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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 Asheville region, Again Highlighting Destructiveness of Rep. Taylor's CAFTA Non-Vote

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 North Carolina workers' job prospects and the stability of the U.S. economy – damage that likely will be worsened by Rep. Taylor's July decision to not vote against the expansion of 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 Taylor didn't vote against.

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.¹ 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 11th district as well, represented in the U.S. Congress by Taylor. According to these numbers, the Asheville area suffered the loss of 7,400 manufacturing jobs between September 1998 and September 2005, or nearly 25 percent of the total.² This trend toward the loss of good jobs was also felt at the state level, with North Carolina losing 223,900 manufacturing jobs between September 1998 and September 2005,³

At home in North Carolina, Taylor is still receiving significant criticism for his CAFTA record. If Taylor had actually cast his “no” vote (along with the other absent representative, Jo Ann Davis of Virginia), CAFTA would have been defeated on a 217-217 tie vote.

“It is shocking that Rep. Taylor wouldn’t vote against 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 not voting against CAFTA, Rep. Taylor essentially 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

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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.

¹ Bureau of Labor Statistics, National Employment, Hours, and Earnings, Manufacturing Supersector, All employees, in thousands, Series CEU300000001, accessed Oct. 21, 2005.

² Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, ASHEVILLE, NC area, Manufacturing Supersector, All employees, in thousands, Not seasonally adjusted, Series SMU371170030000001, 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.

³ Bureau of Labor Statistics, State and Area Employment, Hours, and Earnings, North Carolina, Manufacturing Supersector, All employees, in thousands, Seasonally adjusted, Series SMS370000030000001, 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.