

How Malaysians can help to curb inflation

LANGKAWI, Thurs. — Prime Minister Datuk Seri Dr Mahathir Mohamad today called on Malaysians to play a role in curbing inflation by reducing dependence on goods produced by inflation-ridden countries.

He said buying goods from these countries would cause Malaysia to experience similar inflationary problems.

Dr Mahathir said the Government through Bank Negara had played its role to arrest inflation.

"One good example is that

we have increased interest rates for loans to reduce the demand for imported goods," Dr Mahathir said when asked by reporters to comment on the two new monetary measures taken by Bank Negara to curb domestic consumption and inflation.

Bank Negara announced yesterday that it had raised the statutory reserve requirement of commercial banks, finance companies and merchant banks by one per cent and required all finance companies to re-

strict hire purchase loans for motor vehicles to 75 per cent of the market values.

The Prime Minister said people should only buy goods according to their means and not resort to purchasing expensive items.

When asked whether Bank Negara's move to tighten up the hire purchase loans would affect the Proton Saga car industry, Dr Mahathir said: "We do not want the people to buy Proton Sagas and owe millions of ringgit."

Dr Mahathir said many

people had bought goods on hire purchase and could have spent beyond their capabilities.

On the by-elections in Kelantan, he said Umno would leave it to the court to decide whether the Sungai Pinang and Limbungan State by-elections should be stopped.

"If the court decides that there is no need to hold by-elections, then there won't be any by-election for the two seats," he said when commenting on a report that Barisan Nasional can-

didates Haji Noordin Salleh and Haji Wan Mohamad Najib Wan Mohamad had filed a writ against the Kelantan State Legislative Assembly and the Election Commission in a bid to stop the by-election process.

"As far as I know, there are two more cases related to the by-elections pending in court," Dr Mahathir said.

The by-elections for the two State seats were called after the seats were declared vacant by the Kelantan Legislative Assembly on July 3.