U.S. Said to Compromise on Beef for South Korea

By Steven R. Weisman New York Times June 20, 2008

WASHINGTON — South Korean and American negotiators, seeking to defuse a furor over beef exports that has shaken up the government in Seoul, were near an agreement on Thursday in which the United States would not export to South Korea beef from cattle more than 30 months old, officials close to the talks said.

South Korea, under pressure after months of consumer protests, has sought the 30-month limit to placate concerns over American beef being possibly tainted with mad cow disease. Younger cattle are believed to be less likely to have mad cow disease.

It was not clear whether an accord on beef exports would stop the anti-American protests that started in April when the new South Korean president, Lee Myung-bak, lifted a five-year-old ban on American beef imports that was imposed after a case of mad cow disease was confirmed in the United States.

Mr. Lee's cabinet resigned this month amid the protests, which have revived anti-American sentiment not seen in South Korea since during the cold war. Many South Koreans have accused Mr. Lee of currying favor with President Bush by lifting the ban on beef in April as he arrived for a visit to Washington and the presidential retreat at Camp David.

Mr. Lee is expected to assemble a new cabinet soon, but it was not clear whether he could ease anti-American sentiments, which have also been fueled by a widespread belief in South Korea that the Bush administration favored the election of Mr. Lee in December in the hope that Seoul would take a tougher policy toward North Korea.

Signs of an imminent accord on beef came after the completion of nearly a week of talks between Kim Jong-hoon, the top South Korean trade envoy, and Susan C. Schwab, the United States trade representative.

"We have made good progress this week and are close to reaching a mutually agreeable path forward," Gretchen Hamel, a spokeswoman for Ms. Schwab, said, without providing any details about the talks.

But officials close to the talks, who declined to be identified because they said the South Koreans had not been briefed, said the agreement relied on a voluntary arrangement by private exporters and importers not to ship American beef from cattle more than 30 months old for consumption in South Korea.

Since the crisis over beef erupted, the Bush administration has taken the position that it cannot change its trade accords with South Korea. Instead, American officials have called on South Korea to honor its pledge to lift the ban after the World Organization for Animal Health ruled in May 2007 that American beef was fit for consumption.

Under the probable agreement, the United States would not, strictly speaking, change its trade rules, according to the officials close to the talks. But it would certify the age of the beef being exported.

It was unclear whether the accord would pave the way for approval of an overall trade agreement with South Korea, of which the beef arrangement was a part.

That deal, negotiated earlier this year, would lower South Korean tariffs and other barriers on a variety of American exports. American businesses, especially in financial services, have made the approval of the agreement their highest priority, beyond even an accord with Colombia that, like the South Korean pact, is before the Congress.

The South Korea and Colombia deals are stalled because of opposition by Democratic Congressional leaders. The A.F.L.-C.I.O. labor federation is in opposition.

Democrats say they oppose the Colombia accord because of violence against labor organizers there and oppose the agreement with Seoul out of fear that South Korean auto makers would undermine American car manufacturers and cost American jobs.

Senator Barack Obama of Illinois, the presumptive Democratic presidential nominee, also opposes the South Korea and Colombia accords in their current form.

Until April, the South Korean deal was held up in Congress because of the ban on beef imports, ostensibly because of health reasons, though many analysts say another reason was that South Korean beef producers feared American competition.

Senator Max Baucus, a Montana Democrat who is chairman of the Senate Finance Committee, has said for months that he would not support a trade deal with South Korea until Seoul lifted its ban on American beef. When the ban was lifted in April, he said he would back the accord despite the opposition of labor.