

Whole-hearted Cooperation for Common Development

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It is a great honor for me to be invited to attend the 2004 Northeast Asia Economic Conference and the Northeast Asia Economic Forum, held in Niigata jointly by the Economic Research Institute for Northeast Asia (ERINA) and the Northeast Asia Economic Forum (NEAEF). I would like to extend sincere thanks to Mr. Ikuo Hirayama, Governor of Niigata, Mr. Hisao Kanamori, Chairman of ERINA, Mr. Susumu Yoshida, Director of ERINA, Dr. Lee-Jay Cho, founding chairman of the NEAEF, and all colleagues whose efforts have made this conference in Niigata possible. We hope the Northeast Asia Economic Conference and the Northeast Asia Economic Forum will continue their joint efforts to contribute to the lofty mission of peace, economic prosperity, and well-being of the people of Northeast Asia in the twenty-first century.

1. China's Status Quo and Prospects for the Future

First, I would like to share with you my personal observations about China and the outlook of the Chinese people concerning the future. I hope these remarks will be of some interest to those who wish to understand China's current status and her prospects for the future.

Over the last two decades, China has witnessed an average annual economic growth of 9%, accelerated industrialization, a steady rise in production capabilities, improvements in the people's welfare, and the increased life expectancy of the people. China has bid farewell to a 300-year period of poverty, calamities, plagues, wars, and the bullying of foreign powers. The Chinese people feel justifiably happy about these changes.^[1]

Most people throughout the world applaud the changes occurring in China. But some feel worried about a so-called "Chinese threat," in which China supposedly would brush aside the manufacturing industries of other countries to become the world's main factory, and would become a "black hole" into which an increasing amount of international capital would flow. The trend in China's development has become a growing concern for the world. I admit that China, with its huge population and extensive territory, will exert considerable influence in Northeast Asia and in Asia at large in the new century.^[2]

According to my observations, among China's achievements of China during the past two decades, the great one that can be cited is the success in checking the upsurge in population. At the beginning of the twentieth century, China's population was 450 million. By the year 2000, it had increased nearly threefold to 1.27 billion, causing deep concern among all politicians and scientists about the nation's future. If the population were to double or quadruple to 2 billion or 4 billion, all of the hopes for "sustainable development" would become mere illusion and burst like

a bubble. Over the past two decades, China's total fertility rate (TFR, a measure of the average number of children within the child-bearing age of the country's women) has declined from 4.0 in the 1970s to the current level of 1.8. We proved^[3] that the critical TFR for China's population during the 1980s was 2.16. If China's TFR were higher than that for long, its population would increase ceaselessly; below this level, however, the population would gradually decrease. The current population policies are likely to bring TFR down to 1.6 shortly. The government is committed to forging ahead with its policy of family planning, to make the population cease to grow and to become stabilized at 1.6 billion in 3 or 4 decades. By the end of the twentieth century, the fuse of possible population explosion had been removed, creating the prerequisite condition for steady growth of per-capita income.

In recent history, Chinese people were constantly fearful of famine and war-caused chaos; calamities and famine were far from infrequent. "Have you had your meal?" therefore became a popular greeting in lots of rural areas. During the past two decades, however, China has made great strides in its agricultural development, thanks to the efforts of the scientific community and the government at all levels. Although the population increased by 270 million during this period, the per-capita grain output increased from 200 kg during the 1970s to 400 kg in 2000, and exports of cereals and foodstuffs are increasing steadily. Per-capita supplies of meat, eggs, seafood, and fruit increased by 5 to 10 times during the same period of time. Owing to improved medical treatment, life expectancy has been raised from 67 years in 1975 to the current 71.8 years. In 2002, China's gross GDP amounted to RMB 10.2 trillion (\$1.23 trillion), and the per-capita GDP reached RMB 7,970 (\$950), four times the amount in 1980. China's imports and exports have also witnessed substantial growth, amounting to \$620 billion, which is an increase of 16 times over the \$38 billion of 1980. At the end of 2002, foreign currency reserves amounted to \$286.4 billion. All these figures make the Chinese people cheerful.^[1,4]

The Chinese have good reason to be gratified but no right to be arrogant. China is still at the initial stage of industrialization, lagging about 200 years behind Europe and 100 years behind Japan, and it will remain a low-income developing country for many years to come. Its rural population, 70% of the total, still relies on manual labor with a low level of mechanization. The per-capita income of rural people in 2002 stood at \$300, or less than one U.S. dollar a day. A comparison of per-capita GNP levels in 2002 shows that Japan ranked 35 times higher than China, the United States ranked 30 times higher, and countries in the middle range of development ranked 10 times higher. Assuming that China's economic growth doubles each decade in the future, as the Sixteenth National Congress of the CPC has requested, it will take 20 years to reach a per-capita income of \$3,000, and 5 decades would be needed to catch up to half the level of Japan or America.

It is naive to think that China's drive for industrialization will not encounter hurdles. In the twenty-first century, the Chinese people should be well prepared to meet all new challenges and overcome difficulties and troubles. The only way for the country to complete the process of industrialization—thereby raising social productivity and the people's income, and guaranteeing that 1.6 billion people can lead a comfortable and decent life—will be through hard work, braving all difficulties and behaving modestly.

Most Chinese people are keenly aware that it is in the nation's own interest to learn from the developed nations, especially from neighbors, maintaining friendly relations with them and never seeking confrontation. Over the past 20 years, the Chinese government has unwaveringly adhered to the principle of mutual understanding, accommodation, and cooperation with all neighboring countries. The government attaches great significance to engaging in friendly cooperation with the US, Russia, and the EU, resolving disputes on the basis of mutual trust and seeking common ground, while putting aside differences, and thus creating a favorable international environment of lasting peace for China's economic development. This is the basic state policy of "focusing on economic construction as the central task."

The outlook of many Chinese people is that we should earnestly learn the strong points of all nationalities and countries. All positive achievements in politics, economics, sciences, technology, literature and arts are well worthwhile for reference and the learning process. Should China become a strong power in the distant future, it still needs to learn from others, rather than riding on a high horse. In short, China needs to learn from other countries, no matter what it achieves in its own development. Most scholars and politicians cordially share the admonition made by the late Deng Xiaoping: the Chinese people should keep a cool head, work hard, be modest, never attempt to be a world leader, and win another 50 years of peaceful industrialization and modernization. The so-called "Chinese threat" and "world's factory" do not conform to the realities and the trajectory of China's recent history, and are nothing but exaggeration and distortion of the actual economic trend.

2. Good-neighborliness Policy

The Chinese people have a high regard for Japan's industry. Both its traditional and its high-tech industries are highly developed. Despite the economic downturn in recent years, Japan has still been maintaining a GNP (\$4 trillion) that is the world's second-largest (after the US), and it has sustained a per-capita GNP of \$35,000, which ranks the Japanese among the wealthiest people in the world.

People still frequently recall that, at the end of the Second World War, Japanese industry had been thoroughly destroyed, agricultural land had fallen into disuse, and millions of family members had been lost. The Japanese people firmly fought for survival amid poverty and hardship during those times. Yet it took only 30 years for Japan to achieve a level of development even higher than the level before the war. Its emergence as the second largest economy in the world was nothing short of an economic miracle, a grand reincarnation in the terms of Buddhism. Japan's miraculous achievement is an important topic that has attracted the attention of economists throughout the world since the 1980s.^[5,6,7,8]

In the initial phase of its industrialization drive, China has been enjoying and appreciating considerable support and assistance from Japan. The Chinese are learning in earnest the Japanese spirit of diligence, devotion, and braveness toward innovation and hi-tech development. Lots of big Japanese corporations—Nippon Steel, Matsushita, NEC, Toyota, Honda, Kyocera, FUNAC, and many others—have set excellent examples for Chinese entrepreneurs to study and

follow.^[9,10,11] Nippon Steel Corporation contributed much to the founding of Shanghai Baogang, Matsushita to Beijing Television Tube Company, and NEC to Shanghai Microelectronics Company. They have created models for Sino-Japanese economic and trade cooperation.

Ever since China and Japan normalized diplomatic relations, about three decades ago, the Japanese government has offered many loans to China, for a total of 2.7 trillion yen, and has provided free economic aid of over 110 billion yen. These funds have been channeled into construction work (railways, highways, harbors, and airports), environmental protection, education, and medical care, and have contributed a great deal to China's socioeconomic development and the improvement of the people's welfare, which are greatly appreciated.^[12]

The increasing economic and trade cooperation between China and Japan is significant for sustaining the development of both economies. Bilateral trade in 1972 was only \$1.1 billion; it exceeded \$100 billion in 2002, representing an increase of a hundredfold. Japan has been China's largest trading partner for 9 consecutive years, and China became Japan's second largest trading partner in 2002. The Japanese have, so far, invested in more than 22,400 businesses in China, with a total investment of \$44.1 billion. Businesses in China with Japanese investment are directly engaged in production and business operations, and have made a considerable contribution to Sino-Japanese economic and trade cooperation. As a byproduct, those Japanese business have disseminated their management expertise and technologies, winning respect and support from all levels of government in China and from the general public. Past experiences have shown that these businesses enjoy gratifying profitability.

In brief, over the last two decades, the Japanese people have rendered substantial support to China's economic development and social progress, for which the Chinese people feel heartfelt gratitude.

Russia, one of China's closest neighbors, established and maintained close and favorable relations of cooperation with China for most of the twentieth century. When the PRC was founded at the time of the Cold War, Russia offered decisive support and assistance to China in its efforts to restore the national economy, establish primary industries, and train scientists and engineers. Most of China's primary industrial technologies were introduced from Russia during the period 1950-60. That era of friendly cooperation between China and Russia left an indelible mark on China's modern history and will long be remembered by generations to come. Russia began its industrialization in the time of Peter the Great. Ever since the founding of the St. Petersburg Academy of Sciences (the predecessor of the Russian Academy of Sciences) in 1724, Russia has scored many great achievements in science, technology, and industry, and has made a tremendous contribution to the progress of humankind. Many Russian scientists and engineers are recorded in the annals of world science. With its substantial potential for science and technical development, abundant natural resources, and persevering people, Russia will be a critical partner in economic cooperation for all the countries of Northeast Asia.^[13,14]

After the ups and downs of the second half of the twentieth century, Sino-Russian relations have entered a new era. The Treaty of Good-Neighborliness and Friendly Cooperation between the People's Republic of China and the Russian Federation has laid a solid foundation and cleared the way for long-term, close cooperation with mutual benefits between the two countries.

Recent years have witnessed the accelerated tempo of cooperation in economic, technical, and trade affairs. Bilateral trade has steamed ahead on a fast track of robust growth of over 20% annually, which has been of substantial significance for driving the economic growth and social progress of the two economies and for fueling the economic development of Northeast Asia as a whole.

South Korea has also registered robust economic expansion since the Korean War. From the 1950s to the 1980s, it scored notable achievements in introducing technology, developing its own basic industries, incubating high-tech industries, and raising the level of its people's welfare. South Korea has thus become an excellent model of transition from an agricultural to an industrialized nation among developing countries. Despite the heavy blow to its economy from the Asian financial crisis in 1997, South Korea has recovered quickly and got on a steady growth path. Its per-capita GNP was raised to nearly \$10,000 by the end of the twentieth century, more than 10 times that of China.^[15,16,17] South Korea's accomplishments provide a reference of great value, not only for China but also for many developing countries.

China and South Korea established formal diplomatic relations in 1992, to the wide acclaim of people in both countries and around the world. Since then, the two nations have seen robust expansion of their close cooperation in all economic, cultural, scientific, and technological fields. Bilateral trade stood at \$36 billion in 2001 and is on a track of accelerated growth. According to China's official statistics, South Koreans have set up 18,200 businesses with a total investment of \$12.5 billion in China, as of January 2002, positioning themselves as the eighth largest foreign direct investors in China. In 2001 alone, South Koreans invested in and founded 2,900 new businesses with a total investment of \$2.1 billion in China. Despite its modest population of 47 million, equivalent to the population of only a medium-size province in China, South Korea has scored remarkable accomplishments in its economic development, and has thus won the cordial admiration of the Chinese people and the rest of the world.

China is committed to a policy of maintaining friendly relations with its neighbors, and has striven hard to develop further friendly relations of cooperation with the DPRK, Mongolia, and all countries in Southeast and Central Asia. China is determined to increase its friendship and cooperative relations with all the neighboring countries in the twenty-first century.

Mother nature and history have made us neighbors; no force whatever in the world can tear us apart. All of our people have the right and strong will to enjoy close and favorable relations with mutual trust and assistance for common development.

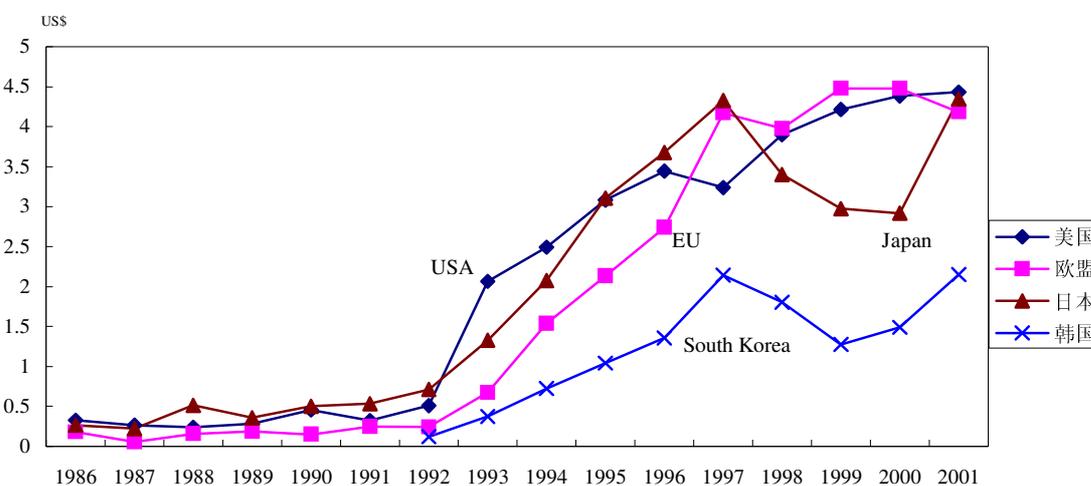
3. Opening-up Policies

China's economic growth and considerable technological process in the past two decades are attributable, to a large extent, to the policies for opening up the economy and carrying out reforms. It is well recognized that opening up leads a nation toward progress, whereas seclusion makes it sink into a backward state. China remained in isolation from the rest of the world for 400 years during the Ming and Qing dynasties, thereby missing numerous opportunities for development. The opening-up has enabled China to adopt numerous generic

and appropriate technologies, rather than starting from scratch. It enables industrial and technical communities to forge ahead with their own innovations from a high starting point and catch up with the state-of-the-art technologies in a short time.

In fact, there is a universal law of nature—the second law of thermodynamics in the natural sciences—which asserts that any system can develop or grow to a higher level only in an open environment that allows the system to exchange energy, substances, and information with the outside world. By contrast, a closed or isolated system decays and degrades into disorder. This universal law of nature turned out to be applicable to social systems as well. This was the reason why the Chinese scientific community voiced their strong support for the opening-up policy. They believed that the trend of globalization would bring about an even better, open environment for the development and for the scientific and technological progress of the country.

Over the past two decades, China has made use of \$450 billion in foreign direct investment (FDI), and recently over \$40 billion per year. In 2002 alone, FDI amounted to \$52.7 billion. This FDI can be viewed as a type of energy absorption. In 2002, China's foreign trade stood at \$620 billion. This is a process of exchanging with the outside world energy, raw materials, and products. By the end of 2002, foreign investors had established 430,000 businesses, with a total signed investment of \$837.3 billion, and \$451.6 billion on the spot, provided jobs for 20 million employees. In terms of investment volume in China's mainland, Hong Kong and Macao ranked first among the investors in 2001, followed by the US, Japan, and the EU, and South Korea ranked eighth. The following chart reflects the FDI from these four countries during the past 16 years.^[18]



FDI from USA, EU, Japan and South Korea in China from 1986 to 2001

The Chinese people benefit most from neighboring countries. The non-trade exchanges and communications between people stand out as an indispensable channel for knowledge dissemination and information exchange. In this context, the development of tourism among neighboring nations has great significance. In recent years, we have witnessed a steady increase in the number of tourists coming to China from other Northeast Asian countries. In 2001, for

instance, 2.4 million from Japan, 1.7 million from South Korea, and 1.2 million from Russia visited China for sightseeing; together, these three groups accounted for 50% of all foreign tourists. This played an important role in developing the friendly relations among neighbors. Over the last 20 years, more than 1 million foreign professional experts have been invited to work in China, with 0.2 million annually in 2000 and 2001.^[19,20] Over 0.1 million Chinese go abroad each year for study or work.

The people of China's three northeast provinces have a high regard for the late Mr. Syoichi Hara of Hokkaido. Despite his advanced age, he went to the northeast provinces to disseminate his new method of rice cultivation voluntarily for 15 years, contributing a great deal to the increase in the region's rice production. Heilongjiang Province has become one of the largest rice producers in China. The Chinese government and people have expressed their heartfelt appreciation to Mr. Hara and bestowed various awards on him, in recognition of his great contribution. After he passed away in 2002, people organized mourning activities in his honor.

The Longtouqiao Reservoir Project of the Heilongjiang Sanjiang Plain Program was implemented with a loan of 3 billion yen, arranged by the Niigata Japan–China Friendship Association. At the invitation of Vice Premier Wang Zhen, Mr. Tosaburo Sano of Niigata volunteered to help China to transform marsh land into productive, agricultural land, and made this project a great success after 25 years of hard efforts. During this process, Niigata and Heilongjiang formed strong ties of friendship with a sister-province relationship.

With the assistance of JICA and the Japan Silver Volunteers' Association, many retired Japanese have volunteered to come to work in China, lending their help to China's economic development and training of young people. So far, 60,000 Japanese experts have come to work in China each year, bringing not only professional expertise but also a strong sense of commitment, and they have won the heartfelt respect of local people.

4. Prospects for the Tumen River Area

Since 1991 when China started to carry out the opening-up policy in the Tumen River area, notable accomplishments have been registered, thanks to assistance from the Northeast Asia Economic Forum, the UNDP, and other UN organizations. In 1992, the government gave the go-ahead to the *Development Plan of the Tumen River and Hunchun Area*, and subsequently, the *Program for the Development of the Tumen River Area* and the scheme of development during the Tenth Five-Year Plan, worked out by Jilin Province and approved by the central government.

Thanks to the coordination and support of the UNDP, on the basis of the proposal set forth by the Northeast Asia Economic Forum, the *Agreement on the Tumen River Economic Development Area and Northeast Asia Coordination Committee* was signed in 1995 by China, North Korea, and Russia. In the meantime, China, North Korea, South Korea, Mongolia, and Russia signed the *Agreement on Establishing the Development Coordination Committee for the Tumen River Area* and the *Memorandum on the Tumen River Economic Development Area and Northeast Asian Environmental Rules*. These documents have laid a legal basis for cooperative economic development between the neighboring countries.

Since then, Chinese governments at all levels have made great efforts for the development of the area and have invested more than RMB 5 billion (more than US\$600 million) for the construction of port, energy supply, transportation, and communications facilities. The Hunchun-Kameishaowaya Railway has been joined with the domestic network, achieving an annual cargo capacity of 0.8 million tons. The newly established Hunchun and Quanhe Inspection Buildings boast an annual capacity of 0.6 million passengers and 0.6 million tons of cargo, and the Hunchun Highway, railways, and ports have been built as complementary facilities. The Changchun-Hunchun Expressway is still under construction, but part of it is already open to traffic. The expansion of the Yanji Airport has been completed, with a new runway for large aircraft and an annual passenger capacity of 1.3 million. The newly opened highways and railways among China, Russia, and the DPRK, the airline route connecting South Korea, and five through-transport corridors by land and sea are all already operating well, including the one for passengers and cargo from Hunchun by way of Zarubino to Sokcho.

In May 2002, the Chinese Premier and the Russian Prime Minister signed an agreement for joint development of Hunchun-Kameishaowaya through transport, and Jilin Northeast Asia Railway Company immediately offered a loan to the Russian company for reconstruction of railway facilities. Russia's Ministry of Communications has delivered instructions for cargo transportation by way of the Hunchun-Kameishaowaya Railway, and its Ministry of Foreign Affairs has given the go-ahead on negotiations for Jilin Province to lease Zarubino Port facilities. Russia's suggestion of "transferring a 51% share of the port to China" is under discussion. There are 10 cooperative projects among North Korea, South Korea, and Russia to reconstruct the railway facilities in Northeast Asia, and all either being carried out or are in the planning stage. All of these projects would provide a great boost to the economic growth of Hunchun and Yanji, which in turn will hasten the economic development of Jilin Province and Northeast China as a whole.

The Central and Jilin Provincial governments have attached much significance to the development and opening up of the Tumen River area, deeming it to be a foundation for regional cooperation in Northeast Asia. Jilin Province has enhanced its capabilities and performance and is trying to make full use of the state-granted preferential policies to turn the Tumen River area into one of the most open and best places for the integration of technologies, labor, capital, and markets among the Northeast Asian countries in the twenty-first century. The provincial government has made earnest efforts to work jointly with its counterparts in the neighboring countries in studying issues concerning the future of the regional economy, traffic, transportation, policy, and environment, in order to set forth suggestions and proposals for the governments' decision-making in the future.

In the vicinity of the three provinces of Northeast China are fast-growing Hebei, Shandong, Tianjin city, and the extensive region surrounding Bohai Sea. They are enthusiastically looking forward to joining the Northeast Asian Economic Cooperation Zone (NAECZ) and becoming part of it. With a total population of 260 million, these provinces may serve as reliable hinterland of the zone and lend a great deal vitality to further its prosperity.

According to my understanding, the Chinese government's intentions concerning the

accelerated development of the NAECZ may be summarized as follows:

(1) It is hoped the Secretariat of the UNDP's Tumen River Area Development Programme and the NEAEF could organize a working group to draft a plan for the Hunchun-Khasan zone of economic cooperation; a plan for the Tumen River area's economic and trade cooperation among China, the DPRK, and Russia; a plan for the Hunchun-Rajin zone of economic and trade cooperation between China and the DPRK; and a plan for the trans-national zone of economic cooperation between China and Mongolia. Commonly agreed policies and regulations are expected to be worked out for the region, to encourage the countries concerned to sign bilateral or multilateral agreements on investment and trade; to enhance the construction of traffic facilities and their connection with the existing traffic network; and to nudge the Northeast Asian countries into joint efforts for developing tourism, trade, and industrial cooperation, thus strengthen the links among their economies.

(2) It is hoped the Secretariat of the UNDP TRADP and NEAEF can contribute to the formulation of unified policies and plans to forge ahead with the general trade, border trade, transit trade, and processing trade, as a solid foundation for the Tumen River Area of Economic, Technical and Trade Cooperation during the period 2005 to 2008.

(3) A consultative Committee for the Japan Sea Rim Economic Zone, and a regular meeting mechanism of local heads of governments should be set up before 2010, followed by the founding of a cooperation-promotion committee of the Northeast Asia Economic Forum, whose role would be to encourage relevant countries to sign bilateral or multilateral agreements on free trade in the Northeast Asian Free Trade Zone.

(4) It is hoped that the Japanese government can be urged to become a formal part of the Northeast Asian regional organizations for economic cooperation. We hope the local governments of Niigata, Toyama, Akita, and other prefectures located in the Japan Sea area can take the lead in planning Northeast Asia's economic development, as the powerhouse driving the economic growth of the Japan Sea rim in the twenty-first century.

(5) It is hoped that the UNDP, ESCAP, and other UN organizations can assist the six Northeast Asian countries to seek international resources and funding for local infrastructure construction and economic development. We propose that the World Bank and the Asian Development Bank get involved in the development of the region. We strongly support the creation of the proposed Northeast Asian Development Bank (NEADB).

From my viewpoint, building the waterway from Fangchuan to the Japan Sea for navigation is still an option in the long run. The port of Antwerp in Belgium, is a successful example. A waterway was built to connect it with the sea, 85 kilometers away, and the port has become the second largest one in Europe, with a throughput exceeding 100 million tons as early as 1980s.

A decade of experience tells us that the hurdles remaining to be overcome include: the countries concerned have not worked out a joint uniform scheme for this region's development, and only a handful of projects have been nailed down so far; few nations established efficient management mechanisms after the relevant agreement was signed. As a result, it takes a long time for any particular transnational cooperative project to be implemented. There is a lack of regional trade agreements and a commonly agreed legal basis for the protection of investors'

rights and interests. The bottleneck stems from the lack of sufficient mutual trust among the countries and regions. Once trust is established among them, a solid basis will be laid for the settlement of all problems.

5. Mutual Trust-prerequisite of Cooperation and Common Development

The Northeast Asian countries have diverse historical backgrounds and are at different stages of development. However, geopolitics and recent history made them inexorably intertwined amid inexplicable tragedies, unaccountable conflicts, and unpayable debts. All peoples of these countries have suffered from the disasters and sacrifices caused by the World War, Cold War, domestic setbacks, and other hardships of the twentieth century. This historical heritage will be remembered and carried forward, for good or bad, by many future generations to come. Nevertheless, all people have drawn lessons and got a deeper understanding of relevant events of the past through their own experience. They have looked for new ways of life and affirmed new objectives for their future: peace and development.

The sufferings of the twentieth century pushed all people of the Northeast Asian countries toward shared aspirations and determination:

- resolutely opposing aggression and instead seeking development in a peaceful environment
- discarding enmity and maintaining good neighborly relations
- facilitating economic cooperation
- accelerating the industrialization and modernization drive
- raising social productivity and people's income.

These form the shared basis on which common prosperity can be achieved.

Geopolitics and shared aspirations have brought about many common interests for the people of the Northeast Asian countries. ERINA and the Northeast Asia Economic Forum have been studying these issues for the past decade.

How to guarantee sufficient energy supply in the twenty-first century is a critical issue facing Japan, South Korea, and China for their future development. Instead of relying on the Middle East, the countries should exert joint efforts to exploit the region's own oil, natural gas, and hydroelectric resources and to establish an adequate transport system to ensure the energy supply for sustainable development of all the Northeast Asian countries.^[21,22,23]

Environmental protection and preservation of the ecosystem stand out as growing concerns for everyone in Northeast Asia. The dust storm occurring each spring, which originates in part in Siberia and Central Asia, and gains strength as it passes across Xinjiang and Mongolia, is damaging to the environment in which the people of North China, Japan, and the Korean peninsula live. The dust storm is believed to be caused by the atmospheric circulation system in the northern hemisphere and a result of continuing ecological degradation and deterioration. Solving such an environmental problem is definitely a large-scale task that cannot be accomplished without regional planning and joint system-engineering measures taken by all countries concerned. This issue is similar to that of greenhouse gas emissions and the global

warming that is confronting the whole world.^[24]

Economic globalization, an irresistible trend of historical development, is the outcome of phenomenal progress in science and technology. The booming of the information industry has further expedited the process. If the Northeast Asian countries are to make the fullest use of their strong points and advantages in the global market competition, one of the critical factors is to establish and maintain unobstructed communications systems among the people themselves and with the rest of the world. The detailed studies on highways, railways and other issues of transportation, carried out by our colleagues at ERINA, are extremely important and instructive.^[25] We sincerely hope that the UNDP and the Northeast Asia Economic Forum can forge ahead to request all parties to accelerate the pace in creating the necessary conditions for the final goal: the establishment of a free trade association (FTA) in the near future.

Enhancing mutual understanding and trust among governments and peoples, and forming a firm collective decision of friendly close cooperation, are the prerequisites for common economic development and social progress in Northeast Asia in the twenty-first century. All parties are asked to take effective measures to promote exchanges and direct communications among peoples, nurture the sense of mutual trust and understanding, boost cultural and technical exchanges, provide each other with access to tourism markets, improve relevant laws and regulations, facilitate the open border trade, and streamline relevant customs formalities.^[26,27]

The ancient sages Confucius and Mo-tse (BC 468-376) wrote systematically and at length on the ethics underlying East Asian civilization. Confucius's motto of "Do not treat others in a way that you do not like to be treated" has turned into a Golden Rule, universally acknowledged the world over. Mo-tse set forth the ethics of "wide love and mutual benefit" and "love others before loving yourself."^[28] The renowned British scientist Joseph Needham (1900-1995) noted that "Mo-tse started to advocate the theories of 'wide love or philanthropy' as early as the fourth century before Christ, and all people have high reverence for him." British historian Arnold Joseph Toynbee (1889-1975) pointed out that "Mo-tse's doctrine on altruism is the forerunner of the theories against war of aggression, which is of much value of reference nowadays. And 'wide love' should be understood as a global theory applicable universally." At the beginning of the twentieth century, Sun Yat-sen and other Chinese revolutionaries deemed Mo-tse to be "the first master of equality and philanthropy in the world" and ranked him parallel with George Washington and Jean-Jacques Rousseau as the one of the greatest men in the world. Confucius's and Mo-tse's doctrine on fraternity and philanthropy has exerted a profound and far-reaching influence upon the Chinese and other East Asians for millennia, and is being accepted by an increasing number of people throughout the world today. I hope the governments and peoples of Northeast Asia will build fraternal relations with their neighbors according to the "wide love and mutual benefit" doctrine, and will thus become reliable partners in the twenty-first century.

It is gratifying to note that during the decade since they were founded, ERINA and the NEAEF, with the guidance and strong support of the UNDP and other UN organizations, have contributed much to the cause for all the matters I have mentioned, and they have helped to pave the way for Northeast Asia's common development in the twenty-first century. They have gained much new experience in winning the involvement of governments through non-governmental

activities. On this occasion, I would like to extend my heartfelt appreciation and respect to those working at ERINA and the NEAEF. We owe much especially to Dr. Lee-Jay Cho, the founder of the Forum, who has devoted all his academic knowledge and ability for the good of the Asian peoples with heart and soul. My respect also goes to our friends in the UNDP and ESCAP who have offered so much guidance and help to us.

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