

Subject: REPORT ON US ELECTIONS - CHCGO Meeting with Obama Advisor Austan Goolsbee
Summary:

On February 8, CHCGO had an introductory meeting with Austan Goolsbee, a senior economic advisor of Illinois Senator and Democratic Presidential Candidate Barack Obama. While it was clear the campaign and Goolsbee himself have not been focused on Canada, he showed interest and enthusiasm for what HOM/Rioux had to say about the Canada-US relationship. He 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 maneuvering than policy. On NAFTA, Goolsbee suggested that Obama is less about fundamentally changing the agreement and more in favour of strengthening/clarifying language on labour mobility and environment and trying to establish these as more "core" principles of the agreement. Should Obama win the White House, Goolsbee figures to remain a close advisor.

Report:

2. On Friday, February 8, as part of US missions' ongoing election reporting and intelligence gathering efforts, CHCGO/Rioux and de Mora met with Austan Goolsbee PHD, a Professor of Economics at the University of Chicago's Graduate School of Business and a senior economic advisor of Senator Barack Obama. Goolsbee is also a regular columnist for the New York Times and is known to be a key member of the Obama brain trust. Goolsbee projected youthfulness, energy and a keen political acumen and was refreshingly open and candid. He admitted that the past few months have been rather extraordinary for, as he described himself, "just a professor."
3. HOM/Rioux spoke of the Canada-US economic relationship, about which Goolsbee was quick to confess he did know much. HOM got Goolsbee's attention by making the point that Canada does more trade with the Midwest than with the 27 member countries of the EU combined - and even closer to home - more trade with Illinois than with Mexico. When informed that Canada supplied as much as 50% percent of the Midwest's energy and that the percentage is expected to grow to 75% within the next decade, Goolsbee appeared genuinely surprised and impressed by the magnitude. HOM shared a copy of the penultimate draft of a study by the Brookings Institution looking at the binational economy of the Great Lakes region as a model of how economic regions can thrive in the global economy (The report should be released by the end of March. CHCGO has worked with Brookings to ensure Canadian perspective is accurately reflected.) Goolsbee seemed pleasantly surprised that we were part of a Great Lakes branding effort with Brookings.
4. Noting anxiety among many US domestic audiences about the US economic outlook, Goolsbee candidly acknowledged the protectionist sentiment that has emerged, particularly in the Midwest, during the primary campaign. Consistent with CHCGO/WSHDC's analysis, he cautioned that 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. He also suggested that of the Democratic candidates, Obama has been the least protectionist (unintelligible). HOM asked whether we could expect to hear more of this as the elections progressed, Goolsbee thought not. In fact, he mentioned that going forward the Obama camp was going to be careful to send the appropriate message without coming off too protectionist.

