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MAHATHIR-GULF
BM

KUALA LUMPUR, SEPT 8 (BERNAMA) -- PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD TODAY ADVISED MALAYSIANS TO BE PREPARED TO FACE THE EFFECTS OF A LONG DRAWN-OUT CRISIS IN THE GULF.

THE PEOPLE SHOULD ACCEPT THE FACT THAT THE GULF CRISIS WOULD NOT BE RESOLVED SOON AS THE PROBLEM WAS QUITE COMPLEX, HE ADDED.

THIS WAS BECAUSE ONE SIDE COULD NOT WITHDRAW WHILE THE OTHER SIDE COULD NOT ATTACK, RESULTING IN A STALEMATE.

+INEVITABLY, THE CRISIS WILL HAVE AN EFFECT ON OIL PRICE,+ THE PRIME MINISTER TOLD A NEWS CONFERENCE AFTER CHAIRING A MEETING OF THE UMNO SUPREME COUNCIL HERE.

DATUK SERI DR MAHATHIR SAID THE RISE IN OIL PRICE WOULD BENEFIT MALAYSIA BECAUSE ALL OF ITS OIL WAS EXPORTED BUT ADDED THAT IT WOULD BRING HARDSHIP TO POOR COUNTRIES. -- MORE
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+EVEN IF RICH NATIONS ARE FORCED TO PAY HIGH PRICES FOR OIL, THEIR ECONOMY WILL ALSO BE AFFECTED,+ HE SAID.

THE PRIME MINISTER SAID THAT IF THE UNITED STATES, FOR INSTANCE, WAS FORCED TO PAY A VERY HIGH PRICE FOR OIL, ITS ECONOMY WOULD DECLINE AND THIS WOULD AFFECT MALAYSIA'S TRADE WITH THAT COUNTRY AND ALSO WITH EUROPE.

+AS IT WILL HAVE A BAD EFFECT ON US ... SO WE DON'T LIKE AN INCREASE IN OIL PRICE,+ HE SAID.

HE SAID THE OIL PRICE SHOULD ONLY BE RAISED TO A REASONABLE LEVEL AND NOT TOO HIGH, AND ADDED THAT THE RISE SHOULD BE GRADUAL.

ON THE 0.5 PER CENT RISE IN THE BASE LENDING RATE (BLR), THE PRIME MINISTER SAID THE INCREASE WOULD NOT HAVE A BAD EFFECT ON THE BANKING INDUSTRY AND THE PEOPLE'S CAPACITY TO BORROW FROM BANKS. -- MORE

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ASKED WHETHER THE GOVERNMENT HAD ABOLISHED THE AGE CONDITION FOR MALAYSIANS VISITING CHINA, DATUK SERI DR MAHATHIR SAID PEOPLE BELOW 30 YEARS WERE STILL NOT PERMITTED.

HOWEVER, THIS RULING WAS NOT RIGID AND THE GOVERNMENT WOULD CONSIDER EACH CASE ON ITS MERIT, SUCH AS THE NEED TO VISIT CHINA TO SEEK MEDICAL TREATMENT.

SEVERAL CHINESE NEWSPAPERS TODAY REPORTED THAT THE GOVERNMENT HAD WAIVED THE CONDITION FOR VISITS TO CHINA. -- BERNAMA
1818MST 08 09 90