

MAHATHIR-PADI

BM

SHAH ALAM, AUG 16 (BERNAMA) -- THE GOVERNMENT WILL RAISE THE PADI PRICE SUBSIDY BY 50 PER CENT TO \$15 A PICUL, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

HE SAID THE PRESENT SUBSIDY OF \$10 WAS NO LONGER APPROPRIATE AT A TIME WHEN THE INCOME OF RUBBER AND OIL PALM SMALLHOLDERS HAD INCREASED.

+THIS IS NOT BECAUSE OF THE ELECTION BUT BECAUSE THE GOVERNMENT FEELS THAT THE PADI PRICE SUBSIDY HAD NOT BEEN RAISED IN A LONG TIME,+ HE SAID WHEN LAUNCHING THE 1990 NATIONAL FARMERS', LIVESTOCK-BREEDERS' AND FISHERMEN'S DAY AT THE MALAYSIAN AGRICULTURAL PARK IN BUKIT CERAKAH HERE.

THE ANNOUNCEMENT BY THE PRIME MINISTER WAS APPLAUDED BY THE THOUSANDS OF FARMERS, LIVESTOCK-BREEDERS AND FISHERMEN WHO HAD GATHERED FOR THE CELEBRATION, HELD FOR THE FIRST TIME IN A JUNGLE SETTING.

THE PRIME MINISTER'S WIFE, DATUK SERI DATIN PADUKA DR SITI HASMAH ALI, AGRICULTURE MINISTER DATUK SERI SANUSI JUNID, SELANGOR MENTERI BESAR TAN SRI MUHAMMAD HAJI MUHAMMAD TAIB, KELANTAN MENTERI BESAR TAN SRI HAJI MOHAMED YAACOB, SEVERAL OTHER MINISTERS, DEPUTY MINISTERS AND SENIOR GOVERNMENT OFFICERS WERE PRESENT. -- MORE
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DATUK SERI DR MAHATHIR TOLD REPORTERS LATER THAT THE \$10 PRICE SUBSIDY HAD BEEN IN FORCE FOR MORE THAN 10 YEARS.

HE SAID THE GOVERNMENT CHOSE TO RAISE THE SUBSIDY RATHER THAN ALLOW RICE TO BE SOLD AT HIGHER PRICES.

HE SAID THE CABINET, AT ITS MEETING YESTERDAY, FELT THAT PADI FARMERS SHOULD BE GIVEN ASSISTANCE AFTER IT HAD DISCUSSED A WORKING PAPER PRESENTED BY THE NATIONAL PADI AND RICE AUTHORITY (LPN).

THE PAPER DID NOT PROPOSE AN INCREASE IN THE PRICE SUBSIDY BUT EXPLAINED THE AUTHORITY'S PERFORMANCE, HE SAID.

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT SPENT \$270 MILLION ANNUALLY TO PROVIDE THE \$10 SUBSIDY, AND THAT THE INCREASED SUBSIDY WOULD INCUR AN ADDITIONAL EXPENDITURE OF ABOUT \$120 MILLION.

HE SAID THE NEW PRICE SUBSIDY WOULD BE ENFORCED IMMEDIATELY BUT HE ADDED THAT LPN MIGHT TAKE SOME TIME TO IMPLEMENT IT. -- BERNAMA
1712MST 16 08 90