *wang ehsan*."

From the legal point, Dr Mahathir said it was *wang ehsan* as royalty would only be paid for petroleum extracted on land (Terengganu) and within three miles of the shoreline.

When it was pointed out that the State Government was prospecting for oil within the three-mile zone, he said they could do so.

"We can't do anything because that is the law, we go according to the law."

The Prime Minister was also asked about the "harsh" words the Budget had over the poor performance of Malaysian athletes at Sydney Olympics 2000.

"We have to face reality, we should not blame our athletes by giving them land, money and all kinds of things until they become arrogant."

"They think of themselves only... they must also think of what they contribute to the country."

Dr Mahathir was asked on the possible reaction of the stock market to the Budget.

Stressing that he did not know much about the market, the Prime Minister said its behaviour was sometimes peculiar.

"Sometimes it goes up, sometimes down. Sometimes, something happens in New York and it goes down. Sometimes New York goes down, it goes up, New York goes down, it goes down also."

"So, don't ask me about the stock market...this is one area I know nothing about. I don't have one sen in shares."

On the country's reserves, Dr Mahathir said it was not something to be worried about.

"Normally, it should be able to finance three months of retained import but we have more than five. We have much more than other countries in the region."

On the higher allocations for the Anti-Corruption Agency, he said the Government wanted the agency to be effective because it was difficult to detect corruption.