

# G-15 GETS INTO ACTION

JUN 1990

**KUALA LUMPUR, Sun. — The G-15 ended its first summit here today with a notice that it has started to function as a working group for developing countries.**

The communique that the group hatched out after three days of talks was businesslike. It deals with such matters as the mechanism for trade between and among developing countries, and ways to tackle the Third World's debt problem.

To keep things moving, the group has decided to appoint a steering committee comprising the Foreign Ministers of Malaysia, Senegal and Venezuela.

As Datuk Seri Dr Mahathir Mohamad told newsmen: "For the first time we have been able to gather a small enough group to focus attention on certain issues. The idea ... is for us to be able to follow up on what we had set out to do."

South Commission chairman Julius Nyerere, who was at the joint press conference, agreed: "What the South has lacked is organisation. If the G-15 is organised it will be successful and be the first action group for the South."

This was a point that Dr Mahathir, who chaired the meeting, stressed again and again in response to questions from some Third World journalists, apparently dissatisfied with the absence of ringing rhetoric in the communique.

One Indian journalist was so struck by the contents and tone of the communique that he wondered whether the G-15 would run counter to the Non-Aligned Movement. And he asked his Prime Minister what India, a leading light in NAM, was doing in the group.

Mr V.P. Singh had to assure him that the group was part of NAM, that it was not elitist, and it was concerned with tackling problems of developing countries.

Other countries in the group formed at the NAM summit in Belgrade last year are Algeria, Argentina, Brazil, Egypt, In-

## On pages 2 & 3

- Experts to tackle debt problems
- Next summit in Caracas
- Need for South-North talks
- Three proposals adopted
- No ulterior motive, says Dr M

donesia, Jamaica, Mexico, Nigeria, Peru, Yugoslavia and Zimbabwe.

The group's governing principle, as outlined by the communique, was that it should go ahead and initiate joint action for mutual benefit without waiting for others to join in.

The only condition was that its actions "do not prejudice the basic interests of developing countries which are not yet ready to participate."

The group agreed to carry out "almost immediately" three proposals apparently because they were seen as laying the foundation for trade and other transactions between and among developing countries.

An official explained it this way: "There must be a system for us to do business with each other. The mechanism proposed for us to pay each other also helps us save on foreign exchange ... it involves the central banks of the countries doing business. What is paid out is the difference in what they buy and what they sell."

The debt problem of the Third World also received major attention because it has affected "efforts of developing countries to achieve adequate levels of growth and real income."

While suggesting common approaches to be formulated by an expert group, the communique acknowledged that what was worked out had to be agreed to by the creditors and rich countries.

And throughout, the communique scrupulously avoided a confrontational stance against the North.

Dr Mahathir made clear why this is so: "Not talking with the North is not going to help us ... What we are doing is to clear matters in the South first so we can have a meaningful dialogue with the North."