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Spotlight Back on Maryland Rep. Bartlett's Vote in Favor of CAFTA as Government Data Released Today Shows Another Record Monthly U.S. Trade Deficit

CAFTA Is Projected by U.S. International Trade Commission to Further Increase the U.S. Trade Deficit with Central America

WASHINGTON, D.C. – New monthly trade deficit figures released today again highlight the dangers of the current U.S. trade policy, which continues to pose increasing threats to economic stability and standards of living for U.S. workers, Public Citizen said today.

According to these numbers, the monthly U.S. trade deficit for goods and services in August 2005 was $59 billion. This number is up from the July 2005 monthly trade deficit of $58 billion (revised). The August 2005 trade deficit was nearly $5 billion more than the year before in August 2004, with August 2005 exports only $12 billion higher than a year previous and July 2005 imports $16.5 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 GDP. A deficit that reaches 4 percent of 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.

"Rep. Bartlett's vote for CAFTA will continue to linger as long as the trade deficit continues to inflate. The United States hasn't been party to a single trade agreement that narrows the deficit or creates quality U.S. jobs – not NAFTA, not with China. Why should Rep. Bartlett's constituents think CAFTA will be any different?" said Chris Slevin, deputy director of Public Citizen's Global Trade Watch.

At home in Maryland, Rep. Roscoe Bartlett (R-Md.) is still receiving significant criticism for his support of CAFTA, for which he provided a deciding vote 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 is projected to increase the U.S. trade deficit with Central America by $100 million, according to a 2004 report by the U.S. International Trade Commission, the government's official, bipartisan source for trade projections. The non-partisan Economic Policy Institute in a July 2005 briefing paper estimated that the 538 percent growth in the U.S. trade deficit with NAFTA countries from 1993 to

2004 accounted for a net loss of more than 1 million U.S. jobs, and 11,386 net jobs in Maryland alone. This means that the United States and the state of Maryland were net losers under NAFTA, a trend likely to be repeated under CAFTA.

For more information on the policy implications of the growing U.S. trade deficit, CAFTA or to schedule an interview, contact Todd Tucker, research director of Public Citizen's Global Trade Watch at (202) 454-5105 or ttucker@citizen.org.

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