Bush Seeks Measures To Save Trade Deal With South Korea

By Evan Ramstad Wall Street Journal August 5, 2008

SEOUL -- U.S. President George W. Bush arrived in South Korea late Tuesday trying to save a free-trade agreement that led to violent protests here over the past few months.

The focus of his visit here, which precedes a trip to Bangkok and then Beijing for the Olympic Games, will be a summit Wednesday with South Korea's Lee Myung-bak, whose presidency was damaged by a nationalist backlash over a smaller trade deal the leaders forged a few months ago.

In April, when the two presidents met at Camp David in the U.S., Mr. Lee agreed to reopen South Korea to imports of U.S. beef. The move was aimed at satisfying key U.S. farm-state lawmakers, whose votes are needed to pass a free-trade pact the two countries negotiated early last year. Even with the beef deal, Congress is unlikely to vote on the pact until after the November election.

"I've told [President Lee] I make no promises, except I'll push as hard as I possibly can to get it done before I leave the presidency," Mr. Bush said in an interview with a South Korean broadcaster last week.

For Mr. Lee, however, the April pact sparked a political crisis, as his opponents took to the streets and accused him of endangering public health, a criticism that drew public support. South Korea was one of dozens of countries that halted imports of U.S. beef in late 2003 after a case of mad-cow disease was found in a cow in Washington state.

Mr. Lee's opponents later lost popular support after he renegotiated some terms and South Koreans realized there was little danger from U.S. beef. But the same activists are now fighting against ratification of the free-trade deal by lawmakers here and have vowed to stage a protest on Mr. Bush's arrival Tuesday.

Analysts forecast the free-trade deal would boost the countries' \$80 billion trade relationship by \$20 billion to \$30 billion within five years.

For the South Korean government, the free-trade deal is the most valuable economic-development step since the country's recovery from a currency crisis a decade ago. It is also being watched by international investors and executives as a sign of change in South Korea's relatively closed economy. Seoul is negotiating similar deals with the European Union and Canada.

The presidents also will discuss the countries' security relationship. Mr. Bush is expected to ask Mr. Lee to consider resending South Korean troops to join U.S.-led forces in Afghanistan. South Korea deployed several hundred soldiers there from 2002 to 2007.

Most U.S.-South Korea summit meetings also involve a discussion about North Korea, which in recent months has thrown new diplomatic challenges at both countries. Under a deal announced in June, Mr. Bush can decide as soon as next Monday to strike North Korea from the U.S. list of state sponsors of terrorism. But he has said he will do so only when Pyongyang agrees on a mechanism to verify the scope of its nuclear-weapons program.

"We'll honor our commitment, but they've got to honor their commitment," Mr. Bush told reporters last week. "Are we comfortable with the verification? Well, until we are comfortable, then we don't move forward."

South Korea's relations with the North have deteriorated since Mr. Lee's election. North Korea's authoritarian government, after 10 years of dealing with centrist-nationalist South Korean presidents who offered economic help with few strings attached, have refused to deal with Mr. Lee, a conservative who promised to take a harder line with Pyongyang.

A North Korean soldier fatally shot a South Korean tourist last month, and the North Korean government has refused Mr. Lee's offers of food aid, as well as invitations for new talks on economic investments.

--SungHa Park contributed to this article.