

MAHATHIR - OIL

79 (P)  
PENANG, JUNE 22 (BERNAMA)—THE GOVERNMENT MAY HAVE TO SPEND MORE TO SUBSIDISE THE RECENT INCREASES IN OIL PRICES, DEPUTY PRIME MINISTER (DATUK SERI DR. MAHATHIR MOHAMAD) SAID HERE TODAY.

HE SAID THE INITIAL SUBSIDY OF \$100 MILLION PROVIDED BY THE GOVERNMENT TO ABSORB THE PRICE INCREASES OF CRUDE WAS FOUND TO BE INADEQUATE.

+IT IS NOT EASY TO IMPLEMENT THIS COMPENSATION SCHEME,+ HE TOLD NEWSMEN HERE TODAY.

DATUK SERI DR. MAHATHIR, WHO IS ALSO TRADE AND INDUSTRY MINISTER, IS ON A TWO-DAY VISIT TO PENANG, WITH HIS FAMILY. THEY WERE ENTERTAINED TO LUNCH BY THE KESATUAN INDIA MUSLIM MALAYSIA (KIMMA) TODAY.

HE SAID THE GOVERNMENT WANTED TO ENSURE THAT CONSUMERS WERE GETTING OIL AT PRICES FIXED BY THE GOVERNMENT.

+BUT WE ALSO HAVE TO MAKE SURE THAT OIL COMPANIES GET A FAIR AMOUNT OF PROFIT,+ HE ADDED. —BERNAMA MORE 1905/MD

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THE GOVERNMENT REALISED THAT OIL COMPANIES WERE NOT HAPPY WITH THE RECENT INCREASE IN OIL PRICES.

THEY HAD ASKED FOR AN 18.4 SEN INCREASE A GALLON FOR PETROL BUT THE GOVERNMENT ALLOWED ONLY A 10-SEN HIKE.

ON THE PRICES OF IMPORTED FRUITS WHICH HAD REMAINED HIGH DESPITE THE CUT IN THEIR IMPORT TAX, DATUK SERI DR. MAHATHIR SAID IT WAS TIME FOR THE PEOPLE TO TURN TO LOCAL FRUITS.

HE AGREED THAT THE TAX REDUCTION WAS MINIMAL AND URGED THE PEOPLE TO +LEAVE THE IMPORTED FRUITS TO ROT.

+BASICALLY, IT IS THE PEOPLE WHO CONTROL THE PRICE AND IF THEY CONTINUE TO DEMAND FOR IMPORTED FRUITS, NATURALLY THEIR PRICES WILL BE HIGH,+ HE ADDED.

EARLIER, WHILE ADDRESSING IMMA MEMBERS, DATUK SERI DR. MAHATHIR SAID MALAYSIA'S FUTURE IN DEVELOPMENT AND HARMONIOUS LIVING WAS BASED ON THE CLOSE COOPERATION AND UNDERSTANDING AMONG THE VARIOUS COMMUNITIES. —BERNAMA 1910/MD