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## NEWS RELEASE

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### **Recent Government Data Show Another Record Monthly U.S. Trade Deficit and Growing Manufacturing Job Loss in Philadelphia area, Again Highlighting Destructiveness of Reps. Gerlach and Fitzpatrick CAFTA Votes**

WASHINGTON, D.C. – New government data, released today, show the U.S. trade deficit ballooning at an unprecedented and unsustainable rate, again spotlighting the damage current U.S. trade policy causes to Pennsylvania workers' job prospects and the stability of the U.S. economy – damage that likely will be worsened by Reps. Fitzpatrick's and Gerlach's July decision to cast deciding votes to expand the North American Free Trade Agreement (NAFTA) to six more countries, Public Citizen said today. Today's worrisome trade deficit data come on the heels of recent government manufacturing job loss numbers, which demonstrate the dangers to economic stability and standards of living for U.S. workers of the current U.S. trade policy that Gerlach and Fitzpatrick voted to expand.

According to today's numbers, the monthly U.S. trade deficit for goods and services in September 2005 was \$66 billion. This number is up from the August 2005 monthly trade deficit of \$59 billion. The September 2005 trade deficit was nearly \$15 billion more than the year before in September 2004, with September 2005 exports only \$7.5 billion higher than a year previous and September 2005 imports \$21.7 billion higher than a year previous. In 2004, the United States hit a then-record trade deficit of \$617.7 billion, or 5.3 percent of U.S. gross domestic product (GDP).

Already in 2005, the U.S. trade deficit is projected to reach nearly \$700 billion for 2005, far ahead of last year's record and approaching 6 percent of the GDP. A deficit that reaches 4 percent of the GDP is considered by economists to pose a threat to an economy's general stability by increasing prospects for high interest rates or sudden sell-offs of a country's currency.

A rising trade deficit leads to the loss of jobs in traded sectors – namely, good jobs in the manufacturing sector. A decade of rising trade deficits has contributed to the loss of 3.2 million manufacturing jobs that the United States as a whole lost between 1998 and 2004, the most recent period for which complete numbers are available.<sup>1</sup> If the Central America Free Trade Agreement (CAFTA) has the same effect as NAFTA did, it will further worsen job losses.

Recently released monthly manufacturing employment figures show a steady job loss for the 8<sup>th</sup> and 6<sup>th</sup> districts as well, represented in the U.S. Congress by Gerlach and Fitzpatrick. According to these numbers, the greater Philadelphia metropolitan area suffered the loss of 50,800 manufacturing jobs between September 1998 and September 2005, or 24 percent of the total.<sup>2</sup> This trend toward the loss of good jobs was also felt at the state level, with Pennsylvania losing 189,800 manufacturing jobs between September 1998 and September 2005.<sup>3</sup>

At home in Pennsylvania, Gerlach and Fitzpatrick are still receiving significant criticism for their support for CAFTA, for which they provided deciding votes when the agreement passed the House by a 217-215 vote. (A shift of one vote would have meant a tie and defeat for CAFTA.) CAFTA, like NAFTA before it, contains rules that give U.S. corporations incentives to relocate production abroad in order to take advantage of lower labor costs and more lax environmental enforcement.

“It is shocking that Reps. Gerlach and Fitzpatrick would vote for CAFTA NAFTA expansion, given the soaring trade deficit and continued loss of good U.S. jobs occurring under current U.S. trade policies such as NAFTA. By supporting CAFTA, Reps. Gerlach and Fitzpatrick voted to expand a trade policy that is causing a continued race-to-the-bottom in wages and the loss of quality jobs, threatening the very existence of the U.S. middle class,” said Lori Wallach, director of Public Citizen’s Global Trade Watch.

For more information on the policy implications of the growing U.S. trade deficit, local job loss numbers, CAFTA or to schedule an interview, contact Eliza Brinkmeyer, press assistant of Public Citizen’s Global Trade Watch at (202) 454-5108 or [ebrinkmeyer@citizen.org](mailto:ebrinkmeyer@citizen.org)

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Public Citizen is a national, nonprofit consumer advocacy organization based in Washington, D.C. For more information, visit [www.citizen.org](http://www.citizen.org).

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<sup>1</sup> Bureau of Labor Statistics, National Employment, Hours, and Earnings, Manufacturing Supersector, All employees, in thousands, Series CEU3000000001, accessed Oct. 21, 2005.

<sup>2</sup> Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, PHILADELPHIA, PA area, Manufacturing Supersector, All employees, in thousands, Not seasonally adjusted, Series SMU4237964300000001, accessed Oct. 21, 2005. The year 1998 was the peak of nationwide U.S. manufacturing employment, which has been declining nationally since that time. The number for September 2005 is a preliminary number published by the Bureau of Labor Statistics.

<sup>3</sup> Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, Pennsylvania, Manufacturing Supersector, All employees, in thousands, Seasonally adjusted, Series , SMU0100000300000001 accessed Oct. 21, 2005. The year 1998 was the peak of nationwide U.S. manufacturing employment, which has been declining nationally since that time. The number for September 2005 is a preliminary number published by the Bureau of Labor Statistics.