Obama targets NAFTA but says supports free trade

By Jeff Mason Reuters February 25, 2008

LORAIN, Ohio - Democratic presidential hopeful Barack Obama assured U.S. trading partners on Sunday that he did not oppose free trade despite making increasingly critical comments about multilateral deals such as NAFTA.

Obama, an Illinois senator, has turned trade into a centerpiece of his campaign in Ohio, where trade agreements are particularly unpopular as domestic manufacturing jobs disappear.

Texas and Ohio hold nominating contests on March 4, and Obama has criticized the North American Free Trade Agreement at campaign stops in both states.

He has pounded rival Hillary Clinton, a New York senator, for switching positions on NAFTA and said repeatedly that he would revisit that pact to instill environmental and labor standards.

But Obama, who would enter the White House with only four years of experience as a U.S. senator in addition to several years in the Illinois legislature, said his misgivings about NAFTA did not mean he was opposed to such accords in general.

Asked how other countries should interpret his position, Obama responded that he supported free trade but wanted it to be fair.

"What the world should interpret is my consistent position, which is I believe in trade," he said after meeting with workers at a manufacturing plant in Ohio.

"I just want to make sure that the rules of the road apply to everybody and they are fair and that they reflect the interests of workers and not just corporate profits."

NAFTA went into force in 1994 while former President Bill Clinton held office.

Hillary Clinton, who called the pact a success in her memoir, says she has a plan to review and fix it and accuses Obama of complaining but not having a proposal to alter it.

Obama said he opposed NAFTA from the start and U.S. workers were not the only ones to suffer from its effects. Wages and benefits in Mexico had not been improved by the treaty, he said.

Looking forward, Obama said the World Trade Organization's Doha round of trade talks should have provisions that reject child labor and poor environmental standards while creating opportunities for developing nations to sell their goods to wealthy countries.

"When we think about the Doha round of trade agreements, for instance, I think it is perfectly appropriate for us to say that very poor countries should be able to export into wealthier countries on a basis that allows them to lift their standard of living," he said.

"We've got to have some minimal standards and we've got to have enforcement around things like safety standards."

Obama said ignoring the effect that trade agreements were having on workers would only lead to more protectionist tendencies in both the Republican and Democratic parties, which, in turn, would hurt the economy.

The economy has become the major issue in the U.S. presidential campaign with voters worried about a possible recession taking hold before the general election in November.

(Additional reporting by Claudia Parsons, editing by Chris Wilson)