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PM: Need to curb profiteering (HL)

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PETALING JAYA, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today the Government may be forced to introduce legislation to curb profiteering, similar to the days of the Emergency, if traders continued to indiscriminately raise prices.

"I want to know why the prices of goods are rising. We will investigate and propose ways to stop price increases. During the Emergency, we had laws to curb profiteering. We will consider similar laws," he said.

Dr Mahathir was speaking to reporters at the Sultan Abdul Aziz Shah International Airport in Subang on arrival from Teheran, Iran, where he had attended the Organisation of Islamic Conference's heads of government meeting.

He was asked to comment on price increases of other items besides sugar, flour, condensed milk and full cream milk which would be sold at a new Government-fixed price from Feb 1.

Presently the Price Control Act 1946 ensures that the prices of controlled items are not increased by traders without prior approval from the Government.

The Control of Supplies Act 1961 ensures that they do not hoard goods to force an increase in the prices.

Dr Mahathir's remarks today were consistent with his earlier statement on Nov 30 that the Government would seek new measures to deal with profiteers.

He had then rebuked manufacturers who took advantage of the current economic problems as a result of the manipulative attacks on the ringgit and indiscriminately raised prices of goods.

He dismissed these unscrupulous traders as unpatriotic and saboteurs of the national economy.

Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid Megat Ayob announced on Wednesday that prices of sugar, flour and sweetened condensed milk would be raised by between 10 and 25 sen effective Feb 1.

From that date, sugar will be sold at RM1.45 a kg, (up 25 sen), flour RM1.20 a kg (up 20 sen) while a 397gm tin of condensed milk will cost RM1.60 (up 10 sen) and a 525gm tin RM2.05.

A 397gm tin of full cream milk will cost RM1.75 and a 525gm tin RM2.20.

Sugar and milk will be sold at 10 per cent more in Sabah and Sarawak than the new price in Peninsular Malaysia due to transportation costs.

The farmgate price of chicken had also been raised by 15 sen per kg.

The Government-approved price for a kilogramme of cooking oil (pure olein) is RM3.30 and for blended oil RM3.60. The new price will come into force on Tuesday.

Responding to a question on the salaries of private company executives, Dr Mahathir said some of the companies which paid "unreasonably high" salaries to their executives should reduce them.

He said salaries of top and middle-rung executives as well as fresh graduates should not be unreasonably high as this would affect the companies' profits and production costs.

Dr Mahathir said private companies should not accommodate demands by executives or even fresh graduates like engineers for salaries twice or triple the normal rate.

"One reason for a company's high operating costs is excessive salaries

for top, middle-rung staff and ... engineers fresh from university," Dr Mahathir said.

In the light of the current economic problems as a result of the manipulative attacks on the ringgit, officers in private companies should no longer be paid very high salaries as was paid during the times of prosperity, he said.

Deputy Prime Minister Datuk Seri Anwar Ibrahim announced in Parliament last Monday a freeze on salary increments for government officials in the top management group and categories A and B until full recovery from the current downturn.

Anwar, who is also Finance Minister, further announced 10 per cent pay-cuts for Cabinet members and deputy ministers while Members of Parliament would have their allowances cut by three per cent.

Anwar also urged the private sector to adopt similar measures.

Dr Mahathir took to task professionals, who were fresh graduates, for demanding a high salary even before accepting private sector job offers.

"They determine their worth and their salary even before they start work," he said.

He said they took advantage of the country's shortage of skilled manpower and the Government's insistence that companies give priority to locals during recruitment of staff.

"This situation prompted fresh graduates to demand unreasonably high salaries," he said, adding that these opportunists were not the ones responsible for the country's prosperity.

Dr Mahathir said high salary offers from the private sector had discouraged the people from joining the civil service which could not match the salaries offered.

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