Clinton Criticizes Obama Over Canadian-Nafta Memo

By Mark Drajem Bloomberg March 3, 2008

Hillary Clinton said rival Democratic presidential candidate Barack Obama is misleading voters about his views on trade, citing a private meeting his economic adviser held with Canadians that included a discussion of the North American Free Trade Agreement.

Austan Goolsbee, Obama's top economic policy adviser, met with officials in the Canadian consulate in Chicago last month, and a memo by a Canadian official describing the meeting said Goolsbee assured them that Obama's public pledge to force a renegotiation of Nafta was ``more about political positioning."

That remark contrasts with the criticism leveled at the trade agreement by both Obama, 46, and Clinton, 60, in recent weeks while campaigning in Ohio, where the effect of trade on jobs is a top issue. Both say that if elected president they would threaten to pull out of the treaty to force Mexico and Canada to renegotiate the deal and add tougher labor and environmental protections.

Obama has ``basically done the old wink-wink, don't pay any attention, this is just political rhetoric," Clinton said today in Ohio, which holds a primary tomorrow. ``I don't think people should come to Ohio and tell the people of Ohio one thing and then have your campaign tell a foreign government something else behind closed doors."

Memo Authentic

Goolsbee didn't return telephone and e-mail messages asking for comment. According to the Associated Press, which acquired the memo first, he said the Canadians misinterpreted his remarks. A Canadian government official confirmed the authenticity of the memo, which was written by Joseph DeMora, an official at the Canadian consulate in Chicago, and obtained by Bloomberg.

"Of the Democratic candidates, Obama has been the least protectionist," Goolsbee told the Canadian officials, according to the memo. In the future, Obama would "be careful to send the appropriate message without coming off too protectionist."

Obama campaign manager David Plouffe told reporters today that ``the report on that conversation is just not accurate." Goolsbee's conversation was informal, and any idea that this was ``somehow a diplomatic discussion with the Canadian government is absolutely false," Plouffe said.

'Deeply Regret'

The Canadian Embassy in Washington said in a statement that there was ``no intention to convey, in any way, that Senator Obama and his campaign team were taking a different position in public from views expressed in private, including about Nafta. We deeply regret any inference that may have been drawn to that effect."

Obama, speaking to reporters in San Antonio today, said ``the Canadian embassy has confirmed exactly what I have been saying on the campaign trail, which is that I believe in trade but it is important for us to have labor standards and environmental standards that are enforceable."

"This notion that Senator Clinton is peddling that somehow there's contradictions or winks and nods has been disputed by all the parties involved," Obama said.

Clinton, a New York senator, seized on the controversy as she campaigned in Ohio, where Nafta is blamed for the loss of almost 250,000 factory jobs since the accord took effect in 1994. Fifty-nine percent of Democratic voters in Ohio disapprove of Nafta compared with 13 percent who support it, according to a poll conducted Feb. 27-29 for the Cleveland Plain Dealer.

The positions of Obama and Clinton drew rebukes from Canadian Prime Minister Stephen Harper and Mexican Economic Secretary Eduardo Sojo.

Reluctant Congress

Then-President Bill Clinton, Hillary Clinton's husband, persuaded a reluctant Democratic Congress to approve the free- trade pact, the world's largest, in 1993. Before submitting the accord, Clinton got the other nations to rework the agreement, reached under his predecessor, President George H.W. Bush, adding provisions on labor and the environment in side letters.

Obama, and Illinois senator, has accused Hillary Clinton of supporting the accord then, and now reversing her stance.

Clinton called that a distortion of her record.

"I have been a critic of Nafta from the very beginning," she said last week. Nafta is heavily disadvantaging many of our industries, particularly manufacturing."

The memo described what was called an ``introductory meeting" between Goolsbee and Canadian officials.

"This messaging should not be taken out of context and should be viewed as more about political positioning than a clear articulation of policy plans," DeMora wrote. Goolsbee disputed that statement, saying he never used "that phrase in any way," the AP said.

Pro-trade lobbyists said that even before news of the meeting with Canadian officials came out, they had already dismissed the anti-Nafta rhetoric in Ohio.

Once the Democratic nomination is secured, "The rhetoric will be different," said Christopher Wenk, the top trade lobbyist at the U.S. Chamber of Commerce in Washington. "Right now this is just campaign rhetoric. It's getting votes in Ohio."

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