Clinton Pounces on Memo To Attack Obama on Nafta

By Nick Timiraos Wall Street Journal March 4, 2008

Among the closing arguments for the Democratic primaries in Ohio and Texas was a tussle over who said what to whom at a Canadian consulate meeting last month in Chicago.

The campaign of Sen. Hillary Clinton aimed to portray her rival, Sen. Barack Obama, as a political opportunist yesterday after a memo surfaced suggesting that one of his top economic advisers had called campaign statements about the North American Free Trade Agreement "political positioning."

The adviser, Austan Goolsbee, disputed that characterization in an interview with the Associated Press. He said he told Canadian consular officials that the Illinois senator recognized the economic merits of free trade but that he wanted to ensure that all classes benefited from trade.

The memo was written by Joseph DeMora, a Canadian consulate official who attended a Feb. 8 meeting with Mr. Goolsbee, and was obtained by the Associated Press.

The Obama campaign had denied that a meeting took place and declined to make Mr. Goolsbee available for comment. Campaign manager David Plouffe said yesterday that Mr. Goolsbee held an informal meeting, "essentially a tour," in his capacity as an economics professor at the University of Chicago.

According to the memo, Mr. Goolsbee acknowledged rising protectionist sentiment, particularly in the Midwest, was responsible for increasingly antitrade rhetoric, but that such rhetoric reflected political maneuvering, not policy. Mr. Goolsbee, 38 years old, has advised Sen. Obama since his successful U.S. Senate bid in 2004.

The Clinton campaign has named the Goolsbee story "Nafta-gate," and Sen. Clinton accused her rival's adviser of going "to a foreign government and basically [doing] the old wink-wink, don't pay any attention, this is just political rhetoric."

The Obama campaign called the issue a "smokescreen" created by the Clinton campaign and Sen. Obama yesterday said that the Canadian consulate, not Mr. Goolsbee, had initiated the meeting. "He went down there as a courtesy and at some point they started talking about trade and Nafta," he said.

The revelations over the meeting and Sen. Clinton's effort to portray Sen. Obama as a political opportunist follow efforts by Sen. Obama to do the same. Last month, his campaign sent mailings to Ohio voters arguing that Sen. Clinton only opposed Nafta once

she began running for president. The episode illustrates a bind facing pro-free trade Democrats with voters in the industrial Midwest, where such deals are enormously unpopular. "It's obviously political," says I. M. Destler, a University of Maryland professor of public policy. "Neither one of them has previously shown any great urge to reconfigure or revise Nafta."

But the hyperventilation on both sides has done more to sear the promises of each candidate into the minds of voters, and their union backers, who will be far less willing now to let either candidate backtrack from their antitrade rhetoric should they win the presidency. "Both Obama and Clinton have now incurred an obligation to do something even if they don't want to," says Dr. Destler.

At a debate last week in Cleveland, both candidates promised to bring up renegotiation of the landmark free-trade agreement within six months of taking office in order to push for tougher labor and environmental standards. Last summer, the Canadian government rejected any "reason to revisit" the trade accord. And on separate conference calls yesterday, top strategists for both campaigns reverted to their talking points when pressed to name what lessons the U.S. could teach Canada on labor and the environment.

The flare-up also underscores the twin challenges of running for office and preparing to be president. Sen. Obama has joined blistering attacks on Nafta and trade with China with talk about the fact some of Ohio's lost manufacturing jobs are gone for good. "Here's the truth: Globalization is not going away," he said Sunday at an event to promote green jobs in rural Ohio.

That rhetoric reflects Mr. Goolsbee's centrist economic views on a variety of issues, from trade to housing to health care. "There's no one more in favor of open markets than me," he said at an economic forum earlier this year, before suggesting that such deals are skewed too much to favor special interests. Most 900-page trade agreements, he said, contain "898 pages of loopholes."