

**SPEECH BY THE PRIME MINISTER, AT THE BANQUET GIVEN IN HIS HONOUR BY SENIOR VICE-PREMIER, MR. DENG XIAOPING IN PEKING ON 3RD MAY, 1979.**

Mr. Senior Vice Premier, the members of my delegation and I are very happy to be in your great country. I personally have been looking forward to this visit and to renew our friendship. Your visit to Malaysia last November had paved the way for enhancing further the friendly relations between our two countries. The late Tun Abdul Razak and the late Mr. Chou En Lai had laid the foundation of our two countries' friendship and now it is up to the present and future leaders of our two countries to strengthen that friendship.

Your Excellency, on behalf of my delegation and also on my own behalf, I would like to thank you and the Government of the People's Republic of China for the kind hospitality and warmth welcome which have been given us. I would also like to thank His Excellency Chairman Huo Guo Feng for kindly receiving us at the airport.

Rapport between leaders can be built with close personal contact. This also provides them with the opportunity to exchange views and appreciation through perspective policies. The exchange becomes more meaningful when they can talk to each other frankly and openly. I am happy that our discussions this morning were held in the same spirit and candour that prevailed during our discussions in Kuala Lumpur.

The most significant development in our region since your visit to Kuala Lumpur, has been the events in Indochina. We in Malaysia, and in ASEAN, are very concerned with the conflict and tension in the area. We are also very concerned with the involvement of other parties in the conflict, and the possibility of its escalating. We want to avoid this at all cost.

This concern has led the ASEAN Foreign Ministers to issue the statement in Bangkok calling for restraint, the withdrawal of all foreign forces, and for a peaceful solution. It has also been the reason for ASEAN proposed resolution in the Security Council of the United Nations to find an acceptable formula to restore peace and stability in the area.

I would like to stress that in doing so ASEAN was acting in the interest of the region as a whole. The action taken by the countries of ASEAN represents our positive contribution towards a peaceful resolution of the conflict in Indochina, which would create a condition conducive to the pursuit of our objective of establishing a zone of peace, freedom and neutrality in Southeast Asia.

The region will benefit greatly if the countries in it adopt a friendly policy towards one another. It is also in the region's interest that the countries refrain from interfering in the affairs of the others and settle all disputes peacefully. It is imperative that ASEAN's proposal for the establishment of a zone of peace, freedom and neutrality in Southeast Asia should be fully supported by the super powers.

At the same time, we will continue to make ASEAN stronger and more cohesive to withstand the challenge ahead. However, I do not mean this to be in a military sense. ASEAN, from the time of its inception, was never meant to be a military organisation. The emphasis has always been, and will continue to be, on socio-economic and regional cooperation.

With regard to the bilateral relations between Malaysia and China, I am happy to say that there has been a steady development in our friendly ties in the last 5 years. The exchange of visits by Ministers and officials have created a better understanding and generated much goodwill. Your Excellency's own visit to Malaysia last year and my present visit to China have this object in view. My visit, I hope will be a further step in building greater trust and confidence between our two countries.

Trade has featured prominently in the relations between our two countries. Trade and economic ties have always been and should continue to be the strongest basis for the development and strengthening of bilateral relations between our two countries. We should therefore make further endeavour to extend our trade ties. As China moves ahead with her modernisation programmes, and as Malaysia increases the pace of her industrialisation and production of primary products, there will be increasing opportunities for this expansion.

As Third World countries our respective economic development programmes should avoid weaknesses and mistakes of the industrialised West, particularly in the progress of international economic relations. The economies of these Western nations are based on an international

economic system which is inequitable to the poorer and developing countries. It is our hope that China's role in the international economic system will be towards the eventual relations with the new international economic order.

As an Asian nation, China can play a useful role in the developing of cooperative equitable trade relations amongst the developing nations of this region. Our economic relations must be based on complementarity and cooperation so as to create a truly equitable economic system which will, in turn, fully benefit the peoples of the countries in Asia.

Malaysia and China have their respective strength and areas of expertise. We should cooperate as much as we can for our mutual benefits. Malaysia is not only an important producer of new materials, but also rapidly strengthening its own manufacturing base. China is embarking on her own modernisation. If, at this juncture of our countries' economic development, we can be guided by considerations of complementarity and cooperation in trade and economic relations, it will certainly benefit us both. In short, relations between our two countries can be further strengthened if we continue to emphasize and develop those areas of mutual benefit.

Finally, Your Excellency, it has indeed been a very happy and pleasant experience for me and my delegation to be here in your country. This visit gives me the opportunity to renew our friendship that we have established in Kuala Lumpur.

Ladies and Gentlemen, may I now request you to join in a toast: to His Excellencies Prime Minister Hua Guo Feng and Deputy Prime Minister Deng Xiaoping, for their continued goodhealth, success and happiness. To the success of the government and people of the People's Republic of China.

Thank you.