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PRESS STATEMENT

U.S. Deficit with China in 2007 Surpasses 2006 Record Red Ink Figure with December 2007 Numbers Yet to Come

Imperative for Congress to Combat China's Cheating on Trade ASAP

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WASHINGTON, DC -- The U.S. trade deficit with China jumped to \$24.0 billion in November 2007, up 4.3 percent from the November 2006 deficit of \$23.0 billion. Through the first eleven months of 2007, the U.S. trade deficit with China is \$237.5 billion, up 11.1 percent from \$213.7 billion from the same time period for 2006. At its current pace, the U.S. trade deficit with China is on pace to reach approximately a record \$260 billion for 2007, as the December 2007 trade numbers will not be posted until mid-February 2008.

The overall U.S. trade deficit totaled \$63.1 billion for November 2007 and is on pace to hit the \$710 billion range for 2007.

Noting that the United States lost 212,000 manufacturing jobs in 2007 and has lost 3.262 million manufacturing jobs since 2001, American Manufacturing Trade Action Coalition (AMTAC) Executive Director Auggie Tantillo said, "The spiraling trade deficit with China must be stanching right now if the United States is to stop its hemorrhaging of manufacturing jobs."

"China is boosting its exports through the manipulation of its currency and VAT tax system. It also rapidly is becoming the largest polluter in the world -- all just to gain a price advantage over their U.S. competitors. The only way to stop China from cheating and engaging in mercantilist trade policies is for Congress to take swift action. Only Congress truly can level the playing field for U.S. manufacturers," Tantillo continued.

"Upon its return next week Congress immediately should take up and pass the Ryan-Hunter anti-currency manipulation legislation," said Tantillo. "By keeping its currency undervalued, China enables its manufacturers to gain a substantial price advantage over their U.S. competitors. China's blatant currency manipulation is a clear case of an illegal export subsidy," Tantillo added.

H.R. 2942, the Fair Currency Act of 2007, introduced by Congressmen Tim Ryan (D-OH) and Duncan Hunter (R-CA) would discourage currency manipulation by giving injured parties the right to seek a remedy under U.S. countervailing duty (CVD) law.

AMTAC also encourages Congress to take up H.R. 2600, the Border Tax Equity Act, introduced by Congressmen Bill Pascrell (D-NJ), Duncan Hunter (R-CA), Mike Michaud (D-ME), and Walter Jones (R-NC). This legislation would eliminate the estimated \$428 billion disadvantage to U.S. producers and service providers caused by the imposition and rebating of foreign value-added (VAT) taxes.

According to the U.S. Bureau of Labor Statistics, the average U.S. manufacturing job pays \$713.09 per week compared to \$388.59 per week for retail trade jobs.

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