

ILC 2021 Session 6 - Examines Economic and Political Realities in Northeast Asia

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ILC 2021 Session 6: Economic and Political Realities in Northeast Asia

NORTH AMERICA
JUNE 24-26
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THURSDAY, JUNE 24
Session 3: Trilateral Relations Among Korea, Japan and the U.S. - 2:00 pm

Mr. Larry Moffitt
Mr. Bruce Klingner
Mr. Greg Scarlatou
Prof. Kim Hyung-Suk

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North America -- The sixth session of the June 2021 International Leadership Conference for UPF's North America region was titled "Economic and Political Realities in Northeast Asia."

The June 25 session was one of nine ILC webinars that were held from June 24 to June 29 under the theme "Toward Peaceful Reunification of the Korean Peninsula: Peace and Security."

Speakers

- **John Doolittle** (Moderator)
- **Shihoko Goto**, Deputy Director, Geoeconomics, Wilson Center
- **Cliff Stearns**, Executive Director and Advisory Council, APCO Worldwide; U.S. House of Representatives (1989–2013)
- **Tom McDevitt**, Chairman, the *Washington Times*

Session Report

Ms. Shihoko Goto stated that trade is no longer a flashpoint between the United States and its allies. Even though the U.S. continues to impose trade tariffs (particularly in steel and aluminum), this has not prevented countries from working with the U.S. Most notably we have seen international progress on a global corporate tax rate that will have a minimum threshold of 15%. This was approved by the G7 and is expected to be approved by the G20.

Ms. Goto then addressed several Northeast Asia "unknowns" in an effort to establish a baseline

understanding of the China threat, insofar as where the lines of divergence are. One divergence has involved the deployment of the THAAD anti-missile system. China took direct, aggressive and crippling actions toward the Korean economy. South Korea continues to be rattled by that and has been careful to avoid directly affronting China.

G7 set the tone in dealing with China, but the members tend to put distance between themselves and U.S. direct opposition to China's aggressions.

The United States has not been a part of the Trans-Pacific Partnership (TPP) or the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), also known as TPP11. The latter is a trade agreement among Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

When asked about the relevance of digital currency, Ms. Goto spoke about China's "Bitcoin," their digital yuan. This electronic currency gives China a greater layer of control in their spending.

Hon. Cliff Stearns spoke of what can be done to enhance diplomacy between South Korea and North Korea. Certain inescapable political realities make this a very difficult process. The South has one of the most advanced economies in the world, while the North is a military dictatorship that keeps a tight fist on the economy. The North has food and nutrition difficulties not faced by the South. The North is a centrally planned economy rather than the South's mixed economy of free enterprise and government control. Great diplomatic skill is necessary to bridge these gaps.

North Korea's economy is on the verge of collapse, and it is only the help of China that keeps the it afloat.

A major factor is China's current unprecedented economic growth, which gives it enormous power and makes it a player in every sphere of influence in Asia. China seems to embrace the "three no's" regarding the Korean Peninsula: no war, no instability, no nukes.

Honorable Stearns proposed free trade between the two Korea, with China and the United States helping with financial support.

During the QandA, he said that UPF is ideally positioned as the best organization to operate as an honest broker-intercessor between North and South Korea.

Mr. Thomas P. McDevitt started with a story of the *Washington Times'* 25th anniversary celebration, where its founder, Rev. Sun Myung Moon, in his founder's address declared that the world has now moved from the Atlantic Era into the Pacific Rim Era. Recently Dr. Hak Ja Han Moon, reiterated the understanding that we are moving into this new Asia-Pacific era and called for the establishment of an Asia Pacific Union, centered on universal values. Given the tensions occurring in the political and economic spheres of Asia at this time, her proposal for an economic and political union was prescient.

He said the reason he began his remarks with that story was because of something he saw in *The Cipher Daily Brief*, an intel newsletter. It was an article about China closing down the *Apple Daily*, Hong Kong's leading pro-democracy newspaper for 25 years. It signals the beginning of the death of democracy and self-determination for Hong Kong.