

Free Trade Agreement with India - Pro

India and the United States Play Significant Roles in Both Nation's Trade Policies

1. US Trade with India is Significant – India a Major Export Destination
2. U.S. Trade is Important to India's Economy

India is Open to Free Trade

3. India is Open to Free Trade Agreements with Developed Countries
4. Preferential Trade Pacts Improve and Complement the Indian Economy

Significant Trade Barriers Exist Between the United States and India

5. Relations between the US and India are High, Trade Barriers are Unsatisfactory
6. Steps Need to be Taken to Improve US/India Trade Relations
7. While Trade with India is Significant, Substantial Trade Barriers still Exist
8. We have not come close to Realizing the Benefits of Free Trade with India
9. We Need to Marshall Will and Lower Trade Barriers

Bilateral Free Trade Action will Effectively Improve U.S./India Trade Relations

10. Both India and the US Need to Move Faster to Introduce Free Trade Agreements
11. Unilateral Reforms Reducing Trade Barriers are Effective
12. India Ought To Maximize Bilateral Trade Liberalization Pact
13. Free Trade Agreement would Provide Impetus for Liberalization of Indian Economy
14. Bilateral Agreements (Single Trading Partner) Achieve Substantial Benefits
15. Free Trade Agreements Encourage Rule of Law and Middle Class – Benefits All
16. We Need to Initiate Bilateral Agreement with Large Trading Partners like India
17. The U.S. Must not Miss Out on Free Trade with India and the Rest of Asia

Protectionist Arguments Against Free Trade Are Flawed

18. Protectionism Increases Unemployment
19. Protectionists are on a Crusade Against Free Trade – It Doesn't Promote Inequality
20. Steel Workers Losing Jobs is the Exception, not the Rule
21. Increased Productivity Reduces Manufacturing Jobs – Not Free Trade
22. Jobs are Not Lost to Outsourcing or Trade – But to Increased Productivity
23. Job Loss is not Related to Outsourcing – Blame Changing Market and Productivity
24. NAFTA did NOT lead to Job Loss – Benefits American Families (\$600 Average)
25. The Public Unfairly Blames Free Trade for Unrelated Economic Problems
26. Negative Attitude Towards Trade Recently Despite its Success
27. Blaming Economic Ills on Free Trade Stems from Ignorance and Anxiety
28. We Should Address Job Loss not be Reducing Trade, but by Helping Displaced Workers

Free Trade Creates Significant Economic Benefits

29. Free Trade Raises Real Incomes by Reducing Prices
30. Free Trade Creates Jobs Overseas – Chinese Market Saved GM, for example
31. Open Markets with Greater Free Trade Have Less Unemployment
32. Some Adjustment Job Loss may Occur – But Free Trade Saves Jobs Overall

A Bilateral Free Trade Agreement would Benefit both the United States and India

- 33. Indian Trade Represents a Huge Economic Opportunity for America and India
- 34. Strengthening Economic Ties with India would Benefit the United States
- 35. Export-Led Growth Benefits the United States Economy
- 36. Worldwide Trade, Especially with India, Bolsters the U.S. GDP
- 37. Free Trade with India would Benefit U.S. Foreign Policy in Asia
- 38. Commercial Benefits of Free Trade with India would be Considerable

History that shows Free Trade is Effective

- 39. Free Trade since the End of World War II Has Been Consistently Successful
- 40. We tried Protectionism after WWI and it Froze the International Economy
- 41. Limiting Trade Disregards History and could Cost us Dearly

Many Members of Congress Support Free Trade with India

- 42. Many members of Congress Expresses Support for Free Trade with India
- 43. Congressman Urges Free Trade with India to Bolster Relations + Nat. Security
- 44. House Bill with over 39 Cosponsors Expresses Support For India Free Trade

Interminable NAFTA Debate Doesn't Apply to India/Asia (Avoid Annoying NAFTA Evidence)

- 45. NAFTA Debate Irrelevant in Regard to High-Tech Asia

1. US Trade with India is Significant – India a Major Export Destination

Kim R. Holmes, Ph.D. in history from Georgetown University, Vice President of Foreign and Defense Policy Studies and Director of the Institute for International Studies at the Heritage Foundation, “The U.S. and India: Partnership for the 21st Century,” Heritage Lecture #998, delivering remarks before the Federation of Indian Chambers of Commerce and Industry in New Delhi, India, Delivered on February 26, 2007 [URL](#)

There is no question that the U.S.–India economic relationship is strong. Last year, overall trade stood at some \$32 billion, with American exports to India rising by 26 percent. America imported \$21.8 billion worth of Indian apparel, textiles, gemstones, and jewelry. We exported aircraft, business and telecommunications equipment, chemicals, and other products to India to the tune of almost \$11 billion— making America India's largest trading partner and India one of America's top export destinations.

2. U.S. Trade is Important to India’s Economy

Arvind Panagariya, PhD in Economics from Princeton University, Senior Fellow at the Brookings Institution, Professor of Economics and Indian Political Economy, “India's Growing Economy: Song of the Crossroads,” February 18, 2008 [URL](#)

The US remains by far the largest export destination of Indian goods. Therefore, a slowdown in the US economy is bound to have an adverse impact on India’s exports.

3. India is Open to Free Trade Agreements with Developed Countries

K.G. Narendranath, reporting for The Economic Times, part of Times News Network, India’s Most Popular Online News Source, “Pacts with developed nations to take Indian trade into new era,” May 20, 2008, [URL](#)

India is currently negotiating preferential trade and investment agreements with some developed countries — the European Union, Japan and Korea. It is also contemplating similar agreements with Australia and New Zealand. If these agreements materialise (they are most likely to), it would mark a new era in not only India’s global trade but also its globalisation per se.

4. Preferential Trade Pacts Improve and Complement the Indian Economy

K.G. Narendranath, reporting for The Economic Times, part of Times News Network, India’s Most Popular Online News Source, “Pacts with developed nations to take Indian trade into new era,” May 20, 2008, [URL](#)

It is reasonable to believe that preferential trade pacts with developed countries would immensely benefit not only Indian consumers but the economy as a whole...“Manufacturing systems of developed countries are very different from ours. They (developed countries) make high-tech and value-added items whereas we have strong and potentially strong employment-intensive industries,” says former commerce secretary S N Menon.

5. Relations between the US and India are High, Trade Barriers are Unsatisfactory

Embassy of India Press Release, “Minister of Commerce and Industry Mr. Kamal Nath and U.S. Trade Representative Susan C. Schwab Pursue Opportunities for Enhancing Trade and Investment Ties between the U.S. and India,” Washington, DC, February 22, 2008 [URL](#)

Relations between the United States and India are at an all-time high...But the trade and investment relationship has not reached a level either country finds satisfactory. Barriers to trade and investment in both countries remain.

6. Steps Need to be Taken to Improve US/India Trade Relations

Bruce Riedel, former CIA officer and advisor to three U.S. presidents on Middle East and South Asian issues, now a Senior Foreign Policy Fellow at the Saban Center for Middle East Policy at the Brookings Institution, and Karl F. Inderfurth, former U.S. Assistant Secretary of State for South Asian Affairs, “U.S.-India Relations,” November 04, 2007 [URL](#)

Underpinning this agenda should be a concerted effort to realize the full economic potential of the U.S.-India relationship. Steps need to be taken to deepen commercial ties, identify and remove impediments on both sides, and clear the way for a new era of trade cooperation. Such ties have the added advantage of providing needed ballast in the overall relationship when political differences arise, as they surely will.

7. While Trade with India is Significant, Substantial Trade Barriers still Exist

Press Release from Congressman David Dreier, Rules Committee Ranking Republican, U.S. House of Representatives, “Dreier, Crowley Urge U.S.- India Free Trade Agreement,” January 17, 2008 [URL](#)

The United States is already India’s largest trading and investment partner. In 2006, trade between the two countries was valued at \$32 billion. American exports to India have doubled over the last five years. Yet, significant barriers to the free flow of goods, services, and capital still exist in the Indian market.

8. We have not come close to Realizing the Benefits of Free Trade with India

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

While bilateral trade has spurred growth in both of our countries, we have not yet come close to realizing the full benefits of complete access to each other's markets and full liberalization of the Indian economy.

9. We Need to Marshal Will and Lower Trade Barriers

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Looking forward, our great country must marshal the political will to lead the world in lowering global trade barriers to create new economic opportunity for all nations including our own. That will require our public and private sectors to work hard to rebuild a domestic constituency that understands what is at stake and to take the steps necessary to ensure that our nation can and will compete vigorously and effectively in the 21st century.

10. Both India and the US Need to Move Faster to Introduce Free Trade Agreements

Bruce Riedel, former CIA officer and advisor to three U.S. presidents on Middle East and South Asian issues, now a Senior Foreign Policy Fellow at the Saban Center for Middle East Policy at the Brookings Institution, and Karl F. Inderfurth, former U.S. Assistant Secretary of State for South Asian Affairs, “U.S.-India Relations,” November 04, 2007 [URL](#)

In addition to generating greater investment, U.S. and Indian officials have set a goal of doubling bilateral trade over the next three years. That would be a plus, but both sides need to think bigger - a free-trade agreement, for instance.

11. Unilateral Reforms Reducing Trade Barriers are Effective

Daniel J. Ikenson, Associate Director of the Center for Trade Policy Studies at the Cato Institute, holds an M.A. in Economics from George Washington University, “Trade, Growth: Weep Not for Doha,” published in the China Post on July 20, 2008. [URL](#)

Multi-lateral agreements from the latest Doha talks on July 21 to reduce tariffs, subsidies and other barriers would be great for everybody. But even if the tottering Doha Round collapses for good, trade and growth can still rise sharply with the right unilateral reforms.

12. India Ought To Maximize Bilateral Trade Liberalization Pacts

K.G. Narendranath, reporting for The Economic Times, part of Times News Network, India’s Most Popular Online News Source, “Pacts with developed nations to take Indian trade into new era,” May 20, 2008, [URL](#)

So, India ought to focus on making maximum use of the proposed bilateral pacts with the developed countries for the liberalisation of their policies on foreign trade in services and investment. That doesn’t mean we have nothing to gain from these pacts in the area of goods trade. It’s my myth that tariff walls seldom exist in the developed world.

13. Free Trade Agreement would Provide Impetus for Liberalization of Indian Economy

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

If we are to maximize the benefits of trade with the world's second-largest consumer market, there must be broad, comprehensive reform. Free trade negotiations would provide maximum leverage for encouraging this kind of reform. Whether it's slashing exorbitant tariffs, which average 20 percent and range as high as 210 percent...protecting intellectual property, and another thing they have done is ensuring transparency in governance, a free trade agreement would provide the necessary impetus for comprehensive liberalization of their economy.

14. Bilateral Agreements (Single Trading Partner) Achieve Substantial Benefits

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Our nation can achieve substantial economic, humanitarian, and security benefits from both multilateral and bilateral trade agreements. The bilateral agreements that are negotiated by our government achieve far greater market liberalization but with a single trading partner.

15. Free Trade Agreements Encourage Rule of Law and Middle Class – Benefits All

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

And we should not forget that trade agreements, multilateral and bilateral, encourage rule of law, respect for property, and transparency. In the world at large there is a strong correlation between more open economies and the growth of a middle class that inevitably clamors for clean air, clean water, safe streets and a more accountable government...interests that we seek to encourage around the world. In short both multilateral and bilateral trade agreements can deliver very substantial benefits in addition to broadening economic opportunities for our workers, farmers and businesses.

16. We Need to Initiate Bilateral Agreement with Large Trading Partners like India

Testimony of Ambassador Charlene Barshefsky, Former United States Trade Representative, to the Senate Committee on Finance, “The Future of American Trade Policy,” Washington, DC, July 29, 2008 [URL](#)

Fundamentally, trade policy should turn from bilateral agreements with relatively small partners toward the fast-growing industries and major economies that we can tap for growth. Among these industries are services generally, energy and environmental technologies, infrastructure-linked industries where Asian countries in particular are large buyers, and medical and health industries. Our goal should be to ensure that American-based service providers and manufacturers can supply the goods and services where demand is greatest. Major targets should include...India...and similar large developing country markets.

17. The U.S. Must not Miss Out on Free Trade with India and the Rest of Asia

Testimony of Ambassador Charlene Barshefsky, Former United States Trade Representative, to the Senate Committee on Finance, “The Future of American Trade Policy,” Washington, DC, July 29, 2008 [URL](#)

The other would be a restoration of the U.S.’ place in East Asian trade and financial arrangements. This is the fastest-growing part of the world, and one in which the US is at risk of marginalization. It is natural that a revival of India and China will reshape Asian trade patterns, and that in some relative sense our share of Asian imports and exports will fall. But it is not natural or inevitable that initiatives like the East Asian Summits, free trade areas linking India, China and Japan with Southeast Asia, and financial coordination accelerate while the United States remains outside. Should this continue, we will lose opportunities in fast-growing markets and in industries crucial to our technological and economic leadership.

18. Protectionism Increases Unemployment

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

Sometimes, what seems like a "common sense" solution is not really very sensible at all, as is seen with the arguments of the protectionists. Even the best of intentions can, in the end, bring about the worst of outcomes. The protectionists' proposed policies would sharply increase the agony of unemployment.

19. Protectionists are on a Crusade Against Free Trade – It Doesn’t Promote Inequality

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

Protectionists who characterize free trade as almost treasonous are on a crusade to build new barriers around America in an effort to keep jobs in and imports out...The most serious critique of globalization is the charge that it promotes inequality, driving down U.S. wages while enriching millionaire corporate executives. This charge is...mostly false.

20. Steel Workers Losing Jobs is the Exception, not the Rule

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

Some manufacturing workers in the United States...have suffered as they've seen their jobs leave America for low-wage countries. But for workers as a whole, the truth about globalization and inequality is the opposite of what the protectionists claim.

21. Increased Productivity Reduces Manufacturing Jobs – Not Free Trade

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

Scholarly studies show that most job losses in the United States are attributable to domestic causes such as increased domestic productivity. A few years ago it took 40 hours of labor to produce a car. Now it takes 15. That translates into a need for fewer workers. Protectionists who blame China for such job losses are being intellectually dishonest. In fact, both China and the U.S. have lost manufacturing jobs due to rising productivity, but China has lost ten times more — a decline of about 25 million Chinese jobs from over 54 million in 1994 to under 30 million ten years later.

22. Jobs are Not Lost to Outsourcing or Trade – But to Increased Productivity

Testimony of Mickey Kantor, Former United States Trade Representative and Secretary of Commerce, before the U.S. Finance Committee, “Regarding the Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Of course jobs have been, and are being, outsourced, but is outsourcing the primary factor in all this pain? No, not really. The fact is that in this, the world's most vibrant and innovative market, 7 or 8 million jobs are lost every 3 months in the United States, and almost an equal number, or slightly more, are created. These are not jobs that are lost to outsourcing, they are lost largely to technology, to changing markets, changing consumer demands, and, yes, to enhanced productivity.

23. Job Loss is not Related to Outsourcing – Blame Changing Market and Productivity

Testimony of Mickey Kantor, Former United States Trade Representative and Secretary of Commerce, before the U.S. Finance Committee, “Regarding the Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

The fact is, for every job that is lost to outsourcing, nine or more are affected by changing market patterns, by productivity enhancements, by technology. By putting all the blame on outsourcing,” we divert attention from the other factors which compose this radical reshaping of our economy and which must be addressed in better ways if we are to prevail. So let's stop making excuses, finding someone else to blame, and address what we need to do to keep this nation at the top of the heap.

24. NAFTA did NOT lead to Job Loss – Benefits American Families (\$600 Average)

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

They hear repeatedly that the North American Free Trade Agreement (NAFTA) has cost our nation “millions of jobs.” They do not know that studies by the nonpartisan Congressional Research Service document that NAFTA has resulted in “little or no impact” on aggregate employment in the United States; instead according to careful economic analysis by Dr. Hufbauer at the Peterson Institute for International Economics the payoff to the average American household from the NAFTA is roughly \$600.

25. The Public Unfairly Blames Free Trade for Unrelated Economic Problems

Testimony of Mickey Kantor, Former United States Trade Representative and Secretary of Commerce, before the U.S. Finance Committee, “Regarding the Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

According to a recent Pew poll, only 53% of Americans are convinced today about international trade’s positive value. This is the lowest percentage of support for trade in the 24 countries surveyed by Pew. There are many reasons for the loss of support...the fact that real medium income has fallen since 2000 and that the wealthiest Americans real income growth has far outstripped...everyone else is of particular relevance. This problem is probably more connected to the growing dominance of technology and the difference in educational achievement of workers as opposed to other factors. But, Americans prefer to blame trade.

26. Negative Attitude Towards Trade Recently Despite its Success

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Notwithstanding the proven benefits that our trade agreements deliver, in recent years we have seen a sharp reversal of the bipartisan consensus favoring the free flow of goods, services, capital, and ideas that has guided our nation for the past 60 years, and the election debates have polarized the trade debate even more.

27. Blaming Economic Ills on Free Trade Stems from Ignorance and Anxiety

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

In order to maintain an open trade policy that is proven to advance very significant national interests, we need to understand and respond to what is causing the disconnect between its documented benefits and the declining support it receives from the American public. I believe there are two basic causes. One is lack of information, and the other is economic anxiety.

28. We Should Address Job Loss not be Reducing Trade – Help Displaced Workers

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

To preserve the benefits we gain from open global markets, we need to do a better job of helping those who are displaced by the rapid changes driven by technology and globalization. We can do this---**not by closing down trade**---but rather by allocating some of the very substantial yearly gains we derive from trade to fund programs to help those who are adversely affected get back on their feet. Polls show that workers’ anxiety is substantially reduced when they are told that free trade is accompanied by programs that help displaced workers.

29. Free Trade Raises Real Incomes by Reducing Prices

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

A second caveat is that there are two ways to increase people's standard of living. One is to increase their wages. The other is to decrease prices so that they can buy more things with the same amount of money...Lower prices due to imports from China alone — ignoring all other similar results of globalization — probably raise the real incomes of lower income Americans by 5 to 10 percent. That's something no welfare program has ever accomplished.

30. Free Trade Creates Jobs Overseas – Chinese Market Saved GM, for example

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

A third caveat is that the protectionists never mention the jobs created and saved by globalization. If General Motors avoids bankruptcy, as seems likely, one important reason will be the profits it has made by selling cars in China. The vast China market, and the ability of American corporations to expand and refine their operations through a division of labor with China, creates many high level jobs in U.S. operations ranging in diversity from Motorola to IBM to Caterpillar to Boeing to farming.

31. Open Markets with Greater Free Trade Have Less Unemployment

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

The first of the larger perspectives on globalization is that open economies adjust faster to their real competitive advantages, allowing them to employ their own people. The most recent U.S. unemployment rate was 4.4 percent. France, along with other relatively protected economies, typically has twice as high a proportion of the population unemployed because their workers are stuck in inappropriate jobs. Still more protected economies, like many in Latin America, often run much higher rates of unemployment — up to 40%. Economies more open than the U.S. — like Singapore and Hong Kong — historically run lower rates of unemployment.

32. Some Adjustment Job Loss may Occur – But Free Trade Saves Jobs Overall

William H. Overholt, Ph.D. in Political Science and M.Phil. from Yale University, B.A. from Harvard University, Director of the RAND Center for Asia Pacific Policy, “Globalization's Unequal Discontents,” December 21, 2006 [URL](#)

It is not surprising when workers in industries undergoing adjustment complain about the pain of change. For many families, prolonged unemployment can wipe out their savings, cost them their homes and turn their lives into a nightmare. The suffering of these families can't be ignored.

But sound economics is based on facts grounded in objective analysis, not on emotion.

Sometimes, what seems like a "common sense" solution is not really very sensible at all, as is seen with the arguments of the protectionists. Even the best of intentions can, in the end, bring about the worst of outcomes. The protectionists' proposed policies would sharply increase the agony of unemployment.

33. Indian Trade Represents a Huge Economic Opportunity for America and India

Press Release from Congressman David Dreier, Rules Committee Ranking Republican, U.S. House of Representatives, “Dreier, Crowley Urge U.S.- India Free Trade Agreement,” January 17, 2008 [URL](#)

From an economic perspective, India represents a huge economic opportunity for American farmers, workers and businesses, particularly in California. From a humanitarian perspective, increasing trade with India could help lift millions of people out of poverty. Increased trade with India would be a win-win-win."

34. Strengthening Economic Ties with India would Benefit the United States

Press Release from Congressman David Dreier, Rules Committee Ranking Republican, U.S. House of Representatives, “Dreier, Crowley Urge U.S.- India Free Trade Agreement,” January 17, 2008 [URL](#)

"Maintaining a strong U.S.-India relationship is strategically, politically, and economically important to both of our nations. That is why I believe we should begin negotiating ways to further strengthen our countries economic ties," said (Representative) Crowley. "Through the exchange of products and ideas, we will help one of our closest democratic allies continue to grow. We will also help the U.S. service industry expand its reach throughout the world."

35. Export-Led Growth Benefits the United States Economy

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

At a time of economic anxiety, the most important thing is to ensure that growth remains strong, so that opportunities can be creative. If we look at what has been our biggest source of strength in recent months, it has been export-led growth.

36. Worldwide Trade, Especially with India, Bolsters the U.S. GDP

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

Over the last year, there have been dire predictions for GDP growth, and every single quarter the numbers have come out much stronger than has been anticipated because exports have made up for softer areas within our own economy. At the same time... imports have ensured that working families have access to the goods they need at prices that they can afford. We are weathering these economic challenges because we are engaging in the worldwide marketplace. India has been a very important component of that engagement.

37. Free Trade with India would Benefit U.S. Foreign Policy in Asia

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

There are certainly foreign policy concerns associated with a U.S.-India free trade agreement as well. It would provide an opportunity to deepen and broaden our ties with a strong, stable Asian democracy that shares our fundamental values in a challenging region.

38. Commercial Benefits of Free Trade with India would be Considerable

Congressman David Drier, Congressional Record, The United States House of Representatives, “Free Trade Agreement with India,” Section 40, Jan 17, 2008 [URL](#)

The commercial benefits to such an FTA (Free Trade Agreement) would be considerable. It would open up a tremendous opportunity to build upon our export-led growth and ensure that Americans can take full advantage of the more than 1 billion consumers in the world's second-largest emerging market. With all eyes on the economy, now is the time for the U.S. and India to begin to pursue comprehensive economic engagement with a free trade agreement.

39. Free Trade since the End of World War II Has Been Consistently Successful

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Economist Dr. Gary Hufbauer in a comprehensive study published in 2005 by the Institute for International Economics, now the Peterson Institute for International Economics, calculated that the opening of markets since World War II has increased our nation's GDP by roughly \$1 trillion per year, thus raising the average American household yearly income by \$9,500. Trade and investment with partners in every region of the world have contributed to this very positive result.

40. We tried Protectionism after WWI and it Froze the International Economy

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

There are some eerie similarities between circumstances that prevailed last century and those that currently exist...After World War I, we failed to muster the political will to reopen the global economy. In the face of a slowing economy, candidate Herbert Hoover pledged in the 1928 Presidential campaign to help American farmers by raising tariffs on agricultural goods. Domestic anxieties soared with the 1929 banking crisis, and on June 17, 1930 Congress sent to the President the Smoot Hawley Act raising tariffs to record highs on over 20,000 imported goods. President Hoover...signed it notwithstanding a petition sent him by 1008 economist urging him to veto. Before the ink dried on his signature, our trading partners began the retaliation that helped to bring the global economy and our own to a standstill contributing to the frictions that once again brought the world to war.

41. Limiting Trade Disregards History and could Cost us Dearly

Statement of Carla A. Hills, Chair and CEO of Hills & Company, International Consultants, Former U.S. Trade Representative (1989-1993), Testifying before the United States Senate Committee on Finance concerning “The Future of U.S. Trade Policy,” July 29, 2008 [URL](#)

Efforts to limit trade as well as inward and outward investment because of a fear of foreign competition risk repeating the policy mistakes that have cost us so dearly in the past. And failure to integrate developing nations into the global trading system will not only limit our own future economic opportunities, but risks alienating large numbers of the excluded populations encouraging them to side with those who would do us harm.

42. Many members of Congress Expresses Support for Free Trade with India

Press Release from Congressman David Dreier, Rules Committee Ranking Republican, U.S. House of Representatives, “Dreier, Crowley Urge U.S.- India Free Trade Agreement,” January 17, 2008 [URL](#)

Congressman David Dreier (R-San Dimas, CA), Rules Committee Ranking Republican, and Congressman Joe Crowley (D-NY), introduced a resolution today urging the expansion of the trade relationship between the United States and India. H. Res. 928 expresses the sense of the House of Representatives that the U.S. should initiate negotiations to enter into a free trade agreement with India.

43. Congressman Urges Free Trade with India to Bolster Relations + Nat. Security

Press Release from Congressman David Dreier, Rules Committee Ranking Republican, U.S. House of Representatives, “Dreier, Crowley Urge U.S.- India Free Trade Agreement,” January 17, 2008 [URL](#)

"Having recently visited India, I believe India's economic progress is a model for its neighbors, and is something we should help continue," Dreier said. "In an increasingly inter-connected world, our relationship with India is especially critical. From a national security perspective, we should do all we can to engage with allies like India.

44. House Bill with over 39 Cosponsors Expresses Support For India Free Trade

H. RES. 928, U.S. House of Representatives, 110th CONGRESS, 2d Session, “Expressing the sense of the House of Representatives with respect to the trade relationship between the United States and India,” January 17, 2008 [URL](#)

That it is the sense of the House of Representatives that—(1) the United States should initiate negotiations to enter into a free trade agreement with India; and (2) the United States and India should continue to vigorously pursue multilateral negotiations for a broad-based reduction in tariffs, subsidies, and other non-tariff barriers to trade throughout the developed and developing worlds.

45. NAFTA Debate Irrelevant in Regard to High-Tech Asia

Testimony of Ambassador Charlene Barshefsky, Former United States Trade Representative, to the Senate Committee on Finance, “The Future of American Trade Policy,” Washington, DC, July 29, 2008 [URL](#)

To date, most argument over globalization has taken the form of defense or criticism of NAFTA. These both miss the point. The relationships with Canada and Mexico are large, and the agreement is important. But before the agreement, Mexico was our third-largest trading partner and Canada our first. Mexico is still our third-largest trading partner, and Canada still our first, albeit at vastly higher absolute levels of two-way trade. Their shares of US imports and exports, have however, declined in this decade – especially if total oil imports are excluded – and are only modestly above the levels of 1993. The fact is that NAFTA is not the source of technology-driven change in services, nor the source of logistics-driven decline in the cost of manufacturing trade, nor a factor in Asia’s rising competitiveness. A trade debate focused upon it, therefore, misses the major structural changes underway in the world economy, and is not likely to lead to policies that directly respond to our problems today.