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Hats off to those who answer clarion call

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AS we commend the Government for initiating tough measures to curb profiteering during these difficult economic times, we must reserve the greater praise for those civic-minded companies and businessmen who have gone out of their way to reduce prices or to check further increases.

Prime Minister Datuk Seri Dr Mahathir Mohamad said upon his return on Friday from the Organisation of Islamic Conference (OIC) summit in Teheran that the Government may be forced to reintroduce the anti-proftiteering law which was in force during the 1948-1961 Emergency if traders continued to raise prices indiscriminately.

This is the time when a friend in need is a friend indeed. We need each other now more than ever. The people need the Government and the Government needs the people.

So, we say "thank you" to the Prime Minister, Ministers, Menteri Besar, Chief Ministers and other politicians for taking pay cuts. The same goes for senior civil servants.

But, above all, we thank those companies, trade associations and businessmen who have responded positively to the call to help check price increases.

More and more of them are coming forward to answer the call to help ease the effects of the present economic problems.

Perhaps, these are the people and companies that should receive the nation's various awards, including royal honours, and not those who make millions in good times and donating a couple of hundred thousand ringgit to well-connected charities, but have no qualms about raising prices at the slightest opportunity.

Then, there are those who are like the bees. They swarm around the blossom, making as much noise as possible to announce their presence in good times but disappear to southern France, London or Hollywood when times are bad.

Our vote of thanks goes to Sime Darby for lowering the prices of its cooking oil, the Federation of Schoolbus Operators for deciding not to raise fares for two years and to various trade associations for their pledges to keep prices down.

Their sincerity is being put to test following a series of announcements regarding the benchmarking of cooking oil prices, the raising of the farmgate price of chicken and the impending increase in sugar, wheat flour and condensed milk prices.

The prices of palm oil-based and blended cooking oils have been benchmarked at RM3.30 and RM3.60 per kilogram respectively.

The farmgate price of chicken went up immediately by 15 sen a kg while prices of sugar and flour will go up by 25 sen and 20 sen per kg respectively and sweetened condensed milk by 10 sen for every 397-gm can from Feb 1.

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IT is disappointing to hear a senior politician say these increases were "only by a few sen" (Malay Mail, Dec 11) when he justified the advance announcement of the upward price adjustments for sugar, flour and condensed milk.

It may be a few sen to the rich and the high income earner and will not cause a big dent to the pocket of somebody who is paid RM11,200 a month plus several thousand ringgit in allowances even after a 10 per cent pay

cut.

But when you add up the few sen here and the few sen there, the increases will make a big dent to the pockets of the average salary earners, farmers, taxi drivers and pensioners.

Admittedly, there is a limit to which prices can be controlled or regulated without risking short-term supply and demand imbalances and long-term market distortions.

But this does not mean that the argument of the Federation of Malaysian Consumers Association (Fomca) president, Professor Hamdan Adnan, regarding the effects of an advance announcement of price increases merits no attention.

Hamdan said the authorities should have considered the psychological effect of price increases on the people and the likely implications of an advance notice of the hikes.

He said less than a week after the Government had announced a freeze on salary increases of certain categories of civil servants, it was disheartening for consumers to hear that prices of some essential goods were being increased.

He expressed fear that an advance notice of the price hikes on sugar, flour and condensed milk might encourage panic buying and hoarding.

In fact, shortly after the announcement was made, enforcement officers stumbled upon a warehouse in Negri Sembilan that kept 85 tonnes of sugar - twice the amount it was allowed to keep under the provisions of the Control of Supplies Act 1961.

The warehouse owner has since been charged and fined RM10,000 by the magistrate's court.

Judging from previous experience, it is almost impossible to stop unscrupulous traders from holding on to their existing stocks and selling them at higher prices later.

The consumers, on the other hand, may start building their own stocks as the commodities involved are durables. This often leads to shortages.

The argument that an advance announcement is needed to avoid shortages is difficult to justify as the trade in two of the items - sugar and wheat flour - is monopolistic in nature.

In fact, sugar is imported through a long-term contract negotiated by the Government.

It is understood that the new contract had just been concluded with Australian suppliers.

Having made the announcement almost two months ahead of the date of the price increase, it will be interesting to see how the Ministry of Domestic Trade and Consumer Affairs manages the supply and demand of these items between now and Feb 1.

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THE notion that all farmers are doing well because their produce is fetching a good price cannot be further from the truth.

Many, like padi farmers, are suffering because while on the one hand the prices of their produce are controlled, the cost of farm inputs such as fertilisers, pesticides and weedkillers has gone up.

Some may be doing all right but most are not. Even those who are seen to be doing well as reflected by the sizes of their houses, their motorcycles and motorcars are able to do so not on account of their farms.

They live a fairly comfortable life because they receive money from their children who are working for the Government and the private sector or are in business.

Even the poorest among the farmers have sons or daughters who are employed as police officers, soldiers, factory workers and shop assistants.

The success of the younger generation of the farming community in freeing themselves from the clutches of poverty has less to do with the advancement in agriculture than with education.

Widespread education in the past three to four decades has enabled children of rural families to obtain steady jobs with the Government and private sector. They are now paying back their ageing parents for their toil and sacrifices by sending them money.

Having announced an additional RM22 million for fertiliser assistance and lowering the price of seeds for the padi farmers on Thursday, Agriculture Minister Datuk Amar Dr Sulaiman Daud should deepen his knowledge of the problems faced by these people.

He might have been told that padi farmers have a very dim view of his ministry and its officers.

Hidden behind last Saturday's appeal by the Mada Area Farmers Organisation committee chairman, Datuk Ismail Arshad, to the Government to raise the padi price subsidy is the farmers' disappointment with the way their repeated pleas had been rejected by the authorities.

Speaking to the Press after a stormy emergency meeting of the organisation in Alor Star, Ismail made another appeal for higher padi subsidy, citing increased production costs.

He said while production costs had risen by 45 per cent from RM2,009 per hectare in 1995 to RM2,904 per hectare this year, the padi price had remained at RM49.60 per 100kg with a subsidy of RM24.81 per 100kg since 1990.

Ismail said the lack of response from the Agriculture Ministry to appeals made over the last six months had left the farmers frustrated.

The Government could be responding to these latest appeals by increasing the fertiliser assistance and lowering the price of seeds from RM1.40 to RM1 per kilogram.

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UNTIL we are able to come up with a viable alternative to the present food production system, which is largely smallholder-based, the plight of padi farmers, vegetable growers and chicken breeders cannot be dismissed lightly.

This is especially so when the economy is going through a difficult time. Our hefty food import bill is becoming heftier on account of currency differentials alone.

To attain self-sufficiency in food, we have to set aside more land for agriculture.

Alas, this is not an easy task. State Governments which are in control of land are more keen to alienate it for golf courses and commercial development than for food production.

In recent years more and more agricultural land is being converted for commercial and industrial applications with the approval of State Governments. This is even the case with Mada, the largest padi-growing area in the country, where precious land is being converted for housing and commerce.

With one million hectares of existing agricultural land reported to have been abandoned due to manpower shortage and other reasons, there is no real need to open new land for food production.

I am sure that State and local politicians still have enough influence and courage to convince landowners to share their otherwise unproductive land with companies and individuals who are willing to consolidate and farm it on a commercial scale.

The Federal Land Consolidation and Rehabilitation Authority (Felcra) has been doing this for years with considerable success in the cultivation of oil palm, rubber and padi.

This is also the best way of utilising whatever is left of the energy of the thousands of dadah addicts in rehabilitation centres and the foreign workers who will most certainly lose their jobs as the economy slows down.

Sadly, however, in spite of repeated calls for the commercialisation of food production and the offer of special incentives by the Government via the budget, the response has been disappointing.

Neither the Agriculture Ministry, which is supposed to be the linchpin of the country's food production, nor the plantation sector, which is the target of the Finance Ministry's budgetary offer, has shown much interest.

It is unfair and counterproductive to blame small farmers for employing unproductive farming methods or to declare coconut growing as a sunset industry if a more efficient and productive method is not introduced.

It will make a difference almost immediately if large plantation companies are to devote only a fraction of their huge acreage to food production.

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