

# STRIKERS OPEN THE DOOR TO ECONOMIC GENOCIDE

Most individuals do not understand what the end result of the labor strikes in Cambodia will produce. The unfortunate reality is strikes will mean less jobs and less revenue for the Cambodian populations.

To follow with logic and examples I will try to explain how **strikers and their supporters are doing more to cripple Cambodia and themselves** than the government officials accused of corruption or mismanagement.

The strikers will ultimately strike themselves right out of the work force and into the depths of unemployment. The sad possibility exists that the strikes by Cambodian garment workers could blemish the reputation of Cambodian industry, which in turn would create a reduction in orders and exports. For the Cambodian economy which is still in the development stages this could lead to **economic genocide** which might spread to other industries.

Several reasons exist why the garment workers strike. The reasons are as follows: higher wages, better labor conditions, shorter hours and **instigation by political opposition members and their supporters. (Sam Rainsy)** strikers are also motivated by **foreign governments** which are influenced by **protectionism groups or foreign labor unions**.

Lets first look at a very basic rule of economics called **supply and demand**. When the cost of a product goes up less product is sold because the item is not affordable to a portion of the buying population. Thus if Cambodian export cotton men's shirts, are sold to importers in Cambodia at a price of \$45.00 U.S. dollar per dozen, more shirts will be sold at this price than if the price was \$75.00 per dozen. Some importers could not afford the difference of U.S. \$30.00 per dozen.

**When less sales are made in Cambodia because of increased prices, less workers have jobs.**

Thus this is one example how striking for higher wages could in the end mean less jobs and less revenue for the Cambodian industrial work force. Another way to see this is if a hundred kilos of rice costs in Cambodia \$ 35.00 U.S. more will be sold at this price compared to \$75.00 U.S. per kilo would you want to over pay ? Importers and wholesalers have the thought of supply and demand always in mind. Also when the costs in Cambodia rise, the importer in the U.S.A will pay higher duty rates which add to the costs. U.S. customs charges duty for the imported items. This is usually based on a percentage of the cost of the item at origin. So as a example if the duty for a specific category is 10% the obviously the landed cost of the garment will be higher if the cost of goods is higher in Cambodia, 10% of \$45.00= \$4.50 vs 10% of \$75.00 = \$7.50...wholesalers and importers deal in large volume so lets say a importer places a test order of 1,000 dozen at \$45.00 per dozen this would be a \$45,000 order for the Cambodian garment manufacture the importer would pay on 10% duty \$4,500 ...at \$75.00 per dozen the importer would pay \$7,500 in customs duty...these items which have duty add to the landed costs of the goods. The importer also has freight and handling charges which get added into the cost of the goods...to many increases in less sales in Cambodia which means less production which means less jobs for the Cambodian garment worker less employment. Thus the striker is striking herself right out of a job.

## GARMENT STRIKES CREATE A COMPETITIVE DISADVANTAGE

Industry without labor turmoil grows faster than industry that suffers from labor strikes. A good example of this is the auto industry in the U.S.A. unfortunately for the U.S. auto worker many factories were shut down because labor had strikes for higher wages. The U.S. auto manufactures could not compete with lower priced better made cars from Japan. Instead of manufacturing at a loss, some plants chose to close. Some moved production to foreign countries like Studebaker. If major buyers see too much turmoil in the Cambodian garment industry they will quickly invest their dollars in a country that has more safeguards for the importer.

So when foreign investors learn about strikes in Cambodia, the strikers are pushing the buyers to other countries. When the buyers go to other countries, less dollars come into Cambodia which means less production and less jobs for the Cambodian population. Thus those with only half a brain should be able to understand that striking is pushing buyers away from Cambodia. **Again the strikers are hurting themselves along with the Cambodian population.** This is another example of how strikers are part of the creation of a **economic genocide**. By pushing buyers to Thailand or China or Taiwan the strikers are creating a **competitive disadvantage** for Cambodia. Do not think that the buyers will stop purchasing because Cambodia has labor strikes. The buyer will just look for product some place else. The buyer will go to another manufacture and or to another country thus the strikers will not have orders which need to be worked on. **China and Thailand will benefit** when Cambodian workers are on strike. The buyers will purchase from other countries when Cambodian workers are striking.

## WHY DO FOREIGN GOVERNMENTS AND LABOR UNIONS SUPPORT THE STRIKERS?

This is a simple answer which does not need much common sense. **Protectionism**. The U.S. garment unions and or textile unions are doing their best to stop imported garments from coming into the U.S.A. the U.S.A. unions are trying to keep imports out because the U.S.A. unions are trying to protect American jobs. The garment unions contact the commerce department. And probably create pressure to slow down goods from Cambodia entering the U.S.A. increases in Cambodian labor prices as explained on page one, means that the merchandise from Cambodia will cost more here in the U.S.A. U.S. labor unions want Cambodian goods to cost more so that less can be sold to the American consumer. If Americans are not buying imported products the U.S. labor unions believe that the American consumer will purchase American made products. **By supporting Cambodian strikers the U.S. labor union and international labor unions are also hurting their own populations.** With less imports flowing into the U.S.A less truck drivers have jobs, less customs officers have jobs, less retailers are employed. With less employment less funds are in circulation. This means the grocer sells less which means the grocer can buy less from the American farmer. The trickle down theory starts and the farmer can not pay the mortgage and the banker will take a loss.

## WHY OPPOSITION TO THE ROYAL GOVERNMENT OF CAMBODIA SUPPORTS GARMENT STRIKERS

As a previous minister of finance and a banker in France, Sam Rainsy is well aware of the damage being created by his instigation of the Cambodian garment workers to strike. I strongly believe as I have written before that the opposition to the Hun Sen government desires to starve the Cambodian population into revolt. As the world has seen Mr. Sam Rainsy has close ties with u.s. congressman Dana Rohrabacher which recently indicated a stand back and view approach to the affairs of Cambodia. What most readers are not aware of is that Rohrabacher is closely

associated with the International Republican Institute which is closely affiliated with the American garment workers unions. **Is U.S. congressman Dana Rohrabacher working with the U.S. textile labor unions ? Are the U.S. textile unions along with Rohrabacher motivating Sam Rainsy ? Are all of these parties putting pressure on the U.S. department of commerce?** It is quite likely that Rohrabacher in the open **will say one thing and then behind close doors out of media view do something else.**

If the U.S. labor unions support Rohrabacher and donated funds to help the Rohrabacher campaign and then Rohrabacher switched direction, would the labor unions be willing to continue with the support???? Rohrabacher and Sam Rainsy have many similar views in regards to Cambodian affairs. They both have worked hard for the down fall of the fairly elected Hun Sen Government. let us hope that now Sam Rainsy and U.S. Congressman Dana Rohrabacher will fail with their attempts to harm Cambodian future economic development.....**The progress Cambodia is making now is 100 times greater than during the time Sam Rainsy was minister of finance.....**

I am hopeful that the Cambodian garment workers soon will realize before it is too late that higher wages will come with higher productivity. When pressure from buyers is on the manufacture to produce great quality and volume quickly, the manufacture will reward his good workers. Good workers which are skilled can always find good jobs that pay. It is time that the garment strikers think about what is more important producing garments and receiving compensation or standing in the picket line and earning nothing. The buyer can go elsewhere to purchase and the manufacture can close the factory and retire. It takes huge sums of dollars to open factories. It takes a smart mind to open and run a factory the factory owner will go to another country and close if the labor environment becomes too uncomfortable or the profit margins shrink to a point that it is just not worth the aggravation. The worker has a choice, go to work and earn a living or stand in line and the children will go hungry. The readers should also remember that communism in Russia had roots within the Russian labor unions. The garment industry in Cambodia promotes capitalism. Money in the hands of workers will stimulate the entire Cambodian economy.