

Obama urges Bush back off South Korea trade deal

By Doug Palmer
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WASHINGTON - Democratic presidential front-runner [Barack Obama](#) in a letter released on Friday warned of a major fight over a free trade agreement with South Korea if President George W. Bush sends it to the U.S. Congress.

"Instead of provoking unnecessary and potentially corrosive confrontation over this agreement, your administration could make a significant contribution toward reestablishing trust with Congress and restoring bipartisan cooperation on trade by withholding the agreement," Obama said.

Obama's Senate office released the letter, dated on Thursday, shortly after a White House event where Bush pushed for approval of free trade pacts with Colombia, Panama and South Korea before the end of this year.

The trade pact with South Korea, the United States' seventh largest trading partner, is by far the biggest the Bush administration has negotiated and also the largest U.S. deal since the North American Free Trade Agreement.

The U.S. International Trade Commission has estimated it would increase annual U.S. exports to South Korea by between \$10 billion and \$11 billion, and increase imports from the longtime Asian ally by between \$6.4 billion and \$6.9 billion.

The fate of all three pending agreements has been up in the air after the House of Representatives voted last month to indefinitely postpone action on the Colombia agreement.

Bush acknowledged the current political climate made it difficult to win approval of the trade deals, but said he had not "given up hope" that Congress would approve the Colombia agreement and then the two other trade deals.

'NAIVE ISOLATIONISM'

Republicans criticized Obama's comments.

"Barack Obama's letter is the sort of naive isolationism that will slow job growth at home and damage our relationship with a key ally," Republican National Committee spokesman Alex Conant said in a statement.

"It's concerning that while Obama lectures us about the need to negotiate with our enemies, he would simultaneously reject a closer relationship with an ally who deployed the third-largest contingent of troops to Iraq," Conant added.

Obama, of Illinois, has long opposed the South Korean agreement. But the White House has hoped it could leverage broad support from the business community to persuade the Democratic-run Congress to vote on the deal.

Obama's letter was a further blow to those hopes. It followed a similar letter this week signed by New York Sen. [Hillary Clinton](#), Obama's rival for the Democratic nomination, and nine other Democrats.

"Like many members of Congress, I oppose the U.S.-Korea FTA, which I believe is badly flawed. In particular, the terms of the agreement fall well short of assuring effective, enforceable market access for American exports of manufactured goods and many agricultural products," Obama said.

He singled out the automobile provisions as unfairly tilted in South Korea's favor.

The Bush administration has ruled out renegotiating the auto provisions, which it says will level the auto trade playing field by eliminating South Korea's 8 percent tariff on U.S. auto imports and reducing regulatory barriers.

In turn, the United States will have to eliminate a 2.5 percent tariff on South Korea cars, which U.S. Trade Representative Susan Schwab has said "is not going to have an appreciable impact on U.S. auto trade."

South Korea -- which recently agreed to drop a ban on U.S. beef in hopes of stirring action in Congress on the trade deal -- has also ruled out renegotiating the auto terms.

The recent beef agreement has caused South Korean President Lee Myung-bak's popularity to plummet.

After being accused of caving into U.S. pressure and ignoring public safety concerns, Lee apologized to the Korean people on Thursday in a nationally televised address.

The United States says its beef meets international safety standards more than four years after several cases of mad cow disease were found in the U.S. herd.

(Additional reporting by Jeremy Pelofksy, editing by Vicki Allen)