

# Dr M: Adjust to survive

By NURAINA SAMAD

NOV 4 1985  
KUALA LUMPUR, Mon. — Malaysians must face the reality that the country has lost the edge in the commodity trade and accept the "temporary discomfort" of adjusting to the situation in order to survive, Datuk Seri Dr Mahathir Mohamad said today.

"We were efficient but others were either more efficient or more innovative or both. To survive, we have to change.

"What the Government did when it changed its plans and presented its latest Budget was to jolt the people out of their moulds ... we have to change or we will deteriorate," the Prime Minister said in his keynote address at the opening of a four-day International Productivity Conference at the Putra World Trade Centre.

The conference is organised by the Tokyo-based Asian Productivity Organisation (APO) with the co-operation of the National Productivity Centre (NPC).

Dr Mahathir said it was necessary to accept changes to improve productivity, although "this is uncomfortable".

"The problem is that if we keep on doing the same old thing in the same way in a world that changes rapidly, we will be left behind.

"If we are in business, we are going to lose out. That loss will be a change forced on us and it will be infinitely more uncomfortable, more painful," he said.

It was, therefore, better to accept the "discomfort of a deliber-

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■ EQUAL OPPORTUNITY FOR INVESTORS FROM ALL COUNTRIES: P13

■ MALAYSIANS AND THEIR CRAZY RUMOURS: P2

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ate change" than to suffer the pain of an "involuntary" one, he added.

"If we appreciate this, then there is a fair chance of success and a better future," Dr Mahathir said.

He said as a result of the collapse of commodities as the mainstay of the economy, Malaysia had no choice but to move into newer areas, such as manufacturing.

In this respect, everyone should work towards increasing their productivity.

Dr Mahathir said in enhancing productivity, priority must be given to the development of human resources.

"The human factor is in fact still the key to economic growth, despite fantastic advances in technology. But unfortunately, we cannot get over our expectation that somehow by manipulating money and taxes we can overcome high costs and low production.

"We fail to appreciate that monetary and fiscal policies offer only transient cures."

Dr Mahathir also spoke of the importance of technological advancement as a means of increasing productivity.

## Backward

However, he noted that industrialisation in developing countries had not achieved the kind of industrial revolution that characterised the European countries and Japan.

He said in the developing countries, the traditional agricultural sector was still backward and uncompetitive and the quality of life had not improved.

Although the income and productivity of smallholders in these countries are low, they still play a vital role in the world economy as they supply a variety of raw materials to the industrial north.

It was imperative that they be more competitive and more productive to improve their lot.

He said farmers in developing countries did

★ TURN TO P2, COL 1

# Mahathir: Rights no use without jobs

NST - 4 NOV 1988  
★ FROM PAGE ONE

not enjoy the massive subsidies and protection as those in the rich countries. Giving subsidies and protection could lead to wasteful over-production which could subvert efficiency and competition, and render productivity meaningless, he added.

Dr Mahathir said that if productivity was to be worthwhile, it must be in a free and competitive world.

He said developed free-trade nations restricted markets and doled out massive subsidies to inefficient industries.

Dr Mahathir said if productivity was negated by quotas, protectionism and subsidies, it was then necessary to be more efficient and more highly productive than ever.

He also spoke of the importance of research and development in agriculture, manufacturing and other areas to achieve higher productivity.

He said: "Workers must have their rights but these must be what the developing countries can afford. These rights must come with contributions to productivity.

"If what is produced cannot compete in the market, the end result must be a loss of jobs ... rights are meaningless without jobs."

Dr Mahathir also spoke of the Government's contributions towards national productivity such as cutting red-tape, privatisation and better infrastructure.

He also called on the private sector, businessmen, trade unions and professional bodies to "each examine itself as much as each examined critically the role of others in improving productivity."

More than 850 participants from all over the world are attending the conference.

This year's APO award recipient is Mr Ichiro Hattori, president of Seiko Instruments and Electronics Ltd of Japan.