

DR M TO CHINA: LET'S IMPROVE TIES VIA TRADE

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From V.K. CHIN

PEKING, Wed. — Prime Minister Datuk Seri Dr Mahathir Mohamad suggested today that China and Malaysia find a more dynamic mechanism based on economic co-operation and trade to improve bilateral relations.

The two governments should give priority to security and stability for all, he said at a banquet given in his honour by Chinese Premier Zhao Ziyang at the Great Hall here.

"In analysing the reasons behind the lack of sustained progress in our bilateral relations, we must face squarely the inescapable conclusion that our inability to completely resolve certain core bilateral issues to mutual satisfaction have had the effect of impeding the overall growth of relations," he said.

Dr Mahathir pointed out that Chinese leaders had assured Malaysia on many occasions that some of these issues were "left-overs from history and that time will resolve them."

"While admitting that time is a great healer, I hope we will not allow history to hold the progress of our relations to hostage," he said.

Dr Mahathir, accompanied by Datin Seri Dr Siti Hasmah, arrived in the Chinese capital this morning to begin his nine-day official visit at Mr Zhao's invitation.

His six-page speech dealt mainly with economic ties and the Kampuchean issue while the party-to-party relations between the Chinese Communist Party and the Communist Party of Malaya was not mentioned directly.

Dr Mahathir said irregular visits like the one he was making would be insufficient to sustain qualitative movement in bilateral relations.

"We must, therefore, resolve to change this pattern in favour of a more dynamic mechanism for on-go-

ing improvements in our relations.

"In working out the framework for such a mechanism, I hope we could give priority to resolving the core issues which have retarded growth," he said.

But the two governments must not merely be content with seeking a resolution to their differences and the absence of such differences in itself would be insufficient to create an enduring and stable relationship.

"To my mind, economic co-operation and trade offer exciting possibilities. It is my hope that just as politics dominated the first decade of our relations, economics will come to dominate the next decade," he said.

"This task is all the more important when one considers that trade barriers are going up in many parts of the world. Malaysia and China need to address themselves not only to such issues as a more balanced trade and greater direct trade, but to the very fact that our bilateral trade has been declining since 1980."

He was happy to note that some steps were being taken to expand bilateral economic relations and that Malaysian and Chinese companies were exploring new areas for mutual co-operation.

Touching on the region, Dr Mahathir said both Governments shared a common desire for peace and stability so that all members could get on with the more urgent task of socio-economic development.

He described the Kampuchean situation as a "serious distraction" and those genuinely interested in peace and stability must renew their efforts to find solutions to these vexing regional political problems.

While the objectives should be security and stability for all, they should make it clear at the same time that they would not allow any country to hold the region's prosperity to ransom because of its own self-centred ambitions.