



Joint Economic Committee
Senator Charles E. Schumer
Chairman



For Immediate Release
February 13, 2007

Contact: Nan Gibson
office: 202-224-0377
cell: 202-320-4545

**SCHUMER: THESE ARE THE RECORDS WE DON'T
WANT TO BE SETTING –
2006 MARKS HIGHEST OVERALL TRADE DEFICIT
IN HISTORY**

***Deficit With China Increased 15 Percent Over 2006 And Sets New
Record***

***JEC Chairman: "The Administration Needs To Take Action To
Close Our Growing Trade Gap With China Before the Bill Comes
Due"***

Washington, D.C. – Both the overall trade deficit and the deficit with China broke record highs, according to a **Joint Economic Committee** analysis of Commerce Department data. The U.S. trade deficit widened unexpectedly to \$61.2 billion in December, with \$19.0 billion of that gap stemming from the deficit with China.

"These are the kinds of records the American people don't want us to be breaking," said **Sen. Charles E. Schumer** (D-NY), **Chairman** of the **Joint Economic Committee**. "The administration needs to move beyond words and take action now to reverse a trend that threatens our prospects for future economic growth. Someday the bill is going to come due, whether this administration admits it or not."

The U.S. trade deficit set a record level for the fifth year in a row. For all of 2006 the deficit was \$764 billion, which surpasses the record deficit of \$717 billion set for all of 2005.

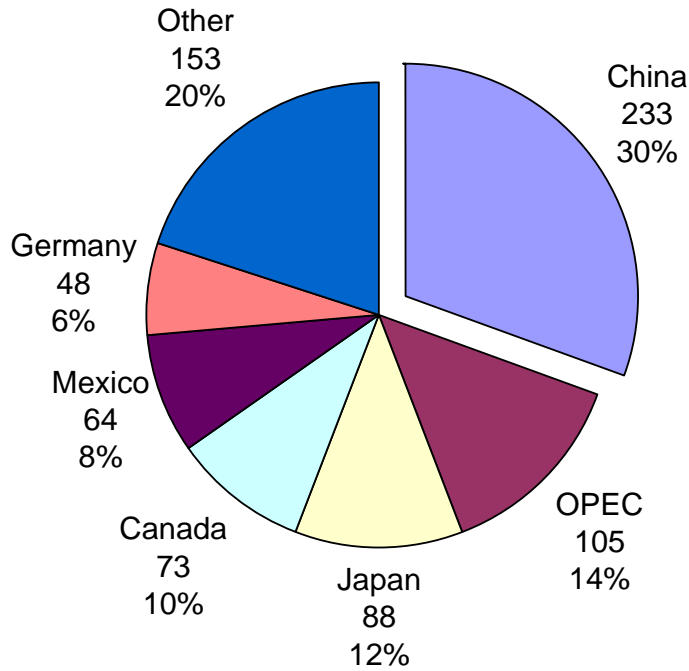
The largest single contributor to the 2006 trade deficit was the \$233 billion goods deficit with China (**See chart**). For all of 2005, the goods deficit with China was \$202 billion. The U.S. trade deficit with China in the past two years was larger than the total U.S. trade gap as recently as 1998.

The Economic Report of the President released yesterday did not address the growing trade deficit. Rather, the President's advisors included a chapter on

“International Trade and Investment” emphasizing the advantages of open trade and investment and merely glossing over the anxiety and sense of insecurity that many Americans feel in the face of growing international competition. This month, Senator Schumer will hold a Joint Economic Committee hearing to examine policies that will be necessary to reassure the average American family that it can expect to share in the benefits of more open international markets.

Thirty Percent of the 2006 Trade Gap Stems from the Deficit with China

Goods Deficit in Billions of Dollars and as a Share of Total Trade Deficit in Goods and Services, by Country, through December



The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

– end –