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SECOND MINISTER FOR FOREIGN AFFAIRS, SINGAPORE,
AT THE PACIFIC RIM BUSINESS COLLABORATION SYMPOSIUM
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SOUTHEAST ASIA IN THE PACIFIC CENTURY

Not By Love But By Fear

Machiavelli once said that men are held together not so much by love, which is fickle, but by fear. When the Soviet threat loomed large, the North Atlantic Alliance seemed eternal. China's 'faults' were overlooked by America when it was needed as a strategic counterweight. With the old fear gone, feelings change dramatically. The North Atlantic Alliance has become less united. The European Community is being pulled in different directions. As for Sino-American relations, the love affair started by Nixon and Kissinger has turned cold and is now replaced by a new fear that China may become a competing superpower in the next century.

The Association of South East Asian Nation (ASEAN) was formed in 1967. It had a lackadaisical start until the pullout of American forces from South Vietnam in 1973 and its fall to the Communists in 1975. When Vietnam invaded Cambodia in 1978, ASEAN was galvanised into action. Without the Vietnamese threat, it is doubtful that ASEAN would have become the strong regional grouping it is today. It was cold fear which made us huddle together, not love. Vietnam at that time had an armed force more powerful than the combined armed forces of ASEAN. In order to fight Vietnamese aggression, we created institutions to concert our efforts on the Thai-Cambodian border, in the UN and elsewhere. Without the challenge of Cambodia, there would not be this habit of consultation and goodwill we see today in ASEAN.

Whether ASEAN becomes stronger or weaker in the next century depends on the future strategic environment. Vietnam is no longer a threat. Indeed, by an irony of history, Vietnam now wants to be a part of ASEAN. What new fears will bind us together? In recent times, there has been a spate of optimistic articles in the international media forecasting a rosy picture for the region. If these pundits are right, the future of ASEAN would not be rosy for there would then be little need for ASEAN. After all, ASEAN does not exist for itself but to serve the interests of its members.

Fortunately or unfortunately, there are new fears on the horizon, and some quite chilling ones. I am not being pessimistic about the future - indeed the future is full of opportunities for us - but there are dangers we ignore at our peril. The dangers are both economic and political.

New Fears

Whether or not we have a successful Uruguay Round on 15 December, world trade will never be completely free. World trade will remain a mixture of free trade and managed trade. Of course, failure of the Uruguay Round will be disastrous. It will slowly but surely divide the world into blocs. In that unhappy event, from our perspective in Southeast Asia, a two-bloc world, with the Asia-Pacific including North America as one large economic bloc and Europe as the other, is much better than a three-bloc world, with the Pacific divided down the middle.

If the Asia-Pacific stays as one bloc, Europe will eventually be marginalized. The size of the Asia-Pacific and the dynamism of many of its national economies will enable the region to grow regardless of European protectionism although everyone will be slowed down as a result. But Europe will lose much more and after some years will be forced to reopen its economy.

If the Pacific itself is divided as a result of a Uruguay Round failure, the consequences can be horrendous. We may still be able to muddle through. Or we may not. As international relations turn sour, trade wars can break out. A new great

depression in the world is possible. Like the last great depression, a new great depression will trigger off a chain of political upheavals which can lead to war. Such a scenario has been forcefully argued by Lord Rees-Mogg and James Dale Davidson in their sombre book "The Great Reckoning".

Thus the success of the Uruguay Round is a touchstone of mankind's ability to compete and co-operate within an agreed global framework. It does not mean, however, that we will then live happily ever after. Indeed, there are fundamental shifts in the global power balance which must lead to political conflicts of one kind or another.

Among analysts, there is now broad consensus that, barring a major catastrophe, the world's economic centre of gravity will shift decisively to East Asia some time in the first half of the next century. There is every possibility that the size of China's economy alone will overtake that of the US within two or three decades.

Such an economic shift has far-reaching strategic consequences. It will change the political and military balance of the world in a profound way. A transformation of such proportions has never taken place in history without accompanying wars and revolutions. Ever since the Spanish and the Portuguese expelled the Moors from Spain, successive European groups have exploded onto the world scene, each yielding power to the next only when forced to by defeat in war. Thus the Spanish and the Portuguese yielded to the Dutch, the Dutch to the British and the French, then the French to the British and, finally, after two world wars, the British to the Americans.

Japan, considered by the West at that time as an eastern upstart, was finally vanquished with atomic bombs and only allowed to rebuild its economy as a defanged ally of America against world communism.

The last few centuries of Western domination has affected every aspect of our lives. That we wear Western clothes, use

Western toilets and kitchens, speak the English language, apply Western ideas to all fields of human endeavour, is the direct result of the spread of Western civilization around the world.

Now, after 500 years, the historical pendulum is inexorably swinging back to Asia, first to East Asia and eventually to South Asia as well. Just as the rise of the West was accompanied by innumerable conflicts among Westerners and between Westerners and others, the resurgence of the East will be as tumultuous. Of course one hopes that mankind has learnt from the lessons of history and will find ways to avoid major wars. After all, a major war in which nuclear weapons are exchanged will end civilization as we know it. But to assume that the swing of the pendulum back can be smooth is unrealistic and foolhardy. Such a hope flies in the face of human experience. It is not in the nature of the species.

We are beginning to feel the rumblings. The gloom in Europe and the growing self-doubt in America are part of it. For Europeans to be talking seriously about reducing the work-week in order to share out the work available shows how deeply pessimistic Europeans have become. The public mood is turning towards economic protectionism in order to save jobs. In America, Ross Perot's opposition to the North American Free Trade Agreement (NAFTA) tapped widespread grassroot support. Without Republican support, President Clinton had no chance of getting Congress to pass NAFTA.

Anti-Asian sentiments are on the rise in both Europe and North America. Domestically, there is growing racism against Asian immigrants because they work harder and save more. Externally, an intricate theology is being constructed to justify why it is no longer possible to compete with Asians under the old rules. They claim that Asians have lower social standards. Asian workers are denied human rights. Prison labour is used. Their environments are being despoiled. The cohesiveness of many Asian societies is proof that they are authoritarian and do not practise genuine democracy. And so on. Thus an unwitting alliance of protectionists, socialists, human rights activists,

environmentalists and liberal democrats is gathering in the West, all opposed to free trade.

The arguments range from quite simplistic ones to the most sophisticated. Ross Perot's ability to simplify is well known. Samuel Huntington's "Clash of Civilizations" clothes the race-protectionism argument in intellectual terms. The writer Gore Vidal put it across very bluntly in a recent article in the London Sunday Telegraph titled "Race Against Time". Vidal lamented the loss of "wealth, power and empire (which) makes for melancholy, or worse". The white men who made up 30 per cent of the world's population at the beginning of the 20th century will be a "lonely 13 per cent" at the end of it. Vidal called for "a great northern peaceful economic alliance dedicated ... to life, liberty and the pursuit of happiness". Not long ago, Jim Baker's "from Vancouver to Vladivostok" conveyed much the same sentiment.

These are dangerous ideas which leaders like President Clinton and Chancellor Kohl are fighting against. We must encourage President Clinton in his support of Asia Pacific Economic Co-operation (APEC) and a constructive Sino-American relationship. We in the East must be careful not to mismanage the growing insecurity of the West by adding fuel to the fire. In particular, we must never become anti-White ourselves. The East Asian Economic Caucus (EAEC) idea was problematic because while many of us might have seen initial American opposition to it as being anti-Asian, many North Americans and Australasians probably saw it as being anti-White. The problem is not intellectual but emotional.

If East and West retreat into racial positions, serious conflicts will be inevitable. It is far better for us if Americans and Europeans remain engaged in Asia and have a share in Asian growth and prosperity. Of course we must expect them to exploit the natural divisions in Asia, and use Asians against Asians. Scholars like Chalmers Johnson recommend that America use Vietnam against China; ASEAN, China and Korea against Japan; Japan against China; and so on. They advocate balance of power realpolitik for economic advantage.

Indeed, from an Asian perspective, such a rational response by the West to the rise of the East is much better than an emotional response. There is then scope for bargaining and negotiation. But insecurity leads man to do foolish things. We cannot assume that the rational course will always be followed.

Take China's recent bid for the 2000 Olympics as an example. Those who support human rights in China, the continuing liberalization of the Chinese economy and a through-train for Hongkong in 1997 should rightly have supported Beijing, thereby holding Chinese policies hostage to the Games for years to come. But the mood in the West was anti-China. I told my Chinese friends that China was itself too eager and nationalistic. The photograph showing red flags fluttering on the Great Wall stretching as far as the eye could see was a bad mistake. Far from expressing China's welcome of the Olympics, which was the declaration, the display engendered deep fear. The red flags were an invitation to the proverbial bull.

Safety In Numbers

We cannot predict the future but we can be sure that the journey there will not be smooth. Whatever the scenario, it is in our collective interest to huddle together in ASEAN. As ASEAN, we have a voice in the world. We have far more negotiating power as a group than we have as individual countries. If we are able to maintain the momentum of our economic development for another 20 years, ASEAN will become a significant player in the world in the next century.

We can only achieve such economic development if there is peace in the region and Southeast Asia does not get balkanized. For every country in ASEAN, the pursuit of short-term national interest should be balanced against the long-term collective interest. The ASEAN habit of musyawarah dan musfakat (consultation and consensus) is thus very important. Indeed, the spirit of co-operation in Southeast Asia contrasts sharply with the antagonisms in Northeast Asia.

However, we must be realistic in our pursuit of

consensus. We can never be as closely knit as the European community. For example, it is unlikely that member states will ever allow the free flow of workers across national borders. Nevertheless, we do share many things in common.

From the viewpoint of culture and history, Southeast Asia lies in between the two great civilizations of the Indian sub-continent and the Chinese mainland. For over two thousand years, the rise and fall of empires in South Asia and East Asia have left their marks on society in Southeast Asia. Every country in Southeast Asia has been heavily influenced by Indian and Chinese cultures, not just the countries of ASEAN, but also the countries of Indo-China (hence the name) and Myanmar. The gamelan, for example, uses instruments which were originally Chinese to play music which were originally Indian, but is now quintessentially Javanese and Balinese. Singapore, with over 77 per cent ethnic Chinese, has a name which needs no explanation to anyone from India. There can be no doubt that the economic resurgence of East Asia and South Asia will once again have strong repercussions on all of us in Southeast Asia, for good or for ill. If we recall the Chinese dynasties, Han, Tang, Song and Ming brought prosperity to the region but Yuan (under the Mongols) and the People's Republic of China (PRC) (at the height of its revolutionary fervour) threatened everyone. The influence is not all one-way. Southeast Asia has also influenced developments in East Asia and South Asia. Rice cultivation, for example, originated in Southeast Asia. Today, Southeast Asia plays a not insignificant role in the opening up of China.

The other fact of Southeast Asian history is that while the different cultures share much in common, they remain separate and distinct. Although Khmer, Thai and Burmese are Theravada Buddhists, they have fought bitter wars against each other. Malays and Javanese are different even though the majority of both profess Islam. Thus, our enthusiasm for ASEAN solidarity must be tempered by an understanding of the forces which divide us.

But because of the new fears I described earlier, ASEAN

is more likely to strengthen than to weaken in the years ahead. A strong ASEAN enables us to treat with big powers like the US, China, Japan, the European Community (EC) and India on a fair and equal basis. Divided, even the larger ones among us will be at a severe disadvantage.

Indeed, given the natural rivalry of the big powers, a united ASEAN enables us to extract much better terms for ourselves. In January this year, Japanese Prime Minister Miyazawa made an important policy speech on Japan-ASEAN relations. Praising ASEAN to the skies, he said that the "organic cohesion" of Southeast Asia was important to Japan and would be supported by the Japanese government. It would be surprising if Japan's support of ASEAN did not take into account Japan's relationship with the US and China. In the US, there is growing support for stronger economic ties between North America and ASEAN, the better to compete against Japan and China. Under President Bush, an ASEAN-US initiative was signed. Under President Clinton, the idea of a link-up between NAFTA and ASEAN Free Trade Area (AFTA) is now being floated. China and India, too, are wooing ASEAN. Not to be left out, the EC is also warming up to us. It is nice to be courted by all the major players. This happy situation is only possible because we stick together in ASEAN. Many foreigners do not understand the elliptical ways by which we reach consensus but that is our trade secret.

Part of our strategy must be to encourage the advanced countries to invest here and make Southeast Asia their manufacturing base. China is becoming a very strong competitor to ASEAN for foreign investments. In the last year, foreign investments in Indonesia, Malaysia and Thailand have all gone down as a result of better expected returns in China. Vietnam is also becoming a competitor. We will have to expedite the time-table for AFTA and expand its coverage if we do not want to be bypassed. The success of the latest ASEAN Economic Ministers' Meeting showed that, confronted with a serious challenge, ASEAN has the collective will to respond.

The goodwill that has been built up over the years in ASEAN is a precious asset. Here we must acknowledge the pivotal role played by Indonesia under President Suharto. Without Indonesia's early commitment to ASEAN, the history of Southeast Asia would have taken a very different turn. With regional peace, our national economies, originally tied to the colonial powers, have become more intertwined. Japanese, American, European and, more recently, Newly Industrialising Economies (NIE) investors, by their distribution of production facilities across all of ASEAN, have integrated our economies in a complex way. Thus, what started in ASEAN as an act of political co-operation against external dangers is now reinforced by cultural goodwill and economic integration. Official links are now buttressed by a multitude of cultural and commercial links. A clear sign of this is the dramatic growth in intra-ASEAN travel, both for business and pleasure.

Indeed, the success of ASEAN has persuaded the countries of Indo-China and Myanmar to seek eventual membership. It is a matter of time. For Vietnam, ASEAN is a way by which it can re-balance its historically difficult relationship with China. For Myanmar, ASEAN offers a way out of its isolation and enables it to deal with both China and India in a more comfortable way.

Confronted with the same global uncertainties, Australia and New Zealand are also likely to move closer to ASEAN. Southeast Asia is after all Australasia's bridge to the Asian mainland. Large though it may be in geographical size, Australia has too small a population for it to be really effective on its own in world politics and in trade negotiations. Australia's first preference is of course for an Asian-Pacific community in which no hard choices are necessary. In a storm, however, Australia may have to choose with whom it hunkers down, whether with North America with which it shares a common Anglo-Saxon and Celtic heritage or with Southeast Asia, its immediate neighbour. Intellectually, the choice would probably be ASEAN. Emotionally, it is much less clear. A recent survey showed that the majority of Australians still do not consider themselves part of Asia. However, this will gradually change as Australia and New Zealand

societies become more Asianised. From the perspective of ASEAN, it is very much in our long-term interest to forge strong links with Australia and New Zealand. It is also important to demonstrate that we in ASEAN are not racist even though others may be.

Conclusion

We do not know what the world will be like 10 or 20 years from now, only that it will be very different from what it is today. Straight-line projections are of no use. There are incredible opportunities before us but also great dangers. Because of the shift of power across the Pacific, conflicts of one kind or another are bound to occur. We will be dragged in regardless of what we do. It is therefore very important for us in Southeast Asia to raft our boats together. We are then more likely to stay afloat when storms break. If the Uruguay Round succeeds on 15 December, we can breathe a deep sigh of relief, at least for a while. But the long term uncertainties remain. No nation gives up power or property without first putting up a fight. If the Round fails, events may move quickly.

ASEAN's strategy in this period of uncertainty should be twofold. First, we should broaden our base by gradually bringing in the countries of Indo-China and Myanmar as members, and Australia and New Zealand as close partners. Second, we should deepen ASEAN integration through AFTA. Only then can we deal with the big powers as an equal and retain some control over our own destiny.

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