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Royalty-Mokhtar

OIL ROYALTIES GIVEN ON COMPASSIONATE GROUNDS, SAYS FORMER MB

KUALA TERENGGANU, June 27 (Bernama) -- The five percent oil royalties received by Terengganu annually were given by the federal government on compassionate grounds, former Menteri Besar Tan Sri Wan Mokhtar Ahmad said today.

"It is not so much an agreement but more of an understanding based on the federal government's policy of compassion. Terengganu was very backward then and this prompted the central government to extend aid in the form of royalties on compassionate grounds," he said.

Wan Mokhtar, who was Menteri Besar from 1974 until his defeat in last November's general election, said he signed documents on this "understanding" with then Petronas president Tengku Razaleigh Hamzah.

He said this in a statement which was faxed to media offices here to confirm Prime Minister Datuk Seri Dr Mahathir Mohamad's statement yesterday about the royalty issue.

"Furthermore, both the federal and state governments then were from the Barisan Nasional (BN)," he said.

In KUALA LUMPUR, Gerakan today suggested that the Terengganu state government be requested to submit a detailed proposal on how it intended to spend the royalties.

In a statement, Gerakan vice-president Dr S. Vijayarajam said the Finance Ministry should then study the proposal, disburse the money in stages and monitor its utilisation.

"The quantum can vary according to needs," he said when commenting on Dr Mahathir's statement that the federal government would have to study whether Terengganu has the right to royalty payment.

He agreed with Dr Mahathir that the federal government was responsible for ensuring that the royalty payments were used for development only, especially for poverty eradication, and not for political purposes.

-- BERNAMA

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