

Subversion by foreign unions ¹⁸

Dr M attacks the agents of unrest

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MANILA, Tues. — A scathing attack was delivered today by Malaysia's Deputy Prime Minister, Datuk Seri Dr. Mahathir Mohamad, on attempts by labour unions in industrialised countries to subvert workers in developing countries in order to reduce their productivity.

"It would not be far wrong," he said "to describe the labour unions of developed countries as neo-imperialists whose 'worker solidarity' is a mere mask to hide their selfish desire to re-colonise the economy of developing countries.

"They have organised and gained control of international labour federations so that they can export labour unrest and force costs to go up in developing countries."

Datuk Seri Dr. Mahathir, who was addressing the fifth session of Unctad (United Nations Conference on Trade and Development), pointed out that when the developed countries were industrialising, their workers were docile and cowed. On the other hand, "for the developing countries industrial unrest is artificially and deliberately stimulated in order that industrialisation would be slowed down."

also to inflate costs world-wide and neither the developing nor the developed world would gain in such a development.

Developed countries, he observed, were also subsidising the industries which export manufactured goods to developing countries.

Some developed countries were subsidising as much as 20 per cent of the cost of shipbuilding, he said, while others were subsidising through "over generous" social benefits.

Datuk Seri Dr.

developed countries are once again ganging up and devising newer and more restrictive rules."

Datuk Seri Dr. Mahathir said Malaysia deplored this attempt to exclude developing countries from the airline industry and reminded developed countries that whilst they might lay claim to destinations, others had a role in enabling them to communicate.

Similar restrictive and monopolistic arrangements existed in maritime transport, the Deputy Prime Minister

Datuk Seri Dr. Mahathir called on Unctad therefore to look into the role of international labour federations in perpetuating inequitable trade and development.

Datuk Seri Dr. Mahathir said Malaysia was absolutely in favour of trade unions to protect the rights of workers but trade unions in developing countries were not meant to be "manipulated" by unions in developed countries for the purpose of economic subversion.

He also deplored trade unions' labelling of tax incentives to stimulate investments in developing countries as subsidy, thus qualifying for restriction on imports.

Grievances

To penalise subsidies in the form of tax incentives, he said, was not only to prevent the industrialisation of developing countries but

Mahathir, in his wide-ranging address, also firmly took to task the major industrialised countries for failing to respond to the legitimate grievances of developing countries and to join in the search for a more equitable and efficient international economic order.

His strongest attack was reserved for the developed countries' irresponsible surrender to protectionist tendencies which, furthermore, showed signs of taking expanded and dangerous forms.

Protectionism in trade was now being extended to include services such as civil aviation. He said: "The old air-services formulae on the various freedoms were devised by developed countries when they were carving out the industry between themselves.

"Now that some developing countries have mastered the rules, the

added.

Reviewing developments in the three years following the fourth session of Unctad in Nairobi, Datuk Seri Dr. Mahathir acknowledged significant progress only in the field of commodities.

Even here progress, apart from that on an international rubber price stabilisation scheme, was limited to an agreement on the main elements of the Common Fund last month. And negotiations on the details were still to be completed.

Disappointing

Datuk Seri Dr. Mahathir noted with some satisfaction that a number of countries had made pledges to the "second window" of the Fund and took the occasion to announce Malaysia's additional pledge of US\$1 million — making the country's total contribution US\$1.467 million.

The Deputy Prime Minister warned that despite the lesson of the oil crisis in 1973-74, developed countries had still not learnt that they could not continue, through historical exploitation, to expect cheap and unlimited supplies of raw materials which condemn primary producers to abject poverty.

Also, many other problems such as technology transfers and financial and monetary issues remained unresolved. Datuk Seri Dr. Mahathir suggested that the scarce and costly labour in developed countries should be applied to producing highly sophisticated high value added products while the rest of the world's needs were transferred for manufacture in poor countries.

On financial and monetary matters, the Deputy Prime Minister lent Malaysia's support to the promotion of the IMF's (International Monetary Fund) special drawing rights as the principal reserve asset in the international monetary system and to the liberalisation of the compensatory financial facility through increasing the limit on outstanding drawing to 100 per cent of quotas.

Datuk Seri Dr. Mahathir recorded Malaysia's disappointment with the extremely low level of official development assistance