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Rptng, with correction to intro:

Mahathir-salary

CUEPACS WAGE CLAIMS CAN BE DISCUSSED, SAYS MAHATHIR

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KUALA LUMPUR, March 11<sup>th</sup> (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the door is open to negotiation on a salary review for the public sector proposed by Cuepacs which the congress proposes to submit in August.

However, the prime minister said that any salary increase would depend on the government's ability to pay and the competitiveness of the country's products in the international market.

Commenting on Cuepacs' proposal to submit claims for a salary review for the 880,000-strong civil service in 1995, Dr Mahathir said the union leaders must also be sensible in their approach to the negotiations and claims.

"I believe that the worker's salaries need to be raised but the increase must be in line with productivity," he told reporters at Angkasapuri after recording his Hari Aidil Fitri message.

Departing from the normal practice of having wage negotiations every five years, Cuepacs proposes a review three years after implementation of the New Remuneration System (NRS) which gave a salary increase of eight to 10 per cent for all civil servants. -- more

AZG JK

end of rptn

▼11/03/15-05MST

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According to Cuepacs, which has a membership of 200,000, the claim for a review every three years was in keeping with an agreement reached with the Public Services Department (PSD) during negotiations on the salary revision in 1990.

PSD Director-General Tan Sri Mahmud Taib, when commenting on the Cuepacs' claim recently, said any salary revision rested with the government because the NRS had no provision for a review.

Dr Mahathir, who was in favour of having negotiations, said it would at least give the government a chance to explain if it could not entertain Cuepacs' claims.

"What is important is that when there are claims we negotiate like sensible people," he said.

He also said that union leaders must be prepared to be realistic if the government could not entertain their claims. -- more

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He said although the union leaders had a responsibility towards their members, the government also had a responsibility to ensure a stable economy.

The prime minister also said that union leaders should not resort to industrial action to achieve their demand for a salary increase as was often done by workers in the developed nations.

He said negotiation was the best way and workers and employers should use it to resolve their problems. -- Bernama

AZG AH JK