

**THE FIRST MEETING OF THE HEADS OF STATE AND GOVERNMENT OF THE SUMMIT LEVEL GROUP FOR SOUTH-SOUTH CONSULTATION AND COOPERATION**

PARLIAMENT HOUSE, KUALA LUMPUR (K.L), 1 JUNE 1990

Your Excellencies, The Heads of State and Heads of Government;

Excellencies;

Distinguished Guests;

Ladies and Gentlemen.

It gives me much pleasure to welcome you to Malaysia. Malaysians feel greatly honoured to have the first meeting of the Group of 15 non-aligned and developing countries held here.

2. The decision to form the Group of 15, or G 15 as some would call it, was announced in Belgrade in September 1989. Heads of State and Government of like-minded countries attending the Non-Aligned Summit decided that a group of fifteen developing countries should sit in conference to discuss and find solutions to the problems besetting us in the South. Contrary to what some quarters may think, the G 15 was not formed as a counter to the Group of 7 industrialised countries of the North. I wish to stress here, lest our gathering here is misunderstood by others, that we are not self-appointed arbiters and regulators of the world's economic affairs, neither are we conspirators against the North. Rather we have come together to consult, to exchange views and to explore the potential, which is largely untapped, for South-South cooperation. We would also like as a Group to foster dialogue with the North, the absence of which has caused the economic gap between North and South to widen further since the first North-South dialogue failed.

3. We fully realise that we are weak and we are very dependent on the North. But we do hope that we will be allowed to speak freely, for we feel that there should be democracy not only within nations but also between nations. To castigate us and to twist our arms because we exercise the much touted freedom of expression is to deny democracy in the relationship between peoples and nations. To deny us our views by deliberately censoring them by whatever means is to make a mockery of the freedom of the press about which we hear so much.

4. If we blame the North for some of our problems it is not because we are incapable of recognising our own faults. The simple fact is that most of our problems arise from our relations with the North. Our problems cannot be because of South-South interaction since we really have very little to do with each other.

5. If there are South-South problems, they are between neighbours. Even here we often see the hands of the North. How often have we seen the same country supplying arms to both sides whenever there is a war. A classic case is the Iran-

Iraq war.

6. The massive debt problems of the South is also not because the South purposely wanted to borrow and not pay. We borrowed at a time of worldwide economic prosperity when the lenders themselves fully believed in our capacity to repay. The worldwide recession that followed and the effective devaluation of our currencies were not of our making. Lenders must be prepared to accept the risks of lending and to devise workable solutions, and if all else fails, to accept losses. In their commercial loans within their own countries they make provisions including write-offs when loans go bad. Similarly they must accept the need to make adjustments and work out schemes when their sovereign loans go bad. Nations cannot be bankrupted in the same way companies or individuals are bankrupted. You cannot tell a people to live at subsistence level until they pay off their debts. Bankrupts can die, nations cannot. We cannot make debt-slaves of nations, not in this so-called enlightened age.

7. Then there is the Palestinian problem. When all other problems of oppression by Governments, real and imagined, have been given due attention and pressure exerted by those capable of applying pressure, the Palestinian problem remains unresolved. It is so because a repressive regime that systematically and openly carries out a campaign of terror against people in territories which it occupies illegally is not condemned the way less repressive regimes are condemned. Certainly economic sanctions and withdrawal of preferences have never been contemplated. And so Israeli intransigence continues.

8. There are, of course, many other problems of the South which directly involve their dealings with the North. We are not simply shifting blame but the fact is that without cooperation and understanding of the North we cannot resolve these South problems.

Excellencies, Ladies and Gentlemen,

9. We see a coalescing of the North American nations, a union of the West European nations and now, around a united Germany, all the European countries of the West and the East will gather together. And then there are those Soviet republics which believe in a common European homeland identifying more and more with the new European grouping.

10. All these changes have great significance for the future of the world. There is indeed a wind of change which leaves no part of the world untouched. Fortunately almost all the changes taking place are for the good of the human race.

11. We should rejoice that the expensive Cold War is about over. But will peace between East and West mean peace and prosperity in the South as well? In the past if one bloc threatened any one of us, the other bloc almost automatically moved to counterbalance the threat. In the process the threat was neutralised. But what will happen now if any power in the honeymooning East and West, or worse still if the united East and West threatens us? Will the old balance of

power manoeuvres save us from total domination? With some powerful nations applying their laws extraterritorially without even a whimper from their former adversaries, don't we have reason to be worried?

Excellencies, Ladies and Gentlemen,

12. We welcome the universal espousal of the democratic system. But there is a fear that democracy has become the kind of religion that communism became. A system devised to free people and permit them to decide their own destiny is becoming a system that is worshipped for itself. Democracy is no longer a means to an end but has become an end in itself. Liberal democrats in the West have now set themselves up as the high-priests of democracy. There is a holier than thou attitude about them. Woe betide those who do not comply with the latest interpretation of their democratic faith.

13. For the liberal democrats, chaos, instability and retarded economic growth with the accompanying massive and debilitating poverty among their democratic converts are a small price for these people to pay for liberalism of democracy. Indeed murder and assassinations of citizens are regarded as much more acceptable than any Governmental action to prevent instability. Sanctions and trade restrictions and vicious campaigns that impoverish the already poor are the weapons they use to force their liberal democratic ideas on those they deem not measuring up to their standards. The methods differ little from the subversive strategy of Communist proselytisers.

14. We admit that generally the Governments of the West are not involved. But pressure groups or the Non-Governmental Organisations set up by their citizens are so powerful and financially so strong that it is usually beyond the capacity of most of the countries of the South to resist or to counter. In addition they have access amounting to control of the international media; access which is almost totally denied their victims. By threatening the exports of developing countries they can exert powerful influence to foist their democratic norms on others. In fact, it amounts to imperialism by other means. And like imperialisms in the past, the subject nations languish and suffer without any means of redress.

15. The peoples of Eastern Europe and the Russian republics have now discarded centralised power and planning in favour of liberal democracy. We hope they will not be disillusioned. Merely being democratic will not save them from the poverty created by their former centrally planned economies. Political stability in a democracy requires a high degree of sophistication among the people. In other words, the people will have to restrain their exercise of democratic freedom if they are to benefit from democracy. We hope that the people of Eastern Europe will learn quickly. Their prosperity can contribute to the common wealth of nations.

16. We in the South must wish them well. We would like them to succeed. However, will aid and loans and investment funds be diverted from us in order to help them, or will additional and separate funds be made available to them. We worry despite the repeated assurances and again I think we have reasons to

worry.

17. There is a question that we need to ask the Group of 7. When a few developing countries in East Asia made economic progress they were categorized as Newly Industrialising Countries and their further growth inhibited by the imposition of various restrictions. Will the countries of Eastern Europe be similarly labelled and similarly restricted if they achieve the level of growth of the so-called Asian NICs? I hope this question is not censored. I hope we get an answer.

Excellencies, Ladies and Gentlemen,

18. This conference will fail if we of the South do not address those problems which lend themselves to solutions based on our own efforts. We cannot really expect others to solve our problems to their own detriment. At best they will only help on a basis of enlightened self-interest.

19. There are many things we can do for ourselves. Most of these would be economic in character. It is not for us to involve ourselves in the political systems of each other.

20. Firstly, the developing South constitute a huge market which at the moment is accessible largely to the developed countries. There is no doubt that there are very good reasons for this being so. But there is no reason why we cannot restructure our markets. We will continue to be markets for the North, but we can at the same time develop our economic cooperation and trade with each other.

21. To do this we need to learn more about each other's needs, the laws and regulations, the systems of imports and distribution, financial and currency matters and a host of other things.

22. The advanced trading nations of the North are knowledgeable about these things simply because their private companies and public agencies have been in this business for decades and even centuries. Just one trading company in the North would have sufficient outposts to cover the whole world. They need not even trade with other companies. They are capable of trading between their own branches and yet be conducting international trade.

23. But the nations of the South are practically all quite ignorant of the tremendous trade opportunities that have been exploited by the traders of the North. To keep informed and knowledgeable requires massive investments in men and money. And none of the developing nations of the South on their own can spare the men or the money.

24. It is for this reason that Malaysia proposes the setting up of a Trade Information Network and a South Investment Data Exchange Centre to service the South. We need to know what is happening and what is available in the South to foster economic relations between us. How often have we purchased goods from the North when such goods are available in the South at probably more reasonable prices. Indeed it is most probable that we can find markets in

the South in addition to the markets in the North, thus increasing our trade volume.

25. We live in the Information age. If time means money, so does information. Yet we have no information about each other. Our huge markets and our resources in material and goods are denied us because we are simply not aware of the potentials and the opportunities. Excellencies, Ladies and Gentlemen,

26. For many of the distinguished delegates, coming to Malaysia have meant going to the North first -- a roundabout, lengthy and costly journey. We have hardly any direct air links between us. This has naturally hampered travel between us. The same applies for all the communication systems. Everything goes North before going South, resulting in increased costs, inefficiency and inconvenience. This prevents economic, trade and cultural exchanges from developing.

27. Of course, if there is no traffic it will not be economical to have direct connections. But is it true that it is totally uneconomic? When the first commercial flight was inaugurated between Malaysia and Europe one could count on one's fingers the number of travellers flying between these two places. Today, every single day huge Boeing 747s fly thousands of passengers between Kuala Lumpur and Europe. Would this route be lucrative if no start was made? Is it not true that because there are flights there are passengers? In fact in the world of the hard sell, nothing that we market would remain unsold for long.

28. The Southern Routes between the countries of the South must be studied and initiated. It is important for trade and commerce. It is important and will be profitable in itself. Let us look at all our communication potentials and let us take the risk. Let us spread the risk between those who can afford. Let us begin.

Excellencies, Ladies and Gentlemen,

29. In August 1986 a group of people from the countries of the South met in Kuala Lumpur and decided to set up a South Commission. The setting up of this Commission under the Chairmanship of Mwalimu Julius Nyerere was hailed by the NAM meeting in Harare in September of the same year. The Commission has now finished its work and we must congratulate the members of the Commission for the report they have submitted. It has not been easy considering the financial and other constraints under which they worked.

30. I do not wish to discuss the recommendations of the Commission here. But what is important is that we should not allow it to be yet another academic exercise. We may disagree on the substance or we may agree. What is important is that we must act; we must set in motion the processes which will make this wholly Southern effort worthwhile and productive.

31. In this connection I would like to mention the setting up of a Secretariat of the South. The North is well equipped to deal with all eventualities and they are going to be even better organised. We in the South have nothing even remotely equivalent to the OECD countries. With the emphasis now on the North-South

divide rather than the East- West divide, the need for a more formal coordination of the South is even greater.

32. We need not have anything elaborate. We can have minimal staffing with an austere budget. But even this is better than having none. If we are going to act positively as a result of this conference, certainly a Secretariat of some kind is necessary. Malaysia wishes to propose and will support the setting up of such a Secretariat. I hope the other countries of the South will support this proposal.

Excellencies, Ladies and Gentlemen,

33. The NAM started really because of a political need for a third force when the world was divided into two blocs, the East and the West. It has done well, for despite the manipulations and the proxy wars, we have survived; indeed we have grown in number.

34. But the world has changed. East and West division has almost completely disappeared. Politics and its related military postures are no longer as important. Economic matters now dominate and everyone is concerned with giving their people a better life, materially certainly and in some cases spiritually.

35. NAM, the Group of 77 and other organisations of the South have therefore to take stock of their role. We too must change. Ideologies should no longer occupy our time. Admittedly there are still many who have to be liberated from the oppression of alien domination. We will continue to support their struggles. But we must now turn our eyes to the well-being of our people.

36. It is not impossible for the poor to become rich. We have seen how some countries have pulled themselves up literally by their bootstraps. If they can, others too can. The time span may vary but it would be defeatist to assume that some are just incapable of developing.

37. We must continue our dialogue with the North. We must solve our debt problems and the deteriorating terms of trade. We must together strive for fair trade. But above all we must create new approaches to enable the South to benefit from the wealth of the North. We must learn from each other. We must help each other. And we must stand together when faced with common problems.

Excellencies, Ladies and Gentlemen,

38. Once again I would like to welcome you to Malaysia and I pray and hope that our deliberations will yield positive results.

Thank you.