



Los Angeles: The Capital of the Pacific Rim

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It's a privilege for me to offer some remarks today about the city that is our home, Los Angeles, the city that has grown and grown up alongside the University of Southern California, and the city that has now become, I believe, the *de facto* Capital of the Pacific Rim.

As many of you know, I'm a Midwesterner by birth. My wife Kathryn and I left the Midwest for a sojourn in Buffalo, New York. After nine years there, as president of the State University of New York (SUNY) there, we were lured to Los Angeles. We weren't drawn by the kind of enticements one sees in those old ads from California's early boosters: An orange and a palm tree, and the promise of good health and sunshine.

There was a lot of traveling in L.A. at that time, and it wasn't just over the fault line. But after nine Buffalo winters, I can't discount the appeal of Southern California weather. But the real enticements for our coming here centered on the University of Southern California, a fine research university, and its location in the heart of an exciting, global city.

We were thrilled about Los Angeles. We believed it was poised to be a leading city of the 21st century, and we wanted to be here at this pivotal juncture in time and in this important place in the world – a world that was clearly shifting its center of gravity toward the Pacific Rim.

Early on, after our arrival here in 1991, we had a few surprises – one might say a few punctures in our balloon. Fires, a riot, and an earthquake – all in the context of an economic recession in California linked to a major downturn in the aerospace industry. Then my provost up and quit, and our football team went three-and-eight. There was a lot of trembling in L.A., and it wasn't just over the fault line.

Still, I am an optimist by nature. Throughout the lamentations, the somber pronouncements by experts around the world that the Southern California dream was dead, I – and many others – kept the faith. I asserted then, and I have been repeating it for nearly 20 years, that Los Angeles is the *de facto* Capital city of the Pacific Rim.

I would like to explain why I believe that Los Angeles can legitimately lay claim to being the Capital of the Pacific Rim. In making my case, I am relying on excellent research done by several USC faculty members, including Abe Lowenthal in International Relations; Elizabeth Currid in Policy, Planning and Development; and Kevin Starr in History. I'm also relying on the outstanding research being done by the Los Angeles Economic Development Corporation, whose president and CEO is a great Trojan and former USC trustee, Bill Allen. Years of stimulating conversation with syndicated columnist and keen Pacific Rim observer Tom Plate have also served to clarify and solidify my thinking on this topic.

Listen to this description: “A city at the crossroads of cultures, sects, and religions, the center of the arts, commerce, and trade. The mind and the imagination flourish here located between the desert and the sea.” What city is this? Alexandria, Egypt. This is a description of the city at the height of its powers in the ancient world some 2,500 years ago.

Fast-forward two-and-a-half millennia and we discover that ancient Alexandria has nothing over modern Los Angeles. Not only is L.A. much more ethnically diverse than was Alexandria; more dynamic and robust in its business and economics; more influential in its creative vigor, but L.A. is also more than simply the center of a relatively small geographic region, as Alexandria was, in its heyday, the center of just the Hellenized portion of the Mediterranean region. In contrast, greater Los Angeles is the Capital of the entire Pacific Rim, an area that lays claim to major portions of four continents and the northern, southern, eastern, and western hemispheres. Moreover, L.A. is actively engaged in the growth and development of this burgeoning region.

This is not simply an accident of location. The North American section of the Pacific Rim encompasses four other major port cities: San Diego, San Francisco, Seattle and Vancouver, for example. Then too the Rim encompasses other "gateway" cities: Shanghai, Hong Kong, Sydney, Santiago, Tokyo, Singapore, Seoul and Taipei. In fact, all of these cities can boast of unique attributes and attractions, and all are international cities to a greater or lesser extent.

But I believe L.A. is the Capital of the Pacific Rim because of a unique, powerful convergence of three remarkable strengths:

- first, our strength and breadth in business and commerce, especially in pioneering businesses, and in our premiere business: the global communications revolution;
- our second strength: extraordinary creativity, including exceptional levels of intellectual capital;
- and our third strength: unprecedented ethnic diversity and the interpenetration of cultures.

L.A. brings these three strengths together to an extent that is unprecedented in history, and we embody them more fully than any other city on the Pacific Rim. I shall focus on each of these strengths in turn.

GLOBAL COMMERCE

First, our strength and breadth in business and commerce. Greater L.A., by which I mean Los Angeles County, is an economic powerhouse. The county is the world's 18th largest economy, larger than those of Sweden, Indonesia, Switzerland, Norway, Taiwan, Saudi Arabia, Greece or Denmark. Let me emphasize that this is not the state of California, but rather L.A. County alone! Fourteen years ago we passed New York as the nation's busiest trade center.

One of the ingredients in our economic vitality is our superior infrastructure. Even East Coast and European scholars studying L.A. through critical lenses concede that our building of infrastructure has been a remarkable achievement. Ports, rails, airports, roads, including the Alameda Corridor, are all moving people and goods as an integral part of world trade. Yes, we do live in the new technological century, but trade still significantly involves transporting people and goods. Our transportation infrastructure is a testament to the smart and ambitious planning of city and county officials over the course of several decades.¹

Let me quickly run down the list of our transportation advantages. First, the L.A. and Long Beach Harbor. Measured by loaded international containers, the L.A.-Long Beach Harbor comprises by far the largest seaport in the United States and the fifth largest in the world.

Our roads: L.A. has nearly 1,200 freeway route miles, which are important arteries to the rest of the nation, and as well to Canada and Mexico. For better or worse, L.A. was the first large city built for transportation by trucks and automobiles. Serious environmental concerns notwithstanding, and in spite of L.A.'s being woefully behind many other cities in terms of mass transit, the fact remains that many of the countries around the Rim are following L.A.'s lead through greater and greater dependence on trucks and automobiles.

Airports: LAX is the number-one airport for origin and destination in the country. Last year 62 million passengers and about two million tons of cargo passed through LAX. By 2020 that annual cargo figure is expected to nearly quintuple.

Here in L.A. we have a wide range of international economic drivers, from direct trade and film and television, to financial services, clothing, jewelry, and furniture design. Surprisingly, L.A. is the manufacturing capital of America; with nearly half a million jobs in manufacturing and 15,000 manufacturing establishments. Many of these manufacturers sell a substantial portion of their output to other economies around the Pacific Rim.

We sometimes forget the depth and breadth of greater L.A.'s international economic infrastructure. For example, L.A. is by far the major world center for the film industry, with Disney, Warner Bros., Universal Studios, DreamWorks, Fox, Paramount and Sony all headquartered here. ABC, CBS, NBC and several cable networks all have major facilities here. And L.A. is home to Univision, which is the largest radio and TV company serving a growing Latino audience. High-tech international superpowers with headquarters or major branches here include Google, Electronic Arts, Yahoo, MTV, AOL, and Symantec. L.A. boasts a stronger presence in aerospace than any other Pacific Rim city save Seattle, with the likes of Northrop Grumman, Pratt & Whitney Rocketdyne, Raytheon, Lockheed Martin, Computer Sciences Corp., Boeing, NASA's Jet Propulsion Laboratory and the Air Force Space and Missile Systems Center either headquartered or possessing major facilities here.

L.A. is one of the dominant centers around the Rim for medical and life-sciences research. Greater L.A. is home to more than 1,200 biotech and medical device companies, diagnostic laboratories, and R&D establishments, including Caltech, USC, UCLA, City of Hope, Cedars-Sinai Medical Center, and Children's Hospital Los Angeles. And L.A. is the American headquarters for many foreign-based companies, such as Toyota and Honda, Nestle, and a number of East Asian banks.

Of course I must mention one of my favorite economic drivers and employers: higher education. We have three heavyweights – that is, international research universities – USC, UCLA, and Caltech. Add to this 197 other colleges and universities, including Art Center College of Design, which produces most of the world's car designers and a hefty portion of the world's product designers as well. All of these, taken together, constitute the largest and broadest higher education infrastructure of any Pacific Rim city.

IMAGINATION AND INTELLECTUAL CAPITAL

Now let's examine what I believe to be L.A.'s second strength I mentioned at the beginning, that in combination qualify us to be the Capital of the Pacific Rim: namely, creativity, imagination, innovation, and intellectual capital.

Take a look again at the ancient city of Alexandria. At its height Alexandria was a destination for "artists, poets and scholars from all over the Mediterranean, attracted by the royal patronage of the Ptolemies and a lively cosmopolitan milieu of Greeks and Hellenized Jews and Egyptians."² Alexandria was host to the largest library in the ancient world, preserving the literary heritage of the Greeks. It was home to significant poets – Theocritus, who was considered "the Homer of Alexandria"; Apollonius of Rhodes, "who served as a model for the Roman poet Virgil"; Callimachus, famous "for some of the most moving poems written in Greek."

Alexandria also boasted "a vast complex of lecture halls, labs, observatories, a dining hall, a park and a zoo." Within the city of Alexandria lived the great mathematician Euclid. Another scientist who flourished there determined the earth's diameter, and yet another posited the heliocentric universe 1,800 years before Copernicus. Another Alexandrian "came close to discovering the circulation of blood and first made the distinction between motor and sensory nerves."³

Likewise for Los Angeles, our vaunted creativity is all-encompassing. It includes the arts as well as science and technology.

Clearly artistic creativity in L.A. is manifested in the film and entertainment industry, in the visual and performing arts, and in music composition. For instance, we now have more jazz platforms – 700 in total – than any other city in the world, including New York. We have the largest number of members of ASCAP, the songwriters and composers association. We are an acknowledged hub for contemporary painting and sculpture. We have 55 museums, 260 art galleries, and 225 stages. We find creators and innovators in L.A. in fashion and furniture design, industrial design, and the digital arts. We have the largest art colony in the world at The Brewery just east of downtown Los Angeles. Taken across all artistic fields, L.A. has more practicing artists than any other city in the world.

Imagination and innovation are L.A.'s heritage; our DNA; part of our innate character. As I said earlier, these qualities are here in all of the arts, and in the sciences and technology as well. Here are a few innovations that came to life in L.A.: talking movies, Barbie dolls, the electric guitar, the internet domain name convention (a USC innovation), the space shuttle, the Douglas DC-3, which was the first commercially viable passenger plane and the Mars Rover.

Our imagination and innovation are being expressed in the communications revolution, including the entertainment industry. Film, TV, music, video games – these are a few of our most influential exports worldwide. One artist and observer puts it this way, "If most American cities are about the consumption of culture, Los Angeles and New York are about the production of culture – not only national culture but global culture."⁴ The late Walter Annenberg gave two historic hundred-million-dollar gifts to USC after he became convinced that Southern California – not New York City – had become the communications capital of the world. This is the only region in the world in which technological innovations combine with creative content to produce the world's most powerful and ubiquitous forms of communication ever devised – namely, American motion pictures and American television.

Creativity and innovation are inextricably intertwined with intellectual capital, which we have in abundance here. As I mentioned earlier, greater L.A. has three top-ranked research universities. These are hotbeds of innovation. Faculty and students at our research universities are literally changing the world: from medical breakthroughs and stem-cell research, to alternative sources of energy and new applications of digital technology. Needless to say, our universities and colleges are also educating the next generation of professionals and experts; knowledge workers, leaders, and entrepreneurs. That's one reason why so many graduate students from around the Pacific Rim come to Los Angeles to earn their master's and doctoral degrees.

CULTURAL DIVERSITY

You now know two-thirds of my case for why L.A. is the *de facto* Capital of the Pacific Rim: first, a broad business base that interacts strongly with all of the economies around the Rim; and second, creativity coupled with intellectual capital.

Now let me complete the picture by examining the third strength which, combined with the other two, makes L.A. uniquely influential in this Pacific Century: namely, cultural diversity. In my opinion this third strength is by far the most important of the three.

Los Angeles County today comprises 10.4 million people. That's larger than the population of most nations! We are certainly one of the largest cities around the Pacific Rim. But not one of the others has anything like L.A.'s wealth of cultural diversity. Within this massive population there are over 120 different cultures, 96 cradle languages, 600 different religious groups; 49 foreign-language publications and hundreds of foreign-language radio and TV stations.

According to the 2000 census, 36 percent of L.A.'s population was foreign-born. Let us add to this 36 percent those who were born here but whose parents or grandparents were foreign-born. With that definition in mind, L.A. has more people of Mexican descent than any city outside Mexico; the largest Korean population outside Seoul; the largest Filipino population outside Manila; the largest Japanese population outside Japan and by far the largest Asian-American population in the United States. In fact, I've never met an educated Asian who doesn't have a friend or a relative living in L.A.

Even our beloved Dodgers serve as an illustration. Late last spring the Dodgers made major league history by having pitchers from three different Asian countries appear in the same game for the same team: Chan Ho Park of South Korea, Hong-Chih Kuo of Taiwan, and Takashi Saito of Japan.

During the past 26 years my wife and I have traveled extensively in Asia, and 10 years ago I was a cofounder of the Association of Pacific Rim Universities. One reality is indisputable: no other Pacific Rim city has the diversity of cultures that Los Angeles possesses. As a result, no other city is the gathering place or nexus for Asians and people of Asian descent as is Los Angeles.

For example, USC now attracts more international students than any other American university, and far more students from around the Pacific Rim than any of our domestic competitors. We find that many of these students come to USC specifically to build a network of Asian friends. A student from Singapore could of course go to college in Japan. And he would, in all probability, learn a lot about Japan and make many Japanese friends. But if he comes to USC he can meet and befriend young people from Japan, China, Korea, Taiwan, Malaysia and India, and these friends

will become the core of his pan-Asian network for the rest of his life, not to mention the lifelong network of American friends that he'll also make on our campuses.

As USC University Professor Kevin Starr, the dean of California historians, puts it, "L.A.'s very DNA is internationalist." Of course our position as a cultural crossroads, with greater diversity than any city in history, has been marked at times by the cacophonous sounds of collision. But to my mind the intersection of cultures in L.A. is amazingly vibrant, and infused with a kind of concordant madrigal of intricate harmony. We experience an *interpenetration* of cultures. This in turn fosters *interdependence*, which is the key to building a stable government in a nation composed of a polyglot of peoples.

And – though imperfectly and haltingly – we practice tolerance.

A short time ago, after having lived in L.A. for five years, the consul general of Israel reflected on what he had discovered while he was here. He called Los Angeles "something of a miracle." He wrote:

“By and large, people in L.A. relate to each other as individuals. Not as groups. Not as categories. Not as stereotypes. Coming from the Middle East, where ethnic divisions have paralyzed us, I am in awe of the positive cross-cultural interaction between the peoples of Los Angeles. At the end of the day, you see millions of people from every background imaginable living side by side, working together and forging a future under the bright California sun. In today's world, where terrorism, prejudice and hatred widen the already existing gaps between peoples, this is an inspiration.”⁵

I couldn't agree more. The way we navigate this uncharted territory of unprecedented pluralism inspires me. And at this intersection of cultures, I believe we see and will see sparks of innovation and imagination and the entrepreneurship that California is known for.

Recently the CEO of the Gallup Organization, Jim Clifton, spoke at USC. As the world's leading pollster, he had a lot of interesting facts and observations to share. However, one of his messages in particular really struck me. Mr. Clifton pointed out that a generation ago economists forecast that the U.S. economy would drop to third place, behind those of Japan and Germany. But as it happened, we vastly eclipsed those countries as measured by GDP. Here was the unexpected variable: brain-gain – the migration patterns of the most talented people in the world.

According to Clifton, researchers have posited that it took just 1,000 individuals – innovators and rainmakers – to get us far, far ahead of Japan and Germany. Of particular note: Of these individual pioneers with their breakthrough ideas or companies, more than half were Americans who had migrated here from other countries. Let me repeat that: more than half of these pioneers were Americans who had migrated here from other countries.

Several of these are Trojans, by the way. Alumnus and trustee Andrew Viterbi, who emigrated from Italy as a child, created an algorithm essential to the development of cellular phones, and went on to be a cofounder of Qualcomm. Another USC alumnus, Ming Hsieh, emigrated from China and went on to found the \$4-billion-a-year fingerprint-ID technology firm Cogent Systems in South Pasadena.

Another observer has pointed out that between 1980 and 1999, "Indian and Chinese entrepreneurs ran roughly 25 percent of all Silicon Valley startups, which generated \$17 billion in annual revenue and about 58,000 jobs. By 2005, that percentage had increased to 30 percent.”⁶ Of

course, given the recent dramatic downturn of the worldwide economy, we must avoid simplistic theories of economic growth. But the fact that L.A. draws talented people from around the world can only be to our advantage.

As president of one of this nation's largest and best research universities, and as a Midwestern transplant to L.A. who has become one of this city's biggest fans, I believe our greatest strength and our greatest hope lie with innovators and entrepreneurs. A bringing together of the people with new ideas, and the people who can see these ideas' potential and figure out ways to put these new ideas into practice. That's what we need to have here.

Lucky for us, L.A. is a place that has long been an incubator for new ideas, a welcoming environment for imagination, and a haven for entrepreneurs.

A final note relative to pollster Jim Clifton's insight. Creativity and innovation are essential. But there are two other traits, he claims, that are just as valuable. What are they? Optimism and determination. These two traits, he maintains, are even rarer than creativity and innovation. Here again, however, I believe L.A. has an advantage. We are renowned as a place that rewards audacity, restlessness, resilience and ingenuity. We welcome imagination and enterprise. We have enduring institutions that encourage learning and experimentation and that foster the very mindsets and the very opportunities that have built this city to be, and will sustain it as, the Capital of the Pacific Rim.

CONCLUSION

You might ask whether I myself am demonstrating that quirky L.A. audacity and imagination by proclaiming this city the Capital of the Pacific Rim. Is it that? Or is it simply sheer delusion? You can draw your own conclusions. But I hope I have shown in the past few minutes why we are justified in designating L.A. as the *de facto* Capital of the Pacific Rim.

L.A. is more than the sum of its parts. We have many things going for us, but these three broad ingredients together give us our global advantage: (1) business and commerce, especially of the entrepreneurial kind and focused on the communications revolution; (2) creativity and intellectual capital; and (3) a vibrant diversity.

A poet once said that Alexandria always had the "godlike power to move the mind of mortals with poetic conceptions of itself."⁷ L.A. too has a supernatural power to evoke poetic conceptions. These conceptions range from the ridiculous to the sublime; from the put-down to the puff-up. We're "La-la land," or "the city of perpetual pubescence," or "72 suburbs in search of a city." We're the dusty, tiny town with the long and lyrical moniker of El Pueblo de Nuestra Senora la Reina de Los Angeles de Porciúncula – the Town of Our Lady the Queen of the Angels of the Little Portion. We are a pueblo that grew rapidly in mere decades from a dusty village of 10,000 souls into a megalopolis of 10 million and an urban microcosm of the larger world. We're the "city in a big hurry" and we're the "city of dreams," a beacon for people from around the world and from all walks of life.

My own poetic conception of Los Angeles is that of the Capital of the Pacific Rim. I believe this is our legitimate and well-earned identity.

Here we stand on the western edge of the Pacific at the start of the Pacific Century. Our view from here shifts the paradigm. There is no longer "the Far East." That is the Eurocentric view,

now obsolete. It is "the Near West," Made even nearer by the erosion of distances and borders through the communications revolution.

That is our perspective from L.A., the view from where we stand, here in the *plenum mundi*, the fullness of the world. No other city in history has grown so big so quickly as has L.A. No other city in the history of the world has ever been as culturally diverse as L.A. No other city could make a credible argument that it should be designated as the capital or nexus of such a vast and complex region as the Pacific Rim. It's exciting to be part of this unprecedented time and place.

The world is coming together in L.A. In our age of global interconnectedness, where we must seek understanding, foster communication and innovation, trade ideas and goods, break down barriers of nationality and ethnicity, and welcome the explorers and rainmakers that are crucial to our collective future, what better place to be than here, in the City of Angels, in the Capital of the Pacific Rim.

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¹ A good resource on the city's infrastructure is Steven Erie, *Globalizing L.A.: Trade Infrastructure and Regional Development* (Palo Alto: Stanford University Press, 2004).

² Michael Haag, *Alexandria: City of Memory* (New Haven: Yale University Press, 2004), 8.

³ Ibid.

⁴ Artist Barbara Kruger.

⁵ Yuval Rotem, "Image and Reality in L.A.," *The Jewish Journal*, August 19, 2004.

⁶ Richard Florida, *Who's Your City? How the Creative Economy Is Making Where to Live the Most Important Decision of Your Life* (New York: Basic Books, 2008), 27.

⁷ Edmund Keeiey, *Cavafy's Alexandria*, 6.