

DINNER IN HONOUR OF HIS EXCELLENCY MR GOH CHOK TONG, PRIME MINISTER OF THE REPUBLIC OF SINGAPORE

SRI PERDANA, KUALA LUMPUR (K.L), 11 JANUARY 1991

It is with great pleasure that my wife and I, on behalf of the government and people of Malaysia, welcome you, Mr. Prime Minister and Mrs. Goh, and the members of your delegation to Malaysia. Your visit this time is of considerable significance, being your first official visit to Malaysia as Prime Minister of the Republic of Singapore. As a close neighbour, we in Malaysia have followed with admiration your illustrious political career and your considerable achievements as one of Singapore's young leaders.

Mr. Prime Minister,

2. Your appointment as the Prime Minister of the Republic of Singapore to succeed Mr. Lee Kuan Yew marks the culmination of a remarkable process of transition of Singapore's leadership to another generation of leaders. The fact that it was achieved so smoothly, with scarcely a ripple in either the political arena or in the economy, testifies to the wisdom and foresight of your predecessor. More importantly, it is a measure of the high premium that Singapore places on political stability, and of the confidence that you command among your colleagues and among Singaporeans.

3. It is no accident that Singapore now is one of the major Asian economies poised to develop into a leading world economic, business and financial centre. Its economic strength is evident from the fact that in spite of the Gulf Crisis and the imminent recession in the United States, Singapore is still expected to achieve an 8.5% economic growth rate this year. We wish you every success in your quest for a more prosperous and vibrant Singapore, and of a society dedicated to high standards in every aspect of life.

4. Malaysia holds the view that its relations with its closest neighbours are of utmost importance. Intertwined as we are in both our history as well as our geographical proximity, Malaysia will always give close and constant attention to the development of good relations between our two countries. The media has often been guilty of an inordinate amount of speculation on our bilateral relations, but this is only to be expected given the fact that Singapore and Malaysia were once one nation which separated because we had differences. It is natural to expect those differences to continue to haunt our relations.

5. But good and close bilateral relations can still be woven if we truly care for our countries and our peoples. There is little to be gained by a confrontative attitude. We both have had sufficient experience to understand the waste resulting from prolonged and unreasoning confrontation. Understanding this, we must be pragmatic and design policies on bilateral relations that can be mutually beneficial. Malaysia will always consciously endeavour to understand the sensitivities and interests of Singapore and we are sure you would do the same. In a situation such as ours, where the scope of bilateral relations cover a wide range of issues, including those where our interests may not coincide, it

becomes even more imperative that we consciously set out to work together. And in order that we can work together, it is necessary that we understand each other, avoid unwarranted suspicions, and establish close rapport.

6. Here I would like to state that I believe that rapport lies not just in a shared past, nor just in personal chemistry, but rather in a common perception of what is best in the mutual interest of our two countries. I believe we cannot go wrong if we adhere to this tenet. In this context, may I say that having had the occasion to meet you, Mr. Prime Minister, and to exchange points of view with you when you were Singapore' s Deputy Prime Minister as well as today, I know that we share the same ideals and aspirations, not only for our peoples and our nations, but also for the region as a whole. I look forward with pleasure to working with you in the closest possible manner on matters of mutual importance to our two countries.

7. Looking at the achievements we have made so far, I remain confident that we can forge a common destiny that will benefit our two nations if we continue to cooperate closely. The list of matters on which we have been able to agree and work together in the recent past alone is impressive. They include the signing of a new water agreement, a gas agreement, progress on the proposed second linkage, the expansion of the causeway project, establishment of direct relations with various states of Malaysia for investment, tourism and other links, and Your Excellency' s own initiative on the growth triangle between Singapore, Johor and the Riau Islands.

Mr. Prime Minister,

8. Both Malaysia and Singapore remain strongly committed to ASEAN, and have devoted a great deal of effort to strengthening the organisation. While ASEAN' s achievements in the political arena have gained for us a considerable reputation as a strong regional organisation, the effort to promote economic cooperation among its members have been equally important. In a period when our wider interests and well-being are being threatened by political and economic uncertainties, it is crucial that we find new ways to break down barriers to achieve even closer economic cooperation among ASEAN member countries.

9. We are witnessing the very real threat of tumultuous times in the world today. The peace dividend that came with the ending of the Cold War appears to have dissipated, with the Gulf Crisis threatening to worsen. In these times of uncertainty, Malaysia reiterates its stand against the invasion of small nations by stronger neighbours. We have aptly demonstrated our commitment to this stand by our actions in the UN Security Council on the Gulf Crisis.

10. While we witness an unprecedented unity among the community of nations in the political arena, unfortunately a reverse trend threatens to develop in the multilateral trading system, with the establishment of economic blocs. The European Community is moving towards the creation of a single market, while the United States has signed a Free Trade Agreement with Canada which could be expanded to include Mexico and the Latin American countries. These are

trading blocs whether they are so called or not. These developments bodes ill for the efforts to conclude the Uruguay Round, and economies outside these two major blocs could find themselves at the losing end. For this reason, I believe that Asian countries on the Pacific Rim, which have the potential to collectively provide a dynamic core of growth, should explore ways of strengthening our regional cooperation. Initially at least we should learn to consult each other and speak with one voice when negotiating with the European and American blocs.

11. We should also look into ways and means of enhancing trade between ourselves in order to build up our markets and make them attractive to the European and American trading blocs. That way we will be able to have more bargaining power and be in a better position when negotiating for freer flow of goods between all nations -i.e. for free trade. We are not about to abandon multilateralism. But in order to save multilateralism we must stand up to trading blocs which have already been formed and are working against free trade. The choice is not for us to make. It has already been made for us by others. If we do not know how or are afraid to act because of labels which may be attached to us, we are surely going to lose. We really do not understand why it is proper for some countries to come together and protect themselves while others may not do so. Malaysia and Singapore are too closely linked for us to have diametrically opposed approaches to problems affecting both of us. I hope Singapore will maintain an open mind on the Malaysian proposal for closer economic cooperation involving the Pacific seaboard of Asia.

12. May I once again say how happy I am to welcome you and Mrs. Goh to Malaysia. Your visit will further strengthen the existing bond of friendship between our two countries and intensify cooperation at all levels.

13. May I now invite you to rise and join me in a toast to the good health of His Excellency Prime Minister Goh Chok Tong and Mrs. Goh and also to the good relations between Singapore and Malaysia.