

**THE DINNER HOSTED BY THE HONOURABLE MRS. MARGARET
THATCHER PRIME MINISTER OF THE UNITED KINGDOM
LONDON, 20 JULY 1987**

The Right Honourable Prime Minister Mrs. Margaret Thatcher; Ladies and Gentlemen, Let me begin by congratulating you again for your historic third consecutive victory in the general elections. Your victory speaks clearly of your very able leadership. I have myself overcome some squalls. I am happy to state that we can now continue "to do business as usual", so to speak.

2. I am a frequent visitor to London and yet find much pleasure in making this first official visit to this capital city with its various charms. Members of my delegation, no doubt, are taking in avidly all that London has to offer.

3. I have undertaken this visit with a positive mind, convinced that our bilateral relations could be raised to a level that would do justice to the many ties that had long characterised relations between our two countries. It is important that we move forward. In developing our relations let us add meaning to our efforts, substance to our initiatives and imagination to our approach. Let us tolerate criticism of each other, if necessary and yet remain strong on the commonality of interest that binds us.

4. For historical reasons, Britain has been the favoured country for most Malaysians -- for education and training, for technology, and for holidays to name some. Ability to use the English language has become "de rigeur" for most Malaysians. The average Malaysian knows more about Britain than the average Britons do of Malaysia. But structural adjustments taking place within our two countries and influences by competing external factors are bringing considerable changes to all those which we have hitherto taken for granted.

5. It has always been in the finest tradition of Britain to recognise early the winds of change. With that recognition comes ability to adjust, anticipate and finally participate in the processes brought about by change. This is an invaluable talent, a national genius; to have it is to be able to survive and thrive. Malaysia too has been honing its reflexes to change. We believe we have read the signals well. The falling price of our commodities, restrictive markets, volatile exchange rates, etc. - these are storm warnings that we must heed in order to effect the proper responses. Bilateral relations between Malaysia and Britain must adapt well in these circumstances. Sentiments and tried old ways are poor alternatives. Malaysia would like to look at Britain anew, to come to terms with Britain's new priorities and to gain if possible from effervescent new ideas that may be afoot in your industries. Britain too should do likewise to Malaysia. Britain should be more sensitive to Malaysia's needs and aspirations.

Prime Minister,

6. The Malaysian Government does not want to look back. There is little to gain from that. In order to upgrade the quality of our relationship, Malaysia and Britain must provide the necessary underpinnings. In this respect, I clearly see a

proactive role for the private sector of both countries, as much as both governments must also contribute.

7. The economic relations between Malaysia and Britain must be the focus of both governments as well as the private sector of both countries. Ideally, the relationship should be a model of a mutually beneficial relationship between the former colonial power and the independent country. However, 30 years into independence there are still adjustments to be made. It is a matter of concern for Malaysia that we continue to experience a substantial deficit in terms of our invisible trade with the United Kingdom. The efforts made by Malaysia to bring about a more favourable balance in this respect have yet to bear fruit.

8. It is imperative that we urgently rectify the problem encountered in areas of insurance, education, consultancy and shipping. These indeed are the major areas in which Britain can play a positive role towards achieving a more equitable economic relationship. It is in this context that we wish to see Britain diversifying its imports from Malaysia rather than confining to importing only Malaysia' s primary commodities. We also wish to see an increase in British investments in Malaysia especially now when we have greatly liberalised conditions for foreign investments.

9. Malaysia has accepted fully the priorities that Britain has established for itself. Britain' s entry into the Common Market, its special concerns over East-West relations and its identification with the United States on some foreign policy issues are in our view the prerogatives of Britain. We do not question although we are mindful of the stalemated positions on North-South issues, the New International Economic Order, challenge to multilateralism and a host of other problems of the developing countries. There is much disillusionment with the North for us in the South on these issues. Developing countries like Malaysia cannot afford to wait indefinitely for deliverance. This has impelled us towards the establishment of the South Commission to chart out practical and sustaining cooperations between countries of the South. Still it will be well for the world to remember that all countries are interdependent and the North cannot really do without the South.

10. It would seem that the technological break-throughs that have fired everyone' s imagination are not only not going to help make qualitative changes in the developing world but may make the disparity between North and South even greater. Not having the expertise, even the exploitation of our own resources like petroleum gas will mean added dependence on the developed countries, at a heavy price. And new technology has of course reduced the need for our commodities even as they increase the production of the same.

11. Malaysia, as I said earlier, is honing itself to respond effectively to these new challenges. We have been buffeted by numerous economic storms and pressures in the last few years. The resulting setbacks have shocked us out of our complacent view that growth is a function of time. We now realise that wealth creation needs entrepreneurship, management skill and greater productivity. It is because of this that we need to learn from the successful countries of the East.

12. Some people decry Malaysia' s Look East Policy, accusing Malaysians of forgetting old friends from the West. We have not forgotten. One hundred thousand students studying in the West bear testimony to that. We have only about one thousand students in Japan, Korea and Taiwan. But we need to learn what makes these countries succeed in competing with established industrialised countries if we are to enter the fray ourselves. It is the work ethics, management methods and business strategies that we are interested in. Look East does not, I repeat, does not mean giving contracts or buying goods exclusively from the East. I hope our British friends, in both sectors, understand the objective of Malaysia. Countries like Malaysia cannot afford to evolve at the same pace as the developed countries in their early days. We have to programme ourselves for quantum leaps. We may land on quite a few toes. We hope we do not hurt too much. We hope our friends will understand why we do this.

Prime Minister,

13. Notwithstanding the differing degrees of influence that our two countries exercise in international affairs, I am happy to note that there are a number of issues where we both share common stands. I refer specifically to Kampuchea, Afghanistan, the problem of drug abuse and illicit trafficking, the European Commission' s proposed levy on vegetable oils and fats and the need to convene an International Conference on the Middle East.

14. Of the above international issues, the proposed levy on vegetable oils and fats is certainly an area of immediate concern to Malaysia. Our US\$2 billion worth of palm oil export would be badly affected by the levy. We are accordingly very appreciative of the crucial role played by Britain in preventing the passage of the proposed levy at the recent EEC Summit.

15. We view very seriously drug abuse and illicit trafficking. Malaysia' s strong role at the recently concluded conference in Vienna reflects our concern. All of us need to follow up on the commitments given in Vienna. We must collectively rid us of this menace. There has to be a co-ordinated effort linking the national programme to the regional and the international. I look forward to Britain to play a prominent role in the Commonwealth forum, possibly on the question of forfeiture, so that all of us can benefit.

16. Malaysia hold the view that the Commonwealth is still a useful forum although personally I feel that it has not risen to the occasion when it is most needed. I refer to the despicable policy of apartheid practiced by the white regime in South Africa. Malaysia applied sanctions unilaterally against South Africa since 1965 and we have lost billions of dollars as a result. I cannot believe that any British Prime Minister would want to see apartheid perpetuated. Yet Britain is unwilling to apply sanctions in the belief that it will do the blacks more harm than good. I don' t think so. Indeed, I feel that more than any other member of the Commonwealth, Britain has a moral duty to join the majority to bring about the end of minority rule and apartheid in South Africa.

Prime Minister,

17. I am happy indeed that discussions on this and other issues have been conducted frankly between our two countries. I think by now, both sides are used to the merits of plain speaking. Our discussions on bilateral issues in particular augur well for the future of Malaysia-British relations. My delegation and I are very appreciative of the warm welcome and generous hospitality extended to us and I look forward to completing the programme of my visit which I hope will help pave the way towards better bilateral relations.

18. Distinguished guests, ladies and gentlemen, may I now invite you to join me in a toast to the good health of our host, The Right Honourable Mrs Margaret Thatcher, the Prime Minister of the United Kingdom and to the continued and lasting friendship between Malaysia and the United Kingdom.