

# Obama's NAFTA rumblings more politics than practice

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**Q**uick. Name the most important issue facing British Columbia today. Homelessness? Climate change? Multibillion-dollar structural deficits in government? The collapse of the forest industry? The continuing global financial crisis?

Well, all of the above wouldn't be a wrong answer. But there's one that looms larger than any other and it's rarely on anyone's list. It's the retooling of the provincial economy in the middle of the biggest financial shake-down since the Great Depression, a crisis that is changing the landscape of the global marketplace.

Like me, you may have been puzzled or even dismayed this

never came up in the May provincial election campaign. Strong on personal attacks and heavy on re-treaded partisan bromides, our leaders chose to be mostly parochial and inward looking during the campaign, ignoring the complex question.

Fortunately, that badly needed public policy debate may finally be set to begin Tuesday.

The B.C. Business Council is kicking off a conference and discussion on 29 policy papers exploring just how a small, open economy like British Columbia's can survive, and thrive, in the decades ahead. These discussions may go on for years.

But the initiative is a worthy one. And it is wisely starting with an analysis of the most fundamental question facing Canadians and British Columbians.

What is the state of the Canada-U.S. trading relationship with the United States, our No. 1 trading partner? Will we see the erosion

of the North American Free Trade Agreement? Are we entering a new, protectionist age?

To supply some answers, the business council has flown in David Gergen, one of the best White House watchers around.

It's usually hard to get too impressed with stars from speakers' bureaus, parachuted in to generate interest in a conference. But the Gergen resume speaks for itself: adviser or senior staffer to four presidents — Richard Nixon, Gerald Ford, Ronald Reagan and Bill Clinton. Director of Harvard's Center for Public Leadership at the John F. Kennedy School of Government. Editor-at-large at *U.S. News & World Report* and senior political analyst for CNN. Oh, yes, and best-selling author.

So I got Gergen on the phone and posed the big question. Is our massive neighbour, and its new president that we all like more than our own prime minister, really going to turn back the free-

trade clock on us and become an old-style protectionist?

"Many Canadians were rightly distressed by the campaign ... which certainly reeked of protectionism on the Democratic side," says Gergen, referring to the campaign threats of both Obama and Hillary Clinton to pull out of NAFTA unless environmental and labour standards were renegotiated.

"And there were many indications that the U.S. commitment to free trade would be diminished under an Obama administration."

But Gergen cautions Canadians not to get too excited by protectionist rhetoric dished out in the heat of a U.S. presidential campaign. It's the discipline — and practical realities — of governing in the White House that matter now. And now that Obama is behind the desk in the Oval Office, Gergen doesn't foresee him rewriting the trade deal setting

out Canada's trading relationship with the world's biggest economy and with Mexico. "I don't think the worst fears of Canadians, namely on trade, are going to be realized," says Gergen, adding the "status quo" will likely prevail when it comes to U.S.-Canada relations.

It appears that infamous memo from a Canadian diplomat, leaked during the U.S. presidential campaign and hotly denied by the Obama camp, was right after all. You may remember the mini-scandal. After Obama's incendiary musings about reopening NAFTA, the candidate's economic adviser Austan Goolsbee had a private tete-a-tete with Canada's diplomats in Washington, D.C., and told them not to get too excited over NAFTA rewrites.

According to the memo, "He [Goolsbee] was frank in saying that the primary campaign has been necessarily domestically

focused, particularly in the Midwest, and that much of the rhetoric that may be perceived to be protectionist is more reflective of political manoeuvring than policy." (U.S. politicians are as apparently parochial as ours during a campaign.)

In essence, that leaked memo continues to define Obama's current mood on NAFTA. While the U.S. president hardly thinks it's a perfect instrument, Obama's got bigger, more pressing issues to tackle than starting a rewrite of the deal underlying his country's biggest trading relationship.

"I think it's hard to say this administration is as aggressively pushing free trade; that's going way too far," says Gergen. "[But] we haven't had an onerous effort, as far as anyone knows, to rewrite NAFTA . . ."

Let's hope it stays that way.

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