

# Ratify the FTA



Jon H. Bahk-Halberg  
Graduate School of Interpretation and Translation  
Hankuk University of Foreign Studies

I was recently reading over a news report about a debate between members of Korea's National Assembly over ratifying the recently signed Free Trade Agreement with the United States. There were some interesting lines.

In one, Assemblywoman A was quoted as saying: "First off, even without signing an FTA with the U.S., our country's markets are the most liberalized in the world."

The fact that Korea's markets are the most liberalized in the world might come as a surprise to consumers in Hong Kong, Manila, Singapore, New York, or any number of other cities who see a wider selection and lower prices on just about everything from cars to groceries, electronic products to airline tickets, than can be found anywhere in the Republic of Korea. Finding out where Korea's liberal markets exist would also help cut costs for the many Koreans who have been traveling overseas for years to get products and prices that they can't find here.

In response, Assemblyman B's pro-FTA argument went like this: "Even without an FTA, we must ultimately deal with the issue of opening our agricultural markets. We are obliged to harmonize the interests of 80,000 livestock farmers and those of the 47 million consumers who currently must pay 40,000 won for one serving's worth of beef."

It seemed clear in this argument that one side was looking through some kind of hazy filter at the threatening world outside and the other was dealing with reality. You can decide which was which.

While there were many contentious issues in the agreement concluded belatedly April 2nd, probably the highest hurdle for many Koreans fearful of being overcome by outside economic forces had to do with the nation's agricultural base. Korea is not the only country concerned about being self-sufficient in terms of

its national food supply. But in this world of interconnected economic interests, is it even a remote possibility for one nation to threaten another by withholding food? It's hard to imagine how that could happen, unless, like in the case of our neighbors to the north, it was done deliberately from within.

But here in South Korea, as Assemblyman B noted, weighing the interests of 47 million consumers paying the highest prices on earth for a few grams of beef against those of 80,000 cattle farmers are high odds - 587.5 to one. Whose interests will eventually prevail?

And don't forget, the concern for Korean beef ranchers is only the top issue between the lines of the FTA agreement because the real biggie - opening Korea's rice market - was completely off the table at the talks. Koreans will still continue to have the right to continue to pay 400 percent of the average world price for rice well into the future, no matter what the effects of the FTA are in other areas.

Stifling humanity's unceasing drive toward freedom, the freedom to provide for ourselves as we see fit, is an economic battle that no government, no politician, no special-interest group can win in the end. People will find a way to get what they want for themselves and their families, no matter how long it takes. This is one lesson that history repeats for us over and over and over again.

In China, which saw mass starvation from 1959-1962 when its government tried top-down economic controls and collective organization, improvements finally began to be seen when the government relaxed restrictions on private property and the ability to buy and sell goods. Similar scenarios have taken place worldwide as controlled economies in the former Soviet Union and throughout sub-Saharan Africa have allowed more freedom from restrictions, as well as in south and southeast Asia. Again and

again, dramatic improvements in food production, nutrition, and overall human welfare are the results of giving more freedom to individuals in making their own economic choices without being restricted by government controls.

Nearly every one of the objections to the FTA that I have heard in the last few years in Korea have had to do with the need for the government to protect one particular group of workers or another. Farmers, auto workers, film stars, lawyers, there are many who fear that more competition will take a piece of their pie. But the negotiators who agreed to open things up, at least partially, with the Free Trade Agreement, were able to see the whole picture. As economist Henry Hazlitt wrote more than half a century ago: The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups.

It's really pretty simple.

No one can deny that Korea's economic progress over the last few decades has been remarkable, and that its high-tech and other capabilities are world-class. But the one area where Korea still lags behind other advanced nations is in its hesitation to dive into the waters of free and open competition with the world and do what it does best on the open market. Koreans are losing out because of this hesitation, as consumers, as workers, and as businessmen and women.

The challenge for Korea's future is to keep moving forward, to compete with the world and show how much it can produce without being hampered by protectionist restrictions. Look at the big picture - as Hazlitt wrote, "the consequences for all groups." Koreans have already proved they are up to the challenge. Why wait any longer? Ratify the FTA.