

Obama to focus on bolstering Michigan's future

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Sen. Barack Obama today brings his traveling economic policy show to Michigan, the nation's most economically battered state, laying out a series of policies that aides believe will convince voters here he can help reverse the state's decades-long slide.

"What he's going to be focused on a lot (today) is what we can do to actually help America compete and succeed in the global economy over the long run," said Jason Furman, Obama's new director of economic policy.

After a week of appearances in swing states, in which he has mostly touted steps to address the downturn, Furman said today's argument will be more focused on the future: that policies, from improving education to boosting research on new auto technologies, will help Michigan and other Rust Belt states hang on to jobs they have been losing for a generation.

It's an argument that the John McCain campaign has answered with three words: "tax and spend," the traditional GOP label for Democratic presidential candidates.

McCain and his economic advisers argue that Obama's tax plan would stifle the economy. It's also one that traditional Democratic allies, especially organized labor, have in some cases been slow to embrace, though many have begun to do so aggressively since Obama clinched the Democratic presidential nomination.

"We finally have someone running for president who says we should help manufacturing compete. So I'm in," said Mark Gaffney, president of the Michigan AFL-CIO, who earlier this year said Obama needed a better understanding of manufacturing issues.

Obama will make three public appearances in the next two days in Michigan, highlighting the state's importance to his campaign and the centrality of the economy in winning here. The stops mark the middle of a two-week tour in which Obama has sought to define the economic battleground of the 2008 campaign.

New aide causes controversy

The tour began with a distraction: Some controversy over Furman's addition to Obama's campaign team. Furman, an economist and aide to previous Democratic campaigns, is close to Clinton administration Treasury Secretary Robert Rubin, whom many liberals believe was too focused on helping financial markets at the expense of workers.

Furman dismisses those concerns, saying his job is to execute Obama's economic plan, not to shape it, and pointing to liberal economists who are advising the campaign. Though officials from the AFL-CIO and the United Steelworkers union have criticized Furman's selection, others call the criticism misplaced.

"Senator Obama has a very broad group of folks from the economic world that support his candidacy," said former Michigan congressman David Bonior. "Progressive policies ... will be dominant if Senator Obama is elected."

More criticism -- from Republicans -- comes from the right. McCain aides such as Douglas Holtz-Eakin, the Republican's top economic adviser, and former Hewlett-Packard CEO Carly Fiorina have ripped Obama for pledging to roll back Bush administration tax cuts for those making more than \$250,000 and for policy proposals they say would make the federal budget balloon.

Fiorina, in a television interview last week, called Obama's plan "the same old tax and spend philosophies of the liberal Democratic past" and said "he's not proposed one single tax cut."

Tax cuts proposed

In fact, Obama has proposed significant tax cuts for low- and middle-income families. The campaign points to an analysis last week by the nonpartisan Tax Policy Center that found Obama's plan would cut taxes mostly for those with moderate incomes, while McCain's would provide only modest benefits to families in most income brackets but a big boost to those in the top 20 percent of incomes.

Holtz-Eakin criticized the report as incomplete, but Furman called it "a complete corroboration" of Obama's plan.

Another area of difference with high interest in Michigan: trade. Obama has called for a slowdown in more than two decades of expanding free-trade deals and for renegotiating parts of the signature agreement of that trend, the North American Free Trade Agreement. McCain criticizes Obama as protectionist, arguing that expanding U.S. export markets are crucial to growing the economy.

But Obama's focus today, and at another site in Metro Detroit on Tuesday, will be on more long-term plans.

"We want to put in place policies that are going to help the economy today, but also some policies that will help over the next 10 to 20 years," Furman said.

Infrastructure targeted

Obama will lay out a long-range vision that includes improvements to infrastructure such as roads and bridges, higher science and technology funding and improved education -- aimed, Furman said, at boosting competitiveness for the long run.

The campaign believes the argument will resonate especially in Michigan, which has been hit as hard as any state by global changes in trade and technology. Furman said that while short-term approaches such as opposing a pending free-trade deal with South Korea are necessary, a long-term plan is vital to helping the domestic carmakers compete.

"They need a long-run policy, investing in education and in the next wave of innovation, which we're already seeing is going to be centered around cleaner cars," Furman said.