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MAHATHIR-INFLATION RRR
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MELAKA, JULY 22 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THAT THE PEOPLE SHOULD NOT THINK THAT THE COUNTRY'S ECONOMIC POSITION WILL AUTOMATICALLY IMPROVE FOLLOWING THE WORLD ECONOMIC RECOVERY.

THE PRIME MINISTER SAID THE ECONOMIC RECOVERY OF A COUNTRY DEPENDED ON THE MEASURES TAKEN BY THAT PARTICULAR COUNTRY.

+THE ECONOMIC RECOVERY OF THIS COUNTRY RESULTED FROM THE CAUTIOUS STEPS TAKEN TO CHECK THE TENDENCY TOWARDS GREATER INFLATION AND IT IS BECAUSE OF THIS THAT MALAYSIA'S INFLATION RATE HAS BEEN CONTAINED AT ONLY THREE PER CENT,+ HE SAID BEFORE HOLDING A DIALOGUE WITH MELAKA BARISAN NASIONAL LEADERS AND HEADS OF GOVERNMENT DEPARTMENTS AT +SERI BENDAHARA+ HERE,

DATUK SERI DR MAHATHIR THEN STRESSED THE NEED FOR COOPERATION AMONG POLITICAL GROUPS, THE PRIVATE SECTOR, TRADE UNIONS AND THE WORKERS +BECAUSE SUCH COOPERATION IS VERY NECESSARY TO BRING ABOUT GREATER ECONOMIC GROWTH,+

+IF ALL QUARTERS WORKED IN TANDEM, THE BENEFITS WILL BE TREMENDOUS AND AVAILABLE TO ALL, WE NEED NOT ASK FOR ANYTHING BECAUSE WE WILL HAVE ENOUGH ALLOCATIONS FOR ALL AMENITIES,+ HE SAID.
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MAHATHIR-INFLATION 2 MELAKA RRR

HE SAID COMPARED TO OTHER COUNTRIES, LIKE SOME LATIN AMERICAN COUNTRIES, MALAYSIA SHOULD BE THANKFUL THAT IT WAS ABLE TO OVERCOME THE ECONOMIC RECESSION.

+WHEN WE READ FOREIGN MAGAZINES WE WILL FIND THAT INFLATION IN SOME LATIN AMERICAN COUNTRIES REACHED UNIMAGINABLE PROPORTIONS. INFLATION IN BRAZIL THIS YEAR IS 2,500 PERCENT! PERU 4,000 PERCENT AND NICARAGUA 25,000 PERCENT,+ HE SAID.

THEREFORE MALAYSIANS SHOULD BE THANKFUL THAT THE ECONOMIC RECESSION HAD BEEN OVERCOME EVEN THOUGH SOME GROUPS CLAIMED IT WAS DUE TO THE GLOBAL ECONOMIC SITUATION, THE PRIME MINISTER SAID.

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT HAD TO REDUCE DEVELOPMENT ALLOCATION UNDER THE FIFTH MALAYSIA PLAN FROM 870 BILLION TO 947 BILLION DUE TO THE RECESSION IN 1985 AND 1986.

HE SAID THAT THE COUNTRY'S INFLATION RATE WOULD BE HIGHER IF THE PEOPLE WERE EXTRAVAGANT, THE PEOPLE SHOULD CONTINUE TO LIVE WITHIN THEIR MEANS, HE SAID. -- MORE

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U E707 AAE
MAHATHIR-INFLATION 3 MELAKA RRR

+WE CANNOT MAKE EXCESSIVE DEMANDS BECAUSE IF THIS HAPPENS! THE GOVERNMENT MAY BE FORCED TO INCREASE TAXES AND INDIRECTLY1 PRICES OF GOODS WIL GO UP FURTHER AND PEOPLE WILL FIND THE MONEY THEY EARN INADEQUATE,+ HE SAID.

THE PEOPLE, HE SAID, SHOULD HELP CHECK INFLATION1 ADDING THAT +THE MORE WE MAKE DEMANDS, THE GREATER WILL BE THE PRICE HIKE FOR GOODS . +

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT WAS +NOT A DAVID COPPERFIELD+ AND IT HAD TO SEEK FUNDS FROM THE PEOPLE THROUGH TAXES FOR DEVELOPMENT PURPOSES.

HE SAID THAT REVENUE COULD INCREASE IF ECONOMIC ACTIVITIES, INCLUDING TOURISM-PROMOTION EFFORTS, WERE CARRIED OUT SMOOTHLY. THE GOVERNMENT, HE ADDED, WANTED TO FURTHER DEVELOP THE ECONOMY TO BRING ABOUT GROWTH AND, AMONG OTHER THINGS, GREATER EMPLOYMENT OPPORTUNITIES.

+IF THE ECONOMIC POSITION IMPROVED, THE GOVERNMENT WILL BE ABLE TO COLLECT MORE TAXES AND THE MONEY USED TO PAY NOT ONLY WORKERS' SALARIES BUT ALSO IMPLEMENT DEVELOPMENT PROGRAMMES AND GIVE SUBSIDIES TO THE POOR,+ HE SAID. -- MORE
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MAHATHIR-INFLATION 4 MELAKA RRR

DATUK SERI DR MAHATHIR SAID THAT WAS WHY THE GOVERNMENT CONCENTRATED ON ECONOMIC GROWTH BY DRAWING MORE FOREIGN INVESTMENTS AND +IF ALL THE ACTIVITIES WENT ON SMOOTHLY, IT WILL BE THE NATION THAT WILL BENEFIT.+

HE SAID HE WAS THANKFUL THAT THERE WAS NOT MUCH RED TAPE IN MALAYSIA AS THIS WOULD CURTAIL ECONOMIC GROWTH. -- BERNAMA
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