

Govt can only afford pay rise for Group D: PM

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KUALA LUMPUR, Fri. — The Government can only afford at this juncture to pay an extra \$15 to \$25 to Group D employees as the economy has been hit by low commodity prices, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said the pay increase will cost the Government an extra \$125 million.

"The disturbing state of the economy has not made it possible for us to consider claims for Groups A, B and C for now,"

By SABRY SHARIF

he told newsmen at the Prime Minister's Department after the signing of the joint declaration on wage claims between Cuepacs and the four NJCs (Staff Side) and the Government negotiation team.

Dr Mahathir explained why the Government was willing to shoulder the extra financial burden.

"The Government agrees with the views of the unions that the most affected by the

economic slowdown are the Group D employees.

"The Government also wants to maintain the smooth functioning of its administrative machinery which is vital to the economy and which can be disrupted by strikes."

"These strikes will not only be a loss to the Government but also to the country as they will hamper recovery from the economic slowdown."

Dr Mahathir said the pay increase, with effect from June 1, would bring Hari Raya cheer to more than 500,000 workers.

Among other things, the joint declaration states that the unions have accepted the increase and in turn have called off their preparations for strike action.

The NJC (Staff Side) for Statutory Bodies abstained from being a signatory to the joint declaration although it did not reject the pay increase.

This is the second pay increase within a year for Group D employees.

Last July, the Government offered between \$15 and \$35 for these workers, at a cost of \$320 million, which Cabinet spokes-

man Datuk Rais Yatim described as an interim salary adjustment.

Dr Mahathir said Cuepacs and the NJCs had shown a spirit of compromise that has led to the signing of the joint declaration.

He assured civil servants that the Government was taking steps to reduce the prices of food and services to make life easier for the people.

He thanked the unions for their willingness to attend meeting after meeting of the joint committee on wage claims and the understanding shown by Cuepacs and the NJCs of the economic situation of the country.

The joint committee was set up on Oct. 30 last year following a deadlock in the wage talks between the Government and the union negotiating team.

The joint committee will meet again four months from now to evaluate the economic situation of the country to see whether employees in Groups A, B, and C can be given a pay increase, as contained in the joint declaration.

Committee

Also present at the signing ceremony were Minister in the Prime Minister's Department Datuk Khalil Yaakub and Labour Minister Datuk Lee Kim Sai.

Datuk Khalil, who has been involved in the issue since the unions first submitted their claims to the Government in October

1984, reminded Government servants that a settlement to this once-in-five years salary revision would be time consuming.

But as a check and balance, the joint committee will meet every four months to study the financial situation of the country, he said.

Cuepacs president A. Ragunathan, in thanking the Prime Minister, said the increase was the best that could be given to Group D civil servants considering the economic situation of the country.

He advised Groups A, B, and C employees to be patient as the joint committee would also look into their salary adjustments.

He urged the Government to look into other non-monetary measures to alleviate the hardships of civil servants.