



# **THE THIRD SOKA UNIVERSITY PACIFIC BASIN SYMPOSIUM**

**September 14-16, 1992**

**Singapore**

**Organized by**

**The Soka University Pacific Basin Symposium Committee  
Nanyang Academy of Fine Arts**

**Officially Supported by  
Embassy of Japan in Singapore  
Japanese Chamber of Commerce & Industry, Singapore  
Japanese Association**



**The Third Soka University Pacific Basin Symposium  
(Singapore Regional Language Centre)**

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# OPENING ADDRESS

By Dr. Kazuo Takamatsu

Your excellencies, most distinguished guests, ladies and gentlemen, please allow me to say a few words of appreciation on behalf of the organizers. First of all, I would like to thank all distinguished guests present here for taking precious time from your busy schedule to attend this reception and symposium. It is my great pleasure and honor to announce that this symposium is being held in Singapore with the recommendation and invitation of Dr. Gwee and is co-organized by the Nanyang Academy of Fine Arts. It is also officially supported by the Japanese embassy, the Japanese Chamber of Commerce and Industry, and the Japanese Association. I would also like to express my deep appreciation to these organizations for their kind support and assistance.

The founder of Soka University, Dr. Daisaku Ikeda, has predicted the arrival of the Pacific Civilization and has been continuously asserting the promotion of peace, exchange of culture, and education in this region. On February 9, 1988, Mr. Ikeda had a dialogue with the honorable former Prime Minister, Mr. Lee Kuan Yew, who both agreed that it is youth who decide the future.

It was in May of the same year that the First Soka University Pacific Basin Symposium was held at Soka University's Hachioji campus, with the participation of scholars and researchers from 11 countries. The Second Symposium was held in 1990 in L.A., co-sponsored with United Nations University and participation of representatives from 18 countries and regions representing 23 universities and institutions.

The Third Symposium is held in Singapore with the participation of representatives from 15 countries in Asia and in the world and representing 23 universities and institutions. We hope this will be an even more fulfilling conference than the previous ones. I am deeply delighted to see that everyone gathered here today is one who has close ties with Soka University and comes from institutions that have established academic exchange programs with us. I am confident that a closer bond will be established and a circle of friendship and research will be further expanded through this occasion.

Singapore is the crossroad of South East Asia's economic, cultural, and racial exchanges and the core of the era of the Pacific Civilization which will be brought out by an Asian Renaissance. Thus, it is our greatest honor that Singapore is the host country for such a memorable conference where scholars of all corners of the world gather. For the following two days, intellects will

gather to discuss issues concerning the Asia Pacific region. I believe it will be especially significant if they could delve into these issues from the wider perspective of humanity. At this symposium, we will be deliberating on the role of the Southeast Asian nation in solving the various problems facing the Pacific Basin. It is our hope that through these discussions, some conclusions can be reached where a solution to the issues can be drawn; thus, contributing to the global peace and prosperity in the 21st century. Although the time of discussions may be limited, it is our expectation that truly significant discussions will be conducted from some of the best scholars and researchers who have gathered here at this symposium.

I hope that you will have an enjoyable time this evening. Thank you very much for your attention.



## FOUNDER'S MESSAGE TO THE THIRD SOKA UNIVERSITY PACIFIC BASIN SYMPOSIUM

As founder of Soka University, I would like to offer my heartiest congratulations on the occasion of the Third Pacific Basin Symposium.

We are honoured that this symposium is graced by the presence of noted scholars and researchers from 23 universities and institutions, representing 15 countries and regions. It has been my personal privilege to be able to visit many of these centres of learning—visits which I look back with great appreciation and fondness.

I believe that it is of special significance that Singapore, the Lion City, with her remarkable harmonious diversity of race, language and culture, should be the host country for this symposium.

In recent years, many people have highlighted the increasing importance of the Asia-Pacific region. Personally, I have long been deeply interested in the subject of the Pacific civilization. Both Dr Richard Coudenhove-Kalergi and Dr Arnold Toynbee, with whom I had the opportunity to discuss this matter on several occasions, predicted the emergence of the era of a Pacific civilization. Their visions and observations served as important stimulants to my thoughts on this subject.

The question is: how do we unleash and harness the enormous energy and potential inherent in this region for the good of all humankind? It is an indisputable fact that today's world is seeking a peaceful, co-existing civilization that depicts a new era.

Professor Johan Galtung, the world renowned researcher of Peace Studies with whom I am presently preparing to publish a dialogue, has suggested that a Pacific civilization must be characterized by the qualities of openness and tolerance. Indeed, these qualities are central for an universal perspective through which alone, can.

We view the distant horizons of a global civilization. An openness and acceptance of diversity in race, language, religion and culture which is found in the Pacific region, are essential if all the constituent members of such a civilization are to co-exist and partake in a common prosperity.

In light of this, I find this symposium, a gathering of specialists from throughout the region

coming together to share their wisdom and vision for the 21st century, to be both timely and deeply significant.

It is my sincere wish that this symposium will shed new light and be the impetus for new efforts in the research of the Pacific Basin. I offer my heartfelt prayers for the success of your deliberations.

Daisaku Ikeda  
Founder  
Soka University



# THE OPENING OF THE THIRD SOKA UNIVERSITY PACIFIC BASIN SYMPOSIUM



SPEECH BY H.E. MR. T. TOGO,  
THE AMBASSADOR OF JAPAN, AT

Mr, Tang Liang Hong, President of Nanyang Academy of Fine Arts,  
Mr. Takamatsu, Rector of Soka University and,  
Excellencies,  
Distinguished Guests, Ladies and Gentlemen,

It is a great honour for me to say a few words of congratulations on the occasion of the opening of the 3rd Soka University Pacific Basin Symposium tonight.

I have heard that about thirty-five heads of universities and scholars from fifteen nations and regions of Southeast Asia as well as the U.S., China, Italy, New Zealand and India are participating in this symposium. I have also heard that lively discussion is to be held in a wide range of fields such as economics, peace, culture and arts, and the environment.

The Asia-Pacific region is experiencing the most dynamic economic development in the world and especially, the economic development in East Asia, including Japan, South Korea, Taiwan, Hong Kong, and ASEAN, is truly remarkable. Singapore holds a key position in this Asia-Pacific region and she is going to play an increasingly important role as an opinion leader among ASEAN. In that sense, it is most timely to have this symposium here in Singapore now.

Meanwhile, the regional free trade areas, NAFTA in North America and AFTA in ASEAN, have been agreed upon this year. From both sides of the Pacific, NAFTA and AFTA are expected to vitalize regional economies, and if they are open to the outside, they are expected to contribute to the prosperity of the world economy as a whole.

At the same time, such regional free trade areas are liable to succumb to the temptation of protectionism, giving priority to the protection of the interests within their regions.

Such temptation could lead to the establishment of economic blocs. Nothing is more harmful for free economies than economic blocs, because they reduce the size of the world, thereby destabilizing domestic politics of each country, leading to the political instability of the world.

This is a lesson we have learned from the world situation before WWII. We must not repeat such a folly. It is no exaggeration to say that never before the success of UR, and the reinforcement of free trade system of GATT has been more urgently needed than at present. It is necessary to concentrate all efforts of all countries in the world toward these targets.

It is extremely important for the Asia-Pacific region to maintain free market economies on the basis of the GATT spirit, avoiding bloc economies in order to secure political stability in the region. The political stability, as well as economic stability in the region, is an essential factor for the reconstruction of a New World Order toward the 21st century. The successful realization of peace in Cambodia will further contribute to the security of the Asia-Pacific region.

We cannot overlook, however, that there are so many issues in the region such as the impact of economic development on socialism in the region, the effect of a power vacuum in regional security, concerns on the revival of regional armsrace, and how to cope with the regional conflicts such as the Spratly islands, issue etc. I sincerely hope that you will find out some ways for better economic cooperation and development as well as political stability of the region through the discussions in this symposium.

Various problems that human kind faces at present are quite complicated and deep-rooted in humanity. The crux of the matter is that the civilization of modern science and technology, which should originally serve human beings, is on the contrary threatening the existence and happiness of mankind. Science and technology is like a double-edged sword. It is important for human beings to have inner motivated spirituality and consciousness to control it.

Science and technology in the modern age have made tremendous progress possible, especially in the fields of military and industry. Rapid improvement of productivity brought about by scientific and technological revolutions have caused a marked difference in the living standard between East and West; which broke through the Iron Curtain. It had ignited the latent energy and aspiration of the people in Eastern Europe and the former Soviet Union. Tumultuous waves formed and washed away the Berlin Wall, the communist regimes of Eastern Europe, and led to the collapse of the Soviet Union. Thus the Cold War ended, and also an era when exclusive priority was given to military power.

In the aftermath, environmental problems caused by economic development have come to attract more attention. In order to solve the problem, it is essential to promote the international cooperation across national boundaries.

Today, we witness much more attention being given to issues on the environment, and human rights across national boundaries, than ever before. At the present age, needless to say, well

balanced economic development is the basis for achieving peace and happiness for human beings. In addition, such inner motivated factors such as information know-how, system, culture, arts and education are increasingly recognized as essential factors for the well being of mankind.

I think it is necessary to build a harmonious system of international peace and culture, based on the respect for each individual culture, nationhood, and religion in every dimension, including politics, defense, economy, culture, and education. This system can be called the united wisdom of mankind for the benefit of all.

In this aspect, the recent development toward strengthening cooperation among ASEAN countries has drawn attention of the world as the most successful organization for regional cooperation, and has become the great galvanizing force in Asia. Meanwhile, APEC has taken the initial large step for concrete forms to strengthen cooperation in a wide area of the Asian-Pacific region.

I express my sincere congratulations to the Republic of Singapore on the confirmation of setting up the APEC secretariat office in the country, and wish further contribution of the Republic. I also expect that, besides organizations for regional cooperation, the role of the United Nations will become increasingly more vital in the future.

Together with the establishment of an international cooperation system, another important factor is to foster people who can bear the system of peace and stability in the new world in the 21st century. I am confident that a university is the very place to foster such people who not only take root in characteristic cultures of their own countries, but are always open to foreign cultures and are able to consider the benefit for all the mankind.

It is extremely valuable that all of you from the universities, the representatives of intellect and good sense of the Asia-Pacific region who maintain various kinds of cultures, will establish the golden network of international cooperation for wisdom and peace through this symposium; in order to foster people who can contribute to peace and stability in their own countries, as well as mankind. It will not be too much to say that the movement toward the 21st century will be determined by such work.

From this point of view, before closing my speech, may I wish this symposium great success. Thank you.

**The Third Soka University Pacific  
Basin Symposium RELC, Singapore  
WILL THE 21ST CENTURY  
BE THE PACIFIC CENTURY?\***

Keynote Address on 15 September 1992

by

Professor LIM Chong-Yah

Professor of Economics and Director,  
SABRE Centre NANYANG TECHNOLOGICAL  
UNIVERSITY, SINGAPORE

Mr John Hay, US Secretary of State, at the beginning of this century, said words to this effect at the opening of the Panama Canal: "The Mediterranean was the centre of civilization in the past, the Atlantic the centre of civilization at present and the Pacific the centre of civilization in the future". Was Mr John Hay correct in his prognostication about the Pacific? Will the 21st century be the Pacific Century?

What is the rationale behind the on-and-off current prognosis that the 21st century will be the Pacific Century? The current rationale is based on extrapolation. The crystal-ball gazers extrapolate from economic successes and others in East Asian nations of the past three decades or so, and from the decline of Western global political and economic hegemony following the global de-colonisation process after World War II.

The star performer in the East Asian economic firmament is Japan. Not only has Japan been able to re-build herself so miraculously after the devastation of WarII, but also, she has been able to compete very successfully against Western economies in many areas of human economic endeavours. Japan captures the bulk of the world's market shares, not only in the production and export of cameras, VCRs, electronic watches, electronic calculators, microwave ovens, memory chips, shipbuilding, motorcycles, cars, tyres, bicycles, commercial vehicles, dry cell batteries, microprocessors, washing machines, colour televisions, refrigerators, telephones, etc.; but also excels in banking and finance. Today, out of the 10 largest commercial banks in the world, 7 are

Japanese. Japan's successful competition in the global market is also reflected in the strength of the Japanese yen. Until as late as 1970, the exchange rate was 360 yen to 1 US dollar. Today, it is 124 yen to 1 US dollar. In other words, the yen, in a short time of 12 years only, has increased nearly 3 times the value vis-a-vis the US dollar, and yet, the USA still finds it difficult to compete with Japan. The US balance of trade with Japan is still very much in favour of Japan and the overall US balance of payments with other countries is still very much in the red.

However, it is not just the rapid economic ascendancy of Japan that worries the West, it is also the emergence of the Asian NIEs that adds some credence to the belief of a possible Pacific Century. The four Asian NIEs of South Korea, Taiwan, Hong Kong and Singapore have displayed for more than a quarter of a century, a rate of growth in their economy that is several times faster than the average growth rate in the OECD countries, and many more times faster than the average global growth rate. Statistics show that from period of 1965-1991, Asian NIEs grew at an average compound rate of 6.5% per annum in real GNP per capita, compared with the corresponding global rate of only 1.5% per annum. OECD as a whole grew at only 2.4% per annum.

More than that, China, the most populous country in the world, after a long period of stagnation and retrogression before World War II, and after several decades of very slow growth under rigid Communist rule, has also joined the rank of the rapidly growing economies in East Asia in the last 15 years or so after she started to de-regulate and decontrol the economy; after the Communist giant, so to speak, assumed capitalistic characteristics. Indeed, for the 1980's, for example, the Chinese real GDP, no doubt starting from a low base, grew at a record-breaking average compound rate of 9.5% per year, whereas, for the same period, the world economy grew at only 3.2% per annum and at least 20 countries in the world had negative growth rates or persistent downhill slides.

Besides Japan, the four Asian NIEs and China, other East Asian nations have also displayed this rapid growth phenomenon. Well-known for such remarkable achievements, are countries like Malaysia and Thailand, with Indonesia also showing sure signs of a secular upware ascent. Together with the original 4 Asian NIEs, Malaysia, Thailand and Indonesia are now at times referred to as the East Asian Super-Seven. I would also like to add that one should not be that surprised if before the century is out, Vietnam and the Philippines will join the East Asian super-growth league.

If one looks at all these East Asian nations, one cannot but be struck by a few common prominent economic features, one of which is industrialisation and the other is export orientation.

Another is wide-spread attention paid to investment in human capital; and yet another facet is a high savings function. For example, although China, is still a poor country; her gross savings rate is 43% of GNP, contrasting with the 15% rate for the USA or 17% rate for Great Britain. Japan, the economic leader and forerunner of the East Asian group has one of the highest per capita incomes in the world and a savings rate of 34%, far exceeding the 15% rate for the USA. One should not, therefore, be surprised that the USA has to borrow so much from Japan to finance the American well-known budget deficit and the balance of payments deficit. Indeed, Japan has become the largest creditor nation and the USA the largest debtor nation in the world. During the time of Pax Britannia, Great Britain was the most important creditor nation in the world. The British pound sterling, however, as you know, has lost much of its sterling qualities since then.

Nonetheless, if we are talking about East Asian achievements, we are, strictly speaking, not talking about the Pacific Century. We are taking only about the Western half of the Pacific. The Eastern half, the USA, Canada and Mexico are left out. USA alone still has a market size that is 1.8 times bigger than Japan's and 1.2 times bigger than the whole of East Asia's.

Besides, nearly all the developing East Asian economies are still in varying degrees of dependence, not only on the vast US market, but also on American foreign investment. Furthermore, all East Asian nations still depend, also in varying degrees, on US universities for the training of their young and most still depend on the US for security co-operation, if not down right protection. Others are even dependent on the US mass media for world news, if not TV entertainment as well. US also continues to be the main centre of inventions and technological breakthroughs in the world.

Rudyard Kipling once said that East is East and West is West and the twain shall never meet. In the Pacific they have met in co-operation as well as in competition. The meeting differs from the pre-War meeting of metropolitan powers and dependent colonies. That was the world of Rudyard Kipling. The scenario has changed. All East Asian countries, except Hong Kong, have become sovereign independent states and even Hong Kong will revert to China on 1 July 1997. Besides, modern transportation and communication advances have brought all nations of the world ever much closer together. We now can watch the same world events unfolding before us on our home TV screen in different parts of the world, be they in the East or West. East and West, therefore, not only have met, but their destiny are more interwoven now than ever before.

Whilst there is little doubt that the East Asian economies would continue to grow rapidly; whether the predominant weightage in the Pacific will be in East Asia or North America depends to a large extent on the development of China on the one hand and of the USA on the other. These

two are the two giants in the Pacific in terms of population and land size. China and the USA, particularly the USA, largely set the balance between East and West in the Pacific. In the Western Pacific, other than China, these are nations like Japan, South Korea, the Philippines, Vietnam, Thailand and Indonesia. Eastern Pacific is more heterogeneous than North America, which is dominated by the USA.

At present and in the foreseeable future, the USA is still the only real giant in the Pacific, in the world, and in military, intellectual and economic terms. However, if the Chinese economy continues to grow at the same speed for the next 30 years as it has grown in the last 15, then one could say with more certainty that the Pacific Century has arrived. Whether that will bring more peace to the Pacific is another matter. For sure, the “yellow peril” will rear its ugly head in one form or another, particularly in the West. At present, we are still living in a unipolar world dominated by the USA economically, military and intellectually, notwithstanding the spectacular economic successes of Japan, the Asian NIEs, Malaysia, Thailand and other dynamic economies in East Asia.

East Asia too is fraught, as a region, with internal political problems. In North-east Asia, although South Korea and China have recently established diplomatic ties, South Korea still finds it difficult to have a normal relationship with North Korea, China with Taiwan, and vice versa. The sales of 150 F16 fighter jets by the USA and 40 Mirage 2000 war planes by France to Taiwan certainly did not help to promote the PRC-Taiwan relationship. Further more, in the North, the Kurile Islands have yet to be returned to the Japanese. Besides, none of the East Asian countries would accept Japan as a benign hegemony, given the World War II experience and the Dre-War colonisation efforts of Japan. In Southeast Asia, the Cambodia conflict still has an effective, acceptable solution. Spratly Islands are still claimed not only by the Philippines, Brunei, Malaysia and Vietnam, but also by Japan and Taiwan. Whilst, regrettably, the US has left Subic Bay in the Philippines and the Russians still maintain their war fleet at Cam Ram Bay in Vietnam.

However, when the USA objects to Malaysia's proposal for the formation of EAEC, that affects the position and attitude of some East Asian nations, including Japan and South Korea, indicating the weight of political gravity is still very much in Washington rather than in any or several of the East Asian capitals. The USA is free to form NAFTA. Europe is free to form EEC. For East Asia, however, the position is different. There is not leader in East Asia. Japan is by far the most important East Asian nation economically, but as a political leader, history is against her. In pre-War days the Europeans went to other distant lands, other Continents, to establish

their colonies. Japan, however, colonised her neighbours: Taiwan, Korea and later Manchuria. Besides, many East Asians still think that Japan has not and does not feel regretful and remorseful about her imperialism and atrocities in World War II. Some still hold the view that encouraging Japan to rearm is like giving liqueur to an alcoholic and that whatever the Japanese do, they will do to its limits. China, with a population of 1,1 billion, is still poor, besides she has a different political and social ideology from the rest of non-socialist East Asia. There is also no geographical contiguity in East Asia, as is found in Europe or in North America. Indeed, when the East Asians meet, the lingua franca is in English, which is not the native tongue of any of the East Asian nations.

Nonetheless, together with North America, the Pacific, though diverse, in my view, will become more dominant in the world economically and politically as this century draws to a close and the next century begins. But the shift of economic gravity in the Pacific will be more and more towards the Asia-Pacific region. That, however, does not mean that East Asia will become the centre of the globe, as Europe was the centre during the 18th and 19th centuries or the Atlantic became the centre after World War II, with the shift of much of the global gravity to the USA.

What about NAFTA? Can it tilt the economic balance in the Pacific in favour of North America? The answer depends on the impact of NAFTA on the USA, in particular. I think, regrettably, the favourable economic impact on the USA, if any, is marginal. The main benefit to the USA of NAFTA is access to a bigger market to include Canada and Mexico. However, the USA has had, in fact, access not just to the already huge internal US market, but to almost the entire global market. The Japanese, among others, have been able to compete successfully in the global market, but not the USA. Why is that so? The problem of American's lack of competitiveness lies on the supply side: quality of supply and supply costs, and lack of attention paid to export competitiveness, not so much accessibility to the global market. The automobile industry provides an illustration. American cars find it difficult to penetrate the global market, whereas Japanese cars can and these countries do not specially discriminate against American cars in favour of Japanese cars. In other words, the fall in relative American international competitiveness lies very much in the relative lack of attention paid by the USA to international competitiveness in goods and services and to the rising of her productive capacity. This is another way of saying her consumption rate and levels are high in relation to her productivity. As stated earlier, her savings rate is low. Her investment rate is also low. Her savings rate is only about 15% of GNP, and her investment rate about 16% of GNP. Japan's rates are more than doubled, at 34% and 33% respectively.



In other words, after World War II, the American philosophy has been spend and spend; spend to prosperity. And by spending, they mean on consumer goods and services. This policy is only good in fighting short-term cyclical recession not as a way of life. In the US, unfortunately, it has become a way of life. The result is the well-known edemic twin deficit: the huge budget deficit and the huge balance of payments deficit. Productivity grows slower than those of competing countries such as Japan, South Korea, Taiwan or Germany. Between 1967 and 1989, for example, Japanese productivity went up by 341 percent, American only by 83 percent.

The scape-goat school in the US naturally blames other nations for her economic woes. Bearing in mind that part of the US spending is on military and other expenditures abroad, the anger and anguish of the scape-goat school are not without any rationality. They use Super 301, GSP, etc., at times, in angry retaliation. Another school is less hawkish. Some in this school advocate exchange depreciation as a salvation. This does not appear to be effective; neither American exports nor imports seem to be that price elastic. Others advocate control of M1 and M2 if not M3 as well. With the current recession, this group remains naturally, rather silent. Still others advocate a smaller US government. A powerful mainstream appears to advocate a "do nothing" policy, even in the current persistent recession. Let market forces, they argue, make their own adjustments. Hopefully, market forces in the US will adjust fast enough for President George Bush to be re-elected.

In other words, even in the persistent recession in the USA at present, this mainstream thinking is still, in addition to low interest rate, not large investment and development programme to generate effective demand through the multiplies effect, and at the same time to enhance the long-term productive capacity of the country, as should be the case, and as is being done in Japan. The well-known anti-recession Keynesian remedy has apparently given way in the USA to the new "do nothing" theology. Really, unless the USA is prepared to invest more and more in enlarging and enhancing its productive capacity, she cannot compete successfully with other nations that are prepared to do so. Indeed, Mrs Margaret Thatcher, the former British Prime Minister, is correct when she said recently in Seoul that, "The West should take a lesson from South Korea. We have spent too much and saved too little and that is the root of many of our present problems" (Straits Times, 5 September 1992).

However, raising standards of living in almost every nation in the modern world can only be accompanied by greater inter-dependence among nations and among different groups within the same nation. With increasing inter-dependence, hegemony by one nation is likely to give way to a new world order by increasing national or groups of nations, including regional groups and the