



## JOINT ECONOMIC COMMITTEE DEMOCRATS



SENATOR JACK REED (D-RI) - RANKING DEMOCRAT

**For Immediate Release**

October 12, 2006

### **TRADE DEFICIT HITS RECORD HIGH IN AUGUST**

**Bush Administration Budget Deficits Aggravating Trade Imbalance**

Washington, D.C. – The U.S. trade deficit rose to a record for a single month of \$69.9 billion in August, according to the Commerce Department.

“High oil prices and a yawning trade gap with China overshadowed the growth of our exports in August,” said **Sen. Jack Reed** (D-RI), Ranking Democrat on the **Joint Economic Committee**. “The administration’s large federal budget deficits and mounting federal debt are forcing the United States to borrow vast sums from the rest of the world, which puts enormous pressure on the trade deficit and the dollar. Our unsustainably large trade deficit is on pace to surpass last year’s record level. Bringing down the trade deficit will require international cooperation and a reversal of the irresponsible budget policies pursued over the past five years by the Bush Administration and the majority in Congress. Unless we have a new direction, we will continue to mortgage our future to foreign investors and foreign governments.”

Exports will have to grow substantially faster than imports for a sustained period of time to narrow the trade deficit. Analysts do not see such a dramatic improvement in the near future and high oil prices could push the deficit higher.

*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.*

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