

PM: Give lay-off fund a chance

Don't reject scheme outright, Mahathir tells employers

PM: Improve productivity

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agree," he added.

On the possibility of employers evading payment of compensation to their workers with the introduction of the scheme, he said that if they did this, the government would act against them.

"It's **victimisation** if these people (whose services have been terminated) are not paid any compensation. We just want to take care of their interests," he added.

Earlier, in his speech, Mahathir urged workers to improve their productivity to remain competitive.

He said a high minimum wage will lessen our competitive edge, since it will trigger an increase in the wages of higher ranking workers and so increase operating costs.

"The country and the people will benefit more if higher wages are obtained through proper channels such as the **increase** in productivity," he said.

Mahathir also praised Malaysian employees for not resorting to confrontations and strikes to settle employment disputes, preferring instead the more diplomatic way of negotiations.

By Shahriza Embi

KUALA LUMPUR, Sat: The Government is prepared to implement a retrenchment scheme to help workers who are laid off by their employers without being paid compensation, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

However, this must be agreed to by the Malaysian Employers' Federation (MEF) which had rejected the scheme proposed by the Human Resource Ministry during the economic downturn when companies were retrenching workers.

Urging MEF to reconsider its stand, Mahathir said: "Don't reject it *in toto* . . . if RM1 is too much, then 50 sen per worker should be considered okay. We (the Government) are considerate. We **don't want** them to spend too much."

'Hunter' nabbed in sister's house: P4

Under the ministry's proposal, employers would be required to contribute RM1 a month for each worker to a retrenchment fund which would be used to help workers who are laid off without being paid compensation.

Speaking to reporters after attending a Workers' Day gathering at the Putra Stadium in Bukit Jalil here, Mahathir said although over 90% of workers received compensation, the scheme was still needed to ease the burden of workers who make up the remaining 10%.

Mahathir said the Government would hold further discussions with MEF to get the scheme off to a start.

"The MEF doesn't agree. Maybe, if we reduce a bit, it'll

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