

D568

U E336 AAE  
MAHATHIR-INFLATION R R R  
BM

LUMUT, AUG 27 (BERNAMA) -- THE GOVERNMENT IS CARRYING OUT A COMPREHENSIVE STUDY ON THE IMPLICATIONS OF AN OIL PRICE INCREASE ON THE PRICES OF GOODS, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE OUTCOME OF THE STUDY, WHICH WAS EXPECTED TO TAKE A WEEK, WOULD BE USED TO EDUCATE THE PEOPLE ON WHAT THEY COULD DO TO PREVENT UNREASONABLE HIKING OF PRICES OF GOODS ON THE EXCUSE OF THE OIL PRICE INCREASE, HE SAID.

THE GOVERNMENT WILL HOLD TV TALK-SHOWS TO EXPLAIN THE MATTER TO THE PEOPLE BECAUSE THEIR COOPERATION WAS VITAL IN CHECKING PRICE INCREASES, HE TOLD A NEWS CONFERENCE AFTER A CLOSED-DOOR MEETING WITH PERAK BARISAN NASIONAL LEADERS HERE TODAY.

WITHOUT THE COOPERATION OF THE PEOPLE, THE GOVERNMENT MIGHT NOT BE ABLE TO CHECK PRICE HIKES BECAUSE THE PRICES OF ONLY EIGHT TYPES OF ESSENTIAL GOODS WERE CONTROLLED, HE SAID.

DATUK SERI DR MAHATHIR SAID THE GOVERNMENT REALISED THAT THERE WERE PEOPLE WHO WOULD TAKE ADVANTAGE OF AN INCREASE IN THE PRICE OF OIL TO RAISE THE PRICES OF OTHER GOODS. -- MORE  
1906MST 27 08 90

D573

U E340 AAE  
MAHATHIR-INFLATION 2 LUMUT

+WE WILL NOT ACCEPT THIS,+ HE SAID, ADDING THAT IF NECESSARY THE GOVERNMENT WOULD USE ALL EXISTING LEGISLATION, INCLUDING THE ANTI-HOARDING LAWS, TO PREVENT IT.

HOWEVER, HE SAID, THE GOVERNMENT FELT THAT IT WOULD NOT HAVE TO USE THESE LAWS IF THE PEOPLE HELPED THEMSELVES BY NOT BUYING NON-ESSENTIAL GOODS, THE PRICES OF WHICH HAD BEEN RAISED INDISCRIMINATELY.

THE PRIME MINISTER SAID THE STUDY, NECESSITATED BY THE GULF CRISIS, WAS BEING UNDERTAKEN BY THE MINISTRY OF TRADE AND INDUSTRY, BANK NEGARA AND THE MINISTRY OF FINANCE.

THE STUDY COVERED ALL KINDS OF GOODS, INCLUDING LUXURY GOODS AND IMPORTED GOODS AND SERVICES.

HE EXPLAINED THAT IF, FOR EXAMPLE, THE PRICE OF OIL ROSE BY 50 PER CENT IT DID NOT MEAN THAT PRICES OF GOODS SHOULD ALSO GO UP BY AS MUCH ON THE EXCUSE THAT COSTS HAD RISEN. -- MORE

1916MST 27 08 90

U E348 AAE  
MAHATHIR-INFLATION 3 LUMUT

OIL ONLY MADE UP A PART OF THE COST OF TRANSPORT AND PRODUCTION, HE SAID.

TRANSPORT COST ALSO DID NOT TOTALLY DEPEND ON THE COST OF OIL BUT DEPENDED ALSO ON OTHER FACTORS, INCLUDING MANAGEMENT COSTS, WAGES AND OVERHEAD COSTS, HE ADDED.

DATUK SERI DR MAHATHIR ALSO ASKED THE MASS MEDIA TO HELP BY NOT RAISING THE PSYCHOLOGY OF INFLATION IN THE PEOPLE.

ON NATIONAL OIL PRODUCTION, HE SAID THERE WAS A POSSIBILITY OF THE COUNTRY STEPPING UP PRODUCTION TO THE MAXIMUM, UP TO 650,000 BARRELS PER DAY, FROM THE CURRENT 605,000 BARRELS IF COUNTRIES FACED WITH A SHORTAGE OF OIL ASKED MALAYSIA FOR ASSISTANCE.

HE SAID MALAYSIA HAD NO INTENTION OF TAKING ADVANTAGE OF THE OIL SHORTAGE FOLLOWING THE GULF CRISIS TO MAKE PROFITS. IT WAS ONLY STEPPING UP PRODUCTION TO MEET REQUESTS FROM COUNTRIES FACED WITH A SHORTAGE. -- MORE

1935MST 27 08 90

U E349 AAE  
MAHATHIR-INFLATION 4 LUMUT

DATUK SERI DR MAHATHIR SAID MALAYSIA NOW SUPPLIED OIL TO THE PHILIPPINES AND HAD AGREED TO A REQUEST FOR THE COMMODITY FROM INDIA.

HE SAID PRODUCTION HAD NOT REACHED MAXIMUM AND IF OTHER COUNTRIES REQUIRED OIL, THE COUNTRY WAS PREPARED TO SUPPLY THEM.

THE OIL WOULD BE SUPPLIED DIRECT TO THE COUNTRIES IN NEED BECAUSE THE GOVERNMENT DID NOT WANT ANY QUARTER TO TAKE ADVANTAGE OF THE SITUATION, HE SAID.

ON THE NATIONAL ECONOMIC CONSULTATIVE COUNCIL (NECC), HE SAID THERE WAS NO QUESTION OF DISSOLVING THE COUNCIL FOLLOWING ITS FAILURE TO ARRIVE AT A CONSENSUS.

THE GOVERNMENT WANTED TO HEAR THE VIEWS OF THE COUNCIL, HE SAID, EXPLAINING HIS STATEMENT YESTERDAY THAT THE GOVERNMENT WOULD FORMULATE THE POST-1990 NATIONAL ECONOMIC POLICY ON ITS OWN IF THE NECC DID NOT REACH A CONSENSUS.

HE SAID THAT AS THE COUNCIL HAD NOT REACHED A CONSENSUS, THE GOVERNMENT WAS NOT BOUND BY ITS DECISIONS. -- BERNAMA  
1944MST 27 08 90