

Let's take a united stand, South urged

By WONG CHUN WAI

NEW DELHI Malaysia has called on developing countries to adopt a united stand to counter the demand by the West to link labour-related issues with trade.

Datuk Seri Dr Mahathir Mohamad said there must be an effective resistance to such demands.

The Prime Minister said the issue would crop up at the post-General Agreement on Tariffs and Trade (GATT) meeting in Morocco next month.

He said the Group of 15 ministers would meet before the post-GATT meeting to map out common strategies.

"Although the GATT round has been concluded and agreed to by participating countries, there is still a tendency for unilateral actions to be taken,"

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he said.

Dr Mahathir was speaking to newsmen at the end of the three-day G15 heads of government meeting here yesterday.

He was asked how the smaller countries should react to the United States and France which were pushing for action against developing countries accused of exploitive labour practices to keep wages down.

Urging the South to be wary of such moves, Dr Mahathir warned that if the smaller nations were not united "we may very well go down one by one."

"One of the most dangerous is this proposal that minimum wages throughout the world should be the same," he added.

He said if developing nations were not aware of this danger, then "we may

very well become poorer again, unable to compete with developed nations."

"If we are to take on the developed countries without coordination, we may be fighting against each other or we maybe disunited and in the end, we may lose," he said.

Dr Mahathir said the lower labour cost in the South did not mean that workers were being exploited as it was due to lower cost of living and lesser expectation.

The lower labour cost, which made developing nations competitive, was challenged by the West through other advantages, he said.

"They have capital. When we borrow from them, we have to pay very high interests. They have technological know-how and when we use them, royalties have to be paid

and that push up our cost again," he added.

Dr Mahathir said the West also had management and marketing knowledge.

"Finally of course, they have very big domestic markets which are able to support their products locally," he said.

Dr Mahathir said these gave them cost advantage and if the lower labour cost from the South was taken away, "then we have no advantage at all."

"They expressed sympathies for our workers who, according to them, are being exploited by us but they know very well if we cannot compete with them, our factories will be closed down."

"Quite obviously, if we have to close down our factory then they will have the market all to themselves," he said.

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