

Price increase must be fair: PM

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Cost of consumer goods should not rise in proportion to water rates

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KUCHING, Sat: Prime Minister Datuk Seri Dr Mahathir Mohamad said the prices of consumer goods should not be increased in proportion to the recent increase in water tariffs.

"The increase in water tariffs (in Klang Valley) was unavoidable. However, if the increase is say 100%, the prices of goods should not jump 100%.

"If the actual cost is only increased by 2%, it would only be reasonable for them to charge 2% more," he said in response to fears that the increase in water tariffs will trigger inflation.

Speaking at a press conference before leaving for Kuala Lumpur after ending his two-day official visit to Sarawak this evening, he also said that factory owners should not complain now about the increase as they were given ample notice.

"We've postponed the increase so many times and we have given them ample

notice," he said.

On Wednesday, Selangor Datuk Mentri Besar Dr Mohamad Khir Toyo announced the new water tariffs, with households paying between 20% and 60% more for water from next month, while commercial and industrial users will have to fork out between 50% and 60% extra.

On the Opposition exploiting the drop in palm oil prices and blaming it on the government's inefficiency, Mahathir challenged the opposition parties to come up with an alternative solution to solve the problems faced by smallholders.

"I would urge the Opposition to buy the palm oil at RM2,500 per tonne and then sell it at RM800 per tonne.

"Don't just talk but come up with alternatives to resolve the problem immediately. Do it now and don't wait until they form the government."

He said the government would still assist the smallholders, although some of them might be angry with the government's idea of rearing cows at the plantations.

"Last time, we asked them

to rear cows to supplement their income but they don't want to do so. With the coming Hari Raya Haji, cows can fetch double the price."

On Sarawak politics, Mahathir, who is also Umno president, dismissed claims

that he and the party are backing former defence minister Datuk Abang Abu Bakar and his group.

"I want to tell the people here that Umno will not spread its wings here and ask them not to be misled by peo-

ple who claimed to be Umno members," he said.

On whether this is the right time to hold the state elections, Mahathir said the government does not dissolve the State Legislative Assembly for the fun of it.

On the Bakun Dam issue, he said the government will go ahead with the project but its size has not been decided.

"The size will depend on the state's needs and we must make sure that it is not wasteful," he said.