

Be wary of inflation, Dr M tells people

By M. Veera Pandiyan

MALACCA, Sat. — The Prime Minister said today the people should be wary of inflation now that the country's economy had recovered.

He said that although the three per cent inflationary rate was still low compared to that in other developing countries, the people should control it by working harder and spending less.

Datuk Seri Dr Mahathir Mohamad said there was a danger from "imported inflation" through goods bought from foreign countries.

"If we cannot afford it, we should not spend," he told Barisan Nasional component party leaders and members at *Seri Bendahara*, the Chief Minister's residence.

He said the people should not forget the impact of the recession during the past few years, adding that the Government had succeeded in overcoming the difficult period through its stringent

policies and with the people's co-operation.

Dr Mahathir dispelled claims that the country's economy recovered "naturally" from the influence of the world economy.

For example, he said, some Latin American countries were still badly hit with inflationary rates of up to 2,500 per cent.

"One country (Nicaragua) even has an inflation rate of 25,000 per cent," he added.

Earlier, Dr Mahathir said politicians, government administrators, the private sector and workers must work together to further strengthen the economy.

"This is the essence of the Malaysia Incorporated concept aimed at making the country richer and more developed," he said.

Dr Mahathir said workers should think in the long-term and work towards making the country more prosperous instead of just asking for higher wages.

He said that in countries

such as Taiwan, South Korea and Hong Kong, workers who used to get much lower wages than Malaysians were now earning more and are leading a better life because the countries had prospered.

Later, the Prime Minister launched the Malacca Historical City celebrations and *Karnival Melaka* at the Expo Centre in Air Keroh.

In his speech, he said the people should maintain unity and harmony through tolerance and mutual respect.

He said Malaysia had achieved much in unity since independence by rejecting extremist stands and views.

"In fact, we can even say that Malaysia leads other multiracial countries with our record."

Dr Mahathir, however, said the people should not be complacent but should work at improving unity.

He said the country's multiracial government understood the importance of tolerance and harmony

"We have always been prepared to work together and set aside differences for the sake of the country's well-being."

Earlier, Dr Mahathir said history was vital because it taught the people the strengths and weaknesses of past rulers.

However, there was no use in reliving past glories just for the sake of history. Neither should Malaysians "hate" the colonial powers for having ruled the country, he said.

"For example, we should not be ashamed of using the replica of the *Flor de la Mar* and other relics because they are part of our history," he added.

Dr Mahathir and Datuk Seri Dr Siti Hasmah Ali rode in a float built in the shape of the *Flor de la Mar* to the site of the opening ceremony.

About 50 girls bearing *bunga manggar* and dressed in traditional costumes escorted the ship.