

## The Columbus Dispatch

# Democrats tie Portman to Bush But Senate candidate is proud of trade growth, deficit cuts

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BY **JACK TORRY AND JONATHAN RISKIND**

**THE COLUMBUS DISPATCH**

WASHINGTON -- They were heady days for Rob Portman in 2007 when he stepped down as White House budget director. The economy was booming, the federal deficit was tumbling, and U.S. exports -- including those made in his home state of Ohio -- were climbing.

"I'm proud of our record," Portman said during a CNBC interview the day he announced he would leave the government. "We're on a very good track."

Now, just three years later, Portman's service in two key administration posts for former President George W. Bush has emerged as a major issue in his race for the U.S. Senate this year against Democrat Lee Fisher.

As the federal budget deficit has soared and tens of thousands of manufacturing jobs in Ohio have vanished, Portman is having to explain his years as director of the Office of Management and Budget and U.S. trade representative.

"Trade Czar Portman," is what Ohio Democratic Chairman Chris Redfern derisively calls him, while national Democrats have labeled Portman as the "Bush Economic Czar," blaming him for policies that "devastated Main Street Ohio."

They are convinced that the Portman-Fisher battle will be a referendum on the weighty question of whether free trade actually costs Ohio and the nation jobs. And they are certain such attacks will resonate in a state where 326,519 manufacturing jobs have disappeared since 2001.



JANE MINGAY | AP

**Chinese Minister of Commerce Bo Xilai, left, and U.S. Trade Representative Rob Portman announced an agreement on textile imports in 2005.**



RON EDMONDS | AP

**Portman, right, became President George W. Bush's**

Yet such charges might collide with reality. Portman was in each job for about a year, hardly enough time to have a sweeping impact on Bush administration trade and budget policy.

During his time as trade representative, exports to China increased, but the trade deficit with China also grew. Roughly corresponding to his tenure as budget director, the federal deficit fell from \$248 billion in 2006 to \$163 billion in 2007.

"I'm very proud of what we were able to accomplish," Portman said of his time in the Bush administration. "We made a lot of progress on enforcement and increasing exports and getting more budget discipline in place and restraining spending."

He was regarded as a solid administrator who got along well with both Republicans and Democrats. The Senate unanimously confirmed him by voice votes both times, and when he was nominated for budget director, Sen. Carl Levin, D-Mich., said, "We're going to have a highly qualified person with great experience to take over this position."

"He has a reputation for being smart and really very effective," said Isabel Sawhill, a Clinton administration budget aide and current senior fellow at the liberal Brookings Institution in Washington. "He has a strong reputation for being someone who reaches out and listens, and I don't think just to one side."

Portman had long championed free international trade during his years as a Republican congressman from Cincinnati. He backed Democratic President Bill Clinton in voting for the North American Free Trade Agreement in 1993 with Canada and Mexico, and for permanent normal trade relations with China in 2000.

As Bush's trade representative, he helped win House backing in 2005 for the Central America Free Trade Agreement with six countries. He likes to say that trade is "not exports. It's about jobs."

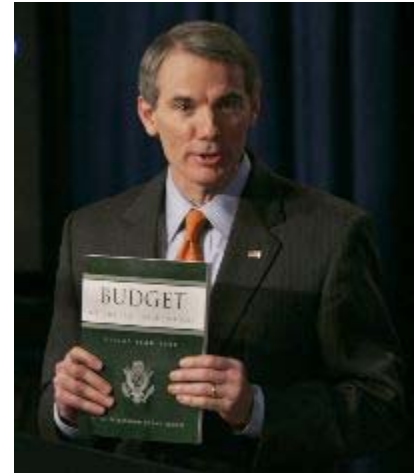
He initiated a legal case against China before the World Trade Association, complaining that China unfairly dealt with U.S. auto parts.

Yet those skeptical of free trade view Portman with deep suspicion. Lori Wallach of Public Citizen's Global Trade Watch says, "Portman was a standard Wall Street, off-shoring, multinational friend on trade."

Trade is one of the most divisive issues in Ohio and the industrial Midwest. Sen. Sherrod Brown, D-Ohio, won his Senate seat in 2006 in large part by denouncing what he calls "job-killing trade agreements."

The number of U.S. manufacturing jobs has declined from nearly 20 million in 1979 to 12 million today. But trade analysts point out that U.S. manufacturing output has sharply increased over that time,

**budget director in 2006.**



RON EDMONDS | AP

**Budget Director Rob Portman held a copy of the fiscal 2008 federal budget as he briefed reporters on Feb. 5, 2007.**

suggesting that automation and productivity gains have eliminated more jobs than trade has.

The U.S. remains the world's largest manufacturer, and Ohio is the seventh-largest exporting state. Ohio's exports to China have soared from \$292 million in 2000 to \$1.9 billion in 2009.

"Ohio exporters have found great success in China's market," said Daniel J. Ikenson, an analyst with the conservative CATO Institute in Washington. "So my point is: Why do we keep banging China on the head?"

There isn't universal agreement about placing tariffs on cheap foreign products such as steel, either. Free-trade proponents say that cheaper prices on foreign raw materials such as steel lead to lower costs for domestic manufacturers such as car makers - and ultimately to lower prices for American consumers.

In 2006, Bush asked Portman to take on the budget director's job, which would give him a large say over how much each federal agency could spend. During Bush's first term, budget experts were appalled at the president's insistence on increasing federal spending for defense and a pharmaceutical benefit for the elderly, while simultaneously pushing through large tax cuts in 2001 and 2003.

"Bush spent quite irresponsibly during his first term and started to bring down the growth of government during his second term," said Brian Riedl, a budget analyst at the conservative Heritage Foundation in Washington. "Portman came in towards the end of the second term when a lot of that progress was occurring."

The deficit, which had peaked in 2004 at \$412.7 billion, fell by more than \$85 billion during Portman's year as budget director. But budget experts suggest that the main reason was that the roaring economy generated more taxes.

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