

Shedding light on the brutality of North Korea

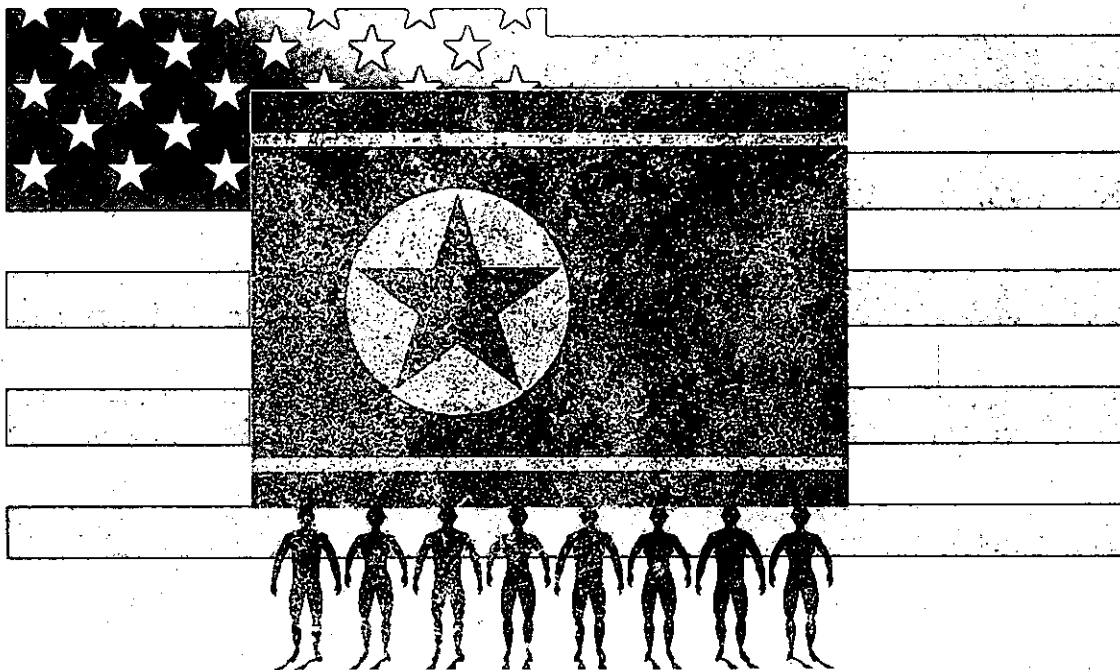


Illustration on highlighting the plight of North Korea's people by Alexander Hunter/The Washington Times more >

By Donald Manzullo -- Monday, February 5, 2018

ANALYSIS/OPINION:

Last week, Ji Seong-ho stood proud in the chamber of the U.S. House of Representatives, raising his crutches in triumph, a symbol of his hard-earned freedom and victory over the tyrannical regime that had oppressed, starved and tortured him.

The image of Mr. Ji standing in the gallery in front of America, and the long, bipartisan standing ovation that he received, has become the lasting image of President Trump's first State of the Union Address. "Seong-ho's story is a testament to the yearning of every human soul to live in freedom," the president said, highlighting once again the brutality of the North Korean regime — but remembering that there is still hope for those who suffer under Kim Jong-un.

Mr. Trump's decision to focus the North Korea section of his speech not on fire and fury, but on the suffering of people like Mr. Ji and the parents of American student Otto Warmbier, who were also in attendance, was not only heartwarming to watch, but is a smart strategy for dealing with the belligerent North Korean regime.

Insulting North Korea or its leader, Kim Jong-un, only serves to bolster his domestic support, giving the North Koreans proof that the Americans are, indeed, out to get them. These insults may seem harmless, but they actually play right into Kim's hands, giving him propaganda fodder for weeks afterward. In contrast, nothing has riled up North Korean leadership more than when the United Nations or other international groups have pointed out their horrific treatment of their own people, and the regime's inability to provide even basic services in the poverty-stricken country.

This is not the first time Mr. Trump has centered remarks about North Korea on human rights. At his speech to the South Korean National Assembly last year, the president spent a great deal of his time describing in detail the crimes the North Korean regime has committed both against its own people and against others, like Otto, from around the world. Despite some offhand remarks, Mr. Trump and his advisers understand the difference between the North Korean regime and the people who suffer under it.

This distinction will be key as rumors of plans for a so-called "bloody nose" strike against North Korean nuclear facilities continue to circulate in Washington. North Korea's leader will not take a strike from the United States sitting down. Any preventative strike by the United States will immediately endanger tens of millions of South Koreans, Japanese, as well as the American civilian and

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Donald Trump's focus on human rights hits Kim Jong-un where it hurts - Washington Times

military personnel living on the peninsula in the direct line of fire from a North Korean retaliation.

We have faced the terrifying prospect of American enemies developing nuclear weapons before. In 1949, when the Soviet Union first began testing nuclear devices, and in 1964, when China joined the nuclear club, those in leadership in the White House, the Capitol, and the Pentagon had serious conversations about how to protect the American people and our allies. But no one in leadership seriously advocated a preventative strike against these nuclearizing powers — mainly because the potential costs of a retaliation were too horrific to even consider.

Instead, Mr. Trump needs to continue with the strategy he employed both in Seoul and in the State of the Union — shedding light on the brutality of the North Korean regime, and providing support and funding for those, like Mr. Ji, who work to get information about these abuses back into North Korea, helping ordinary people there understand that despite all they have suffered, there is hope.

To be sure, economic sanctions need to be enforced and strengthened where necessary, but always with an extended hand in support of a peaceful solution for a denuclearized Korean peninsula. Until that day comes, the United States must adopt a containment strategy and strong deterrent posture against North Korea similar to the Cold War, which will eventually produce the same result as when the Berlin Wall fell.

As Mr. Trump said himself, speaking of the work Mr. Ji continues to do to help his fellow North Koreans, "Today he lives in Seoul, where he rescues other defectors, and broadcasts into North Korea what the regime fears the most — the truth." I hope the president takes these words to heart, and focuses on hitting Kim Jong-un not with missiles, but with the most American of values — truth and freedom.

- Donald Manzullo, a former Republican U.S. representative from Illinois, is president and CEO of the Korea Economic Institute of America.



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President Donald J. Trump and President Moon Jae-in of the Republic of Korea at the United Nations General Assembly.

Image Credit: Official White House Photo by Shealah Craighead

South Korea Is Trump's One Bright Spot on Trade

Despite fuming over the KORUS FTA, trade with South Korea is a bright spot in trade so far under Trump.

By Troy Stangarone

February 09, 2018

When it comes to international trade there have been few bright spots for U.S. President Donald Trump. After his first year in office the U.S. trade deficit has continued to expand and talks to renegotiate "bad trade deals" such as NAFTA and bring manufacturing jobs back to the United States have largely stalled. In contrast, despite the rhetoric from Trump that the U.S.-South Korea free trade agreement (the KORUS FTA) is a "horrible" deal, U.S. trade with South Korea is one of the few bright spots for Trump after a year in office.

During Trump's first year in office, the U.S. deficit in goods and services rose 12.1 percent to \$566 billion. In contrast, the United States' merchandise trade deficit with South Korea declined 17.3 percent to \$22.9 billion as U.S. goods exports to South Korea reached an all-time high of \$48.3 billion. The total U.S. trade deficit with South Korea should decline even further when full year country services trade data becomes available, since through the first three quarters of 2017 the overall U.S. trade deficit with South Korea was down 41 percent on strong services exports.

In context, the decline in the U.S. merchandise trade deficit with South Korea is significant. Among the United States' ten largest goods trade deficits, only those with South Korea, Germany, India, and Malaysia declined in 2017 and only the deficits with South Korea and India fell by more than \$1 billion.

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The news on the jobs front is positive as well. Despite criticisms that the KORUS FTA has destroyed U.S. jobs, including suggestions by Trump that it has cost 200,000 jobs, the growth in U.S. merchandise exports and the decline in the U.S. goods trade deficit with South Korea means that trade with South Korea created U.S. jobs in 2017.

The debate over jobs and the KORUS FTA has long centered on the changes in the U.S. trade deficit. At the height of the U.S. trade deficit with South Korea in 2015, estimates by the Economic Policy Institute (EPI) suggested that the KORUS FTA may have cost the United States more than 95,000 jobs. These estimates were always incomplete as they did not account for jobs created by U.S. service exports and foreign direct investment (FDI) by South Korean firms. Since the implementation of the KORUS FTA, South Korean FDI has nearly doubled, creating more than 18,500 jobs. However, with U.S. exports to South Korea growing and the trade deficit declining, the United States most likely added more than 25,000 jobs in 2017, using EPI's metric and the latest data on jobs supported by U.S. exports. All told, U.S. exports to South Korea support more than 360,000 jobs in the United States.

All of this makes the tense relationship over trade between the United States and South Korea more perplexing. After their first summit meeting, Trump announced that the United States and South Korea would be renegotiating the KORUS FTA, to the surprise of South Korean President Moon Jae-in. That was followed up by abortive attempt over the U.S. Labor Day weekend to begin the process of withdrawing the United States from the KORUS FTA. All of this came despite the fact that the trade deficit was declining even then.

The United States and South Korea have since agreed to amend the KORUS FTA and have had two initial rounds of discussions. The hope is to keep the talks short and focused on addressing U.S. concerns in the manufacturing sector, especially in automobiles where the United States faces a large structural deficit. If they are able to achieve that goal Trump will have two successes for his trade agenda — a successfully amended FTA and a declining trade deficit.

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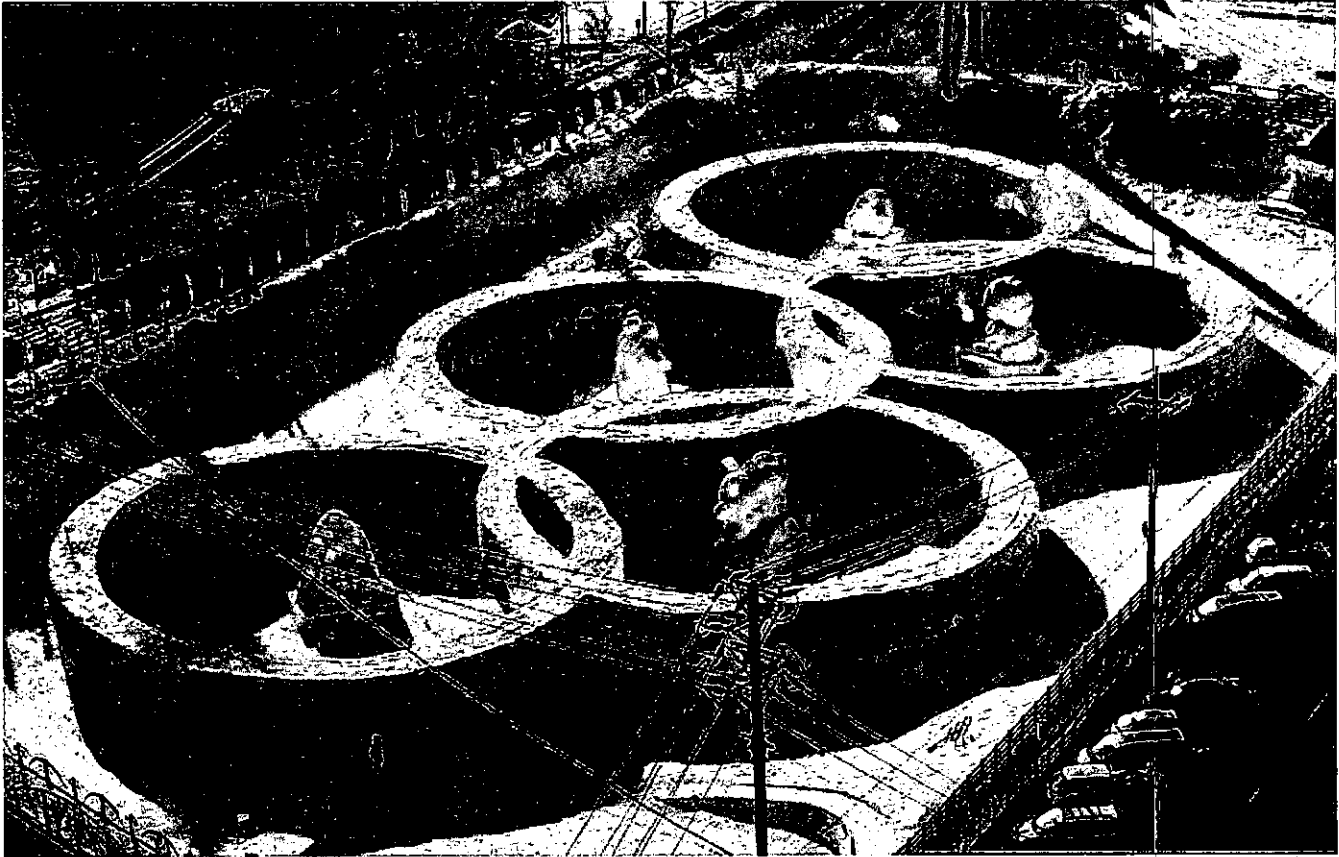
Pyongyang's Olympic Gambit

Jan 30 , 2018



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(AFP/Getty Images)

For much of 2017, the prospects of North Korea taking part in the 2018 Winter Olympics in PyeongChang, South Korea seemed dim. Despite two North Korean figure skaters qualifying for the Games, Pyongyang failed to register with the International Olympic Committee by the October deadline. Instead North Korea maintained its focus on advancing its nuclear weapons and missile programs, only to reverse course when Kim Jong-un offered to attend the PyeongChang Games in his New Year's address.

North Korea's offer to attend the Olympics, while unexpected, was a relief for South Korea. With ticket sales low and concerns about the safety of the Games by some, Seoul had encouraged North Korean participation to help ensure that the Olympic Games were peaceful. Additionally, there was hope that dialogue over North Korean

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participation in the Games could grow more broadly into a dialogue over North Korea's weapons programs, family reunions, and other issues.

Not taking part in the PyeongChang Olympics may never have been a real option for North Korea. If North Korea boycotted the Games it would have found itself isolated during a major international event just across the border. While North Korea may have had an incentive to create a sense of anxiety around the Games, provocations during the Olympics were never truly in its interests. With tensions high on the Korean Peninsula and increasing talk of military action by the United States, provocations during the Olympics would have run the risk of hardening international views that the regime in Pyongyang could not be allowed to have nuclear weapons. Attendance was always likely preferable to the regime than isolation.

Pyongyang also has strong incentives to take part in the Games. While there has been focus on North Korean efforts to drive a wedge between the United States and South Korea with its offer to attend the Games, Pyongyang also has domestic and economic reasons for attending the Olympics.

With international pressure building over its nuclear and missile programs, the regime needs to find ways to slow down or reverse the pressure campaign that is being led by the United States. For most of 2017, North Korean exports to China had only moderately declined despite increasing sanctions banning many North Korean exports. Through November, North Korean exports to China were only down \$573 million, or 26.7 percent, compared to 2016. However, early reports indicate that North Korean exports to China dropped over 80 percent to just \$54 million in December compared to December 2016. With China making up the vast majority of North Korea's trade, the December numbers could indicate that sanctions are finally beginning to bite.

The decline in North Korean exports to China was not the only significant setback North Korea faced in December. At least since the WannaCry cyberattack, North Korea has begun to utilize the cryptocurrency Bitcoin. In addition to providing Pyongyang an additional means to move currency, it may also have served as an investment vehicle for the regime. However, after shooting up to nearly \$20,000 by the middle of December it then began to significantly decrease, taking away one means North Korea may have been able to use to supplement its losses from sanctions. By calming tensions during the Games, North Korea likely hopes to create space to convince China, South Korea, and others to loosen sanctions enforcement.

With economic difficulties ahead, attending the PyeongChang Olympics provides North Korea with domestic advantages as well. North Korea is pushing for its participation in the Games to be covered by others, allowing the regime to reward over 400 hundred loyalists with all-expense paid vacations to a major international event and demonstrate domestically that North Korea is accepted by the international community despite the efforts of the United States. At a time when Kim Jong-un has acknowledged economic difficulties lie ahead, taking part in the Games also allows the regime to distract the populace from growing economic hardships.

If North Korea was hoping that its gambit of attending the Games might drive a wedge between the United States and South Korea by offering the hope of further inter-Korean engagement, it may be finding something different. South Korean identity is shifting and the country's heartstrings are no longer pulled by the idea of national unification as they once were. While a majority of South Koreans support North Korea's participation in the Games, there has been a pushback against the decision to compete under a unified flag and to field a joint women's hockey team.

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While North Korea's decision to take part in the Games has reduced tensions for the moment, it may only be a temporary reprieve. What will matter is what North Korea does once the Paralympic Games have ended and the U.S. and South Korea begin military exercises that were postponed until after the Games conclude. If North Korea continues to engage with South Korea and expresses an openness to talk with the United States, the current dynamic on the Korean Peninsula may change. However, if North Korea conducts further tests, the Olympics may turn out to be a respite from the current tensions rather than the turning point many hope that it can be.



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