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SPEECH BY PRIME MINISTER MR LEE KUAN YEW

AT THE BANQUET HOSTED BY HIS EXCELLENCY MR LI PENG,

PREMIER OF THE PEOPLE'S REPUBLIC OF CHINA,

IN BEIJING, 15 SEPTEMBER 1988

On behalf of my delegation, my wife and myself, I would like to thank you and the Chinese Government for according us the traditional warm welcome and hospitality.

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Since my last visit to China in 1985, many major changes have taken place. Younger leaders have taken over leading roles in the Party and the Government of the PRC, and they are implementing economic reform programs which will bring faster growth and a better life for the Chinese people. I look forward to seeing these changes and the great progress already made. Several of my colleagues who have already visited your country have told me of them.

In international affairs, there have also been many changes and new developments. The INF treaty between the US and the Soviet Union is a significant step forward in creating a new climate of lessened tensions and will help the next stage of negotiations for further agreements on reduced levels of nuclear and conventional forces.

This climate is also favourable for the resolution of regional conflicts involving the big powers. The Soviet Union is withdrawing its forces from Afghanistan. The ceasefire in the Gulf is a big step away from war and a step towards peace. Developments over Namibia and Angola also tend towards a restoration of peace and stability.

In Southeast Asia, His Royal Highness Prince Sihanouk and their members of the CGDK, ASEAN, and China have demonstrated their readiness to work towards a political solution in Cambodia and the withdrawal of Vietnamese forces. All the parties involved must and can ensure that the tragic mistakes of the past will not be allowed to be repeated. The diplomatic efforts through the Jakarta informal meeting, the initiatives of Prince Sihanouk and the discussions among interested powers, all recognize and aim to achieve this overriding objective. We must arrive at a solution which an overwhelming majority of the world will support.

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China is going through a historic social, economic and political transformation. The success of your endeavours will have a favourable impact on your neighbours and on the world. It helps regional and world peace to have a China at peace with herself, building a modern society and an industrialised economy, and increasingly able to make her contribution to international peace and economic cooperation and development.

Singapore, together with other like-minded nations in the region, will cooperate with China for the stability and economic progress of East and Southeast Asia.

In the last three years, there has been much progress in economic cooperation between our two countries. In 1987, total trade amounted to about S$4.5 billion. As in previous years, the trade balance has been in China's favour. The present trade arrangements should be maintained and new avenues explored to increase bilateral trade.

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There has been substantial progress in Singapore's participation in investment, urban planning, airport development, and upgrading facilities in China. Much more can be done. Opportunities for economic cooperation will

increase when authority in economic matters is decentralised and devolved on the provinces. The experience from past negotiations will help the reaching of new agreements.

It is now my pleasure to invite you to join me in a toast to His Excellency Mr Zhao Ziyang, the General Secretary of the Party, His Excellency Mr Deng Xiaoping, Chairman of the Central Military Commission, His Excellency Mr Yang Shangkun, the President of the PRC, His Excellency Mr Wan Li, Chairman of the Standing Committee of the National People's Congress, His Excellency Mr Li Peng, Premier of the State Council, and Mrs Li, to the success, prosperity and progress of China and the Chinese people, and to the friendship between Singapore and China.

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