

South Korea's Lee Vows Changes After Flap Over U.S. Beef

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SEOUL, South Korea -- South Korean President Lee Myung-bak, in his first news conference since a beef-trade deal with the U.S. turned into a political crisis here, said he learned a "hard lesson" from the virulent public backlash to it.

Mr. Lee promised to diversify his administration and modify some policy goals as a result of the protests over the beef deal.

The president said he is willing to give up his desire to build a cross-country canal, an economic megaproject that was a cornerstone of his campaign platform last year, if the public objects. "That is because any policy should be carried out with the blessings of the public if it is to be successful," he said. "That is the lesson I have learned clearly and painfully this time."

He then explained that his government is trying to change a key condition of the April 18 beef deal without scrapping it and starting over.

Mr. Lee told President Bush on June 7 that because of lingering worries about mad-cow disease that caused South Korea to stop buying U.S. beef in 2003, Seoul needs to limit imports to meat from cattle that are younger than 30 months. Originally, Mr. Lee agreed to import all beef from the U.S. Older cattle are believed to be more susceptible to the disease, the human variant of which is fatal.

"It's a very difficult situation, but I believe that the U.S. will surely accept the request," Mr. Lee said at Thursday's news conference. He added South Korea won't begin imports until the U.S. guarantees that beef from cattle over 30 months of age won't be sent here.

In reaction to Mr. Lee's comments, a spokesman for the opposition United Democratic Party said it was "inappropriate" for South Korea to trust a guarantee from the U.S., a condition to which the U.S. hasn't agreed. The UDP spokesman repeated the party's call for renegotiating the deal from scratch.

In Washington later Thursday, South Korean Trade Minister Kim Jong-hoon and U.S. Trade Representative Susan Schwab concluded talks on the beef issue, a spokeswoman for Ms. Schwab said, and were "close to reaching a mutually agreeable path forward."

Mr. Lee said South Korea can't renegotiate the deal without harming its reputation among trading partners. He recounted an instance in 2000 when South Korea stopped importing garlic from China because imports were harming domestic production. In response, China imposed tariffs on Korean cellphones and other products.

U.S. trade negotiators and cattle-growers viewed South Korea's acceptance of all American meat in the trade deal as a step in helping them to persuade a handful of markets that don't accept all U.S. beef, like Taiwan and Japan, to do so. But South Korean protesters and opposition politicians accused Mr. Lee of kowtowing to the U.S. for agreeing to the April 18 deal with conditions less strict than those its neighbors accepted.

The U.S. exports about 4% of the beef it produces annually. The vast majority of what it exports is meat from younger cattle, which commands higher prices and yields greater profits, but the U.S. pushes its trading partners to be open to all types of beef.

Mr. Lee said the protests have led him to decide to fire some of his staff and cabinet, which could occur as soon as Friday.

He added his voice to those of his top economic advisers who, in the past few weeks, have been softening the administration's intense focus on economic growth. Mr. Lee said the government will place a higher priority on stabilizing consumer prices, which have been rising quickly because of the country's heavy reliance on energy and food imports.

He said he would continue to push ahead with privatizing some state-run companies and eliminating some rules on business, steps that international investors and business executives are eager to see.

Mr. Lee used the news conference to make a second public apology for agreeing to the beef deal. He explained that he thought it would help South Korea lock in an economically beneficial free-trade agreement with the U.S.

Several leaders of the U.S. Congress had said they wouldn't consider ratifying the free-trade deal unless South Korea first kept a promise made by the country's previous president to fully reopen to imports of U.S. beef.

Mr. Lee said he felt there was "no possibility of ratification" this year if South Korea continued to reject U.S. beef. "I could not sit idly by seeing this window of opportunity being closed without making any efforts," he said.

In doing so, the president asserted he "lost sight" of public concerns over food safety.