

## **Korea-US Trade Agreement Headed for Trouble**

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During a trip to South Korea this past autumn I had the opportunity to meet Choi Chan-Sick, a 66-year-old peasant farmer. I found him and his wife one day fastidiously raking a six-foot-wide swath of rice that lay drying along the road's breakdown lane. His face was deeply wrinkled and back permanently stooped from a lifetime bent in service to his two-hectare rice paddy. To start what I hoped would be a pleasant conversation, I asked him through my translator how the fall harvest was going. Figuring me correctly for an American, he hurled a volley of invective at me, the only words of which I could make out were "United States" and "FTA." My wincing translator later told me that he had deleted the expletives.

By nature Koreans treat strangers, even Americans, more kindly than Choi Chan-Sick treated me. But his reaction to the free-trade agreement (FTA) negotiations now under way between the United States and South Korea may signal the limits of yet another nation's tolerance for our assertive, some would say arrogant, use of power.

The Kor-US FTA brings together the world's largest and tenth-largest economies, whose current annual exchange of goods and services is valued at \$72 billion. Not since the North American Free Trade Agreement (NAFTA) has so much been at stake, with such items as pharmaceuticals, electronics, automobiles, textiles, meat and rice, and even movies cluttering the negotiators' table. And not only are the stakes high, the negotiation's clock is ticking since President Bush's "fast-track" authority is scheduled to expire on June 30. Congress must receive the proposal by the end of March to allow it a ninety-day review period.

Should both countries' import tariffs fall, the big winners will be major US auto and pharmaceutical corporations, Hollywood, America's industrial agricultural interests, particularly beef and rice, and Korea's automotive and electronic cartels like Hyundai

and Samsung. No surprise about the losers: US and Korean workers, Korean farmers, the environment and the health and cultural integrity of the Korean people.

The more you examine the values of US corporations with respect to their export practices, the more they mirror the behavior of the tobacco industry: "Let's see what we can sell overseas that we can no longer sell here." Big auto wants to sell Korea big cars, but in order to do that, Korea must relax its auto emission standards--hence more pollution. Big Pharma wants to sell Korea its high-priced drugs, but to do that Korea would have to amend its national health insurance system, which favors cost controls on prescription drugs. Big Agriculture wants to sell Korea beef and rice, but to do that Korea would have to lower its sanitary inspection standards for cattle that are designed to reduce the risk of mad cow disease, and it would have to sacrifice up to 140,000 peasant rice farmers (rice and peasant farming have nearly sacred status in Korea). Hollywood wants to show more US films to Korean viewers, but to do that Korea would have to reduce its requirement that 50 percent of all movies shown in its theaters be of Korean vintage, a rule that has created one of the more robust film industries in Asia. And in a bizarre twist on nimble-footed American marketing know-how, the SAT industry wants to get Korean universities hooked on a student testing system that is quickly losing favor among US colleges and universities.

But the biggest loser of all may be Korea's fragile democracy. With only three free presidential elections under its belt, South Korea is still a neophyte when it comes to citizen participation and free speech. And with respect to the way the government has managed the FTA process, it's evident that the nation's transition from dictatorship to democracy is still a work in progress.

Take the simple act of seeking citizen input as South Korea prepared to enter into the FTA negotiations. The government announced its intention to launch FTA negotiations on February 2, 2006, but held the only public hearing on the issue, a legal precondition, earlier that day. "The Roh Administration [Roh Moo-hyun, president of South Korea] allowed for just twenty minutes of public input on the question of whether to forge ahead with negotiations on an FTA with the US--their decision was a *fait accompli* that occurred before South Korean civic groups were

allowed to register their views through official channels," said Thomas Kim, executive director of the US-based Korea Policy Institute.

The various rounds of negotiations that have alternated between Korea and the United States have likewise restricted citizen access and muffled dissent. The fourth round of talks in October was held on Jeju Island, about fifty miles off the South Korean coast. Even though access could only be gained by large, seaworthy craft, thousands of peasant farmers still scrambled ashore to confront more than 10,000 Korean riot police. The fifth round of talks was in December at the Big Sky resort near Bozeman, Montana, a place best reached at that time of year by horseback or half-track. The US government's complicity in stifling Korean citizen protest is also evident. More than 600 demonstrators intended to travel to the United States to protest the FTA's second round in Washington, DC, but the State Department found ways to restrict the flow to a trickle by only granting travel visas to forty-six Korean applicants. According to the US Chamber of Commerce, 96.9 percent of South Koreans who apply for visas normally receive them.

Korean people are divided on whether or not the FTA is in their best interests. National opinion polls taken repeatedly over the past year indicate that support for the FTA ranges from a low of 33 percent to a high of 45 percent. A July poll found that 62 percent of Koreans opposed the FTA. About 30 percent of the 299 elected members of the National Assembly, South Korea's congress, responded to a late summer poll that asked their opinion of the FTA. Eighty-two percent of these respondents said they did not think that the nation was prepared for the FTA negotiation or had gathered enough public comment. Given that the South Korean government exercises far greater control over information sources than the FTA opposition, and has conducted a well-funded pro-FTA sales campaign, it's actually surprising that popular support isn't higher. According to the Democratic Labor Party (DLP), a small but growing political force in South Korean politics, the government inflated the positive impact of an FTA on the economy from 2 percent to 8 percent in only one month, a figure that is widely regarded as a fabrication.

On November 22, opposition to the FTA reached a crescendo. More than 100,000 workers, peasants, students and teachers took to the streets in Seoul, Kwangju and Taejon to protest the FTA, according to the Korean Policy Institute. More than 45,000 unionized workers of Hyundai Motor and Kia Motors staged a four-hour walkout. The government's response was sure and swift. In addition to ringing City Hall in Seoul with 7,700 riot police to protect it from 20,000 protesters, the government banned all future protests by the Korean Alliance Against the Kor-US FTA (KoA), a 282-group coalition that organized the protests. The government broke into nine KoA offices and issued warrants for the group's leaders. Striking teachers were fined for missing work even though they had used vacation time to participate in the action.

How will the new Democratic Congress act? While the President is likely to request an extension of fast-track authority, Congress would have to feel that something critical is at stake in order to grant it to him. Korea's Samsung Economic Research Institute has predicted that the returning members of Congress are almost evenly split on whether to approve a Kor-US FTA, and thirty-seven of the newly elected members had fair trade as a plank in their campaign platforms. Democrats are also riding a wave of economic populism best characterized by Senator Jim Webb's recent observation that "our manufacturing base is being dismantled and sent overseas." This sentiment is echoed by the AFL-CIO, which opposes the pact for fear that it would take away American jobs. Add to these factors the anger of powerful Senate Finance Committee chairman Max Baucus over Korea's rejection of three shipments of US beef during the last round of FTA negotiations held in his home state, and you have a volatile situation shaping up in Washington.

Sung-Hyun Moon, president of the DLP, said the "majority of the Korean people are against signing an FTA treaty" with the United States. They are opposed to importing beef, reducing the film quota, and believe that "the FTA will result in a jump in unemployment." Indeed, the anger toward the United States is growing, stoked in part by the continuing presence of 37,000 American troops who are no longer universally hailed as the saviors of South Korea's freedom. Images of Uncle Sam

holding a chained Korean peasant on his knees with the caption "Koreans are enslaved to American beef" show up regularly on protesters' placards.

The emotions aroused by the Kor-US FTA in a country that was once one of America's staunchest allies have brought South Korea's political fault lines into stark relief. A near total lack of transparency and public participation in the negotiating process, a squelching of public dissent and a government-sponsored propaganda campaign are putting Korean democracy to the test. American consumers may want to know that the loss of free speech abroad, even in a place 10,000 miles away, may be too great a price to pay for a cheaper Samsung flat-screen TV.