Let’s Trade: Free Trade Agreement With Taiwan

By Stefanie Klaves

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Economist Anthony Kim said it best in 2015 QUOTE

“The retiring President and CEO of the Federal Reserve Bank of Dallas, Richard Fisher, once famously noted,[P]rotectionism is the crack cocaine of economics. It provides a temporary high but is instantly addictive and leads to certain economic death.”[[1]](#footnote-1)

UNQUOTE. Protectionism is destructionism. A prosperous future depends on open borders and economic freedom. Free trade, not protectionism, promotes economic growth, lower prices, better products, more jobs, and new markets. That’s why my partner and I stand Resolved: The United States federal government should substantially reform its trade policy with one or more of the following nations: China, Japan, South Korea, Taiwan.

OBSERVATION 1. We offer the following DEFINITIONS.

**Trade**: “: the activity or process of buying, selling, or exchanging goods or services” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/trade*](http://www.merriam-webster.com/dictionary/trade)*)*

**Policy**: “a high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/policy*](http://www.merriam-webster.com/dictionary/policy))

**Reform**: “to put or change into an improved form or condition” (*Merriam Webster Online Dictionary, copyright 2015* [*http://www.merriam-webster.com/dictionary/reform*](http://www.merriam-webster.com/dictionary/reform)*)*

OBSERVATION 2. INHERENCY, or the conditions of the Status Quo. We offer the following:

FACT. Taiwan wants a Free Trade Agreement (FTA) with the United States

Cheng-yi Lin and Denny Roy 2011. (Lin - Executive Director of the Center for Asia-Pacific Area Studies (CAPAS) and Research Fellow in the Institute of European and American Studies at Academia Sinica in Taiwan. Roy - Senior Fellow in the Research Program at the East-West Center)10 May 2011 The Future of United States, China, and Taiwan Relations ISBN-13: 978-0230112780 ISBN-10: 0230112781 <https://books.google.com/books?id=ZbvGAAAAQBAJ&pg=PA69&lpg=PA69&dq=The+Future+of+United+States,+China,+and+Taiwan+Relations&source=bl&ots=KhfcXDgKTX&sig=m7IonbAsYRxXqOJkJjbi9ewfg68&hl=en&sa=X&ved=0CD0Q6AEwBGoVChMI_uyiopTwxgIViTc-Ch0Yzw4t#v=onepage&q=The%20Future%20of%20United%20States%2C%20China%2C%20and%20Taiwan%20Relations&f=false>

Moreover, since 2002, because of an acceleration of regional integration in East Asia in the form of signing bilateral FTAs, there has been serious “competitive liberalization” pressure on Taiwan to negotiate FTAs with its major trade partners. Not only would a U.S.-Taiwan FTA benefit the industries of both, but it would also provide a positive example to those who might fear retaliation from China, encouraging them to follow suit. Therefore, “lobbying beyond TIFA”so as to put a “U.S.-Taiwan FTA” on the U.S. trade negotiation agenda has always been a most important foreign policy objective for Taiwan.

OBSERVATION 3. THE HARM. Exclusion from Free Trade Agreements hurts Taiwan. Trade is diverted away from Taiwan because they’re not in major FTAs, as we see in 2 sub-points:

A. Without FTAs, trade-diversion effect will harm Taiwan

Dr. William T. Wilson 2014.(PhD in economics, Purdue Univ.; senior research fellow in the Asian Studies Center, of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, Heritage Foundation; former senior research fellow at the Skolkovo Institute for Emerging Market Studies.) 1 August 2014 Market Solutions Should Be Central To US-Taiwan Policy <http://www.heritage.org/research/reports/2014/08/market-solutions-should-be-central-to-uss-taiwan-policy>

Taiwan has been almost completely absent from this proliferation of Asian FTAs. Initially, Taiwan only managed to negotiate FTAs with its “diplomatic allies” in El Salvador, Guatemala, Honduras, and Nicaragua. In 2013, these four Central American nations combined represented 0.001 percent of Taiwan’s exports. Only in 2013 did Taiwan conclude FTAs with two countries that do not recognize it diplomatically, New Zealand and Singapore. (Singapore is a much larger trading partner, importing 6 percent of Taiwan’s exports.) While Taiwan joined the WTO in January 2002 (shortly after China’s entry), the growing global trade that is now subject to preferential treatment under FTAs is undermining the value of its WTO membership. Left out, Taiwan will be harmed by the FTAs’ trade-diversion effect as Taiwan’s exports lose out in FTA markets due to increased competition from imports from other FTA partners. The successful completion by Korea—a competitor with Taiwan across a wide range of products—of FTAs with the European Union and United States provides a useful example of some of the costs to Taiwan of not participating in these Asian FTAs. (In total, Korea has managed to sign eight FTAs covering 46 countries.) As a result, Korean goods now have preferential access to the two largest developed country markets where all tariffs will eventually fall to zero while Taiwanese exports in many cases will face double-digit duties.

B. Without FTAs, Taiwan will lose out to South Korea in the global marketplace

Executive Yuan 2013. (official website of the executive branch of Taiwan’s government.) FTAs and services trade agreements ensure Taiwan’s competitiveness 2013 FTAs and services trade agreement ensure Taiwan’s competitiveness <http://www.ey.gov.tw/en/News_Content.aspx?n=1C6028CA080A27B3&s=994FD92444200EBA>

The services trade agreement is of great significance to Taiwan’s economic development, stressed the premier. “The ROC has always upheld the principle of free and open competition in world trade. As more and more countries remove tariffs and other trade barriers to allow their strongest products to be sold in other countries, those who fail to join free trade groups will be marginalized,” he said. Citing South Korea as a model, Premier Jiang said the East Asian country in recent years has been proactive about entering into FTAs with its trading partners, including the United States, European Union, Singapore, Association of Southeast Asian Nations and mainland China. “As our export product types are similar to South Korea’s, missing out on opportunities to sign FTAs with other countries will cost us in the future. If we fail to compete on an equal footing, our exports will dwindle, and we will definitely lose out to South Korea in the global marketplace,” he explained. “Many countries are working to conclude FTAs for similar reasons. To maintain its competitiveness in this environment, Taiwan must participate in regional economic integration,” he affirmed.

OBSERVATION 3. The PLAN. Congress and the President will do the following:

1. The President offers and Congress approves a Free Trade Agreement with Taiwan, modeled after the US/South Korea FTA.
2. Funding within current budgets of existing agencies.
3. Enforcement through the State Department, Customs, and any other necessary agency, through the same enforcement as the South Korea FTA.
4. Plan takes effect 30 days after an Affirmative ballot
5. Affirmative speeches may clarify the plan as needed.

OBSERVATION 4. The ADVANTAGES

ADVANTAGE 1. Both Economies Benefit. A US-Taiwan FTA would be a win-win for both economies.

A. FTA will greatly boost US manufacture and agriculture exports

[Walter Lohman](http://www.heritage.org/about/staff/walterlohman.cfm) & Rupert Hammond-Chambers 2008. (Lohman - master’s degree in foreign affairs from Univ of Virginia; director of the Asian Studies Center at Heritage Foundation. Hammond-Chambers - president of the US-Taiwan Business Council; Adjunct Professor at Georgetown Univ.)14 October 2008 The Ideal Candidate for Free Trade [www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade](http://www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade)

The idea already has a critical mass of support on Capitol Hill. Resolutions calling for a U.S.-Taiwan FTA are introduced every Congress. Senate Finance Committee Chairman Max Baucus is a consistent supporter and chief sponsor of the current Senate resolution. Companion legislation in the House has 43 co-sponsors. There's good reason for this wide-ranging support. A U.S.-Taiwan FTA would give a big boost to American exports of manufactured goods. Exports of autos and auto parts would gain. It would be a boon for our financial services sector. And it would help American ranchers and farmers too. Taiwan is already one of the largest markets for our agricultural goods. An FTA could boost these exports -- including rice and beef -- by a half billion dollars a year. But these gains in the "traditional" trade markets pale in comparison to what can be achieved in the high-tech sector. Taiwan is the United States' principal strategic partner in the global technology supply chain. Taiwanese companies are partnered with almost every leading American technology company and help produce many of the affordable technology products that enhance our workplace productivity and personal welfare. An FTA would maximize this benefit and distribute it across the economy.

B. Taiwan is a desirable market: US exports to Taiwan could grow around 16% a year

Larry Tung 2011. (is a freelance journalist and independent documentary filmmaker in New York City; master's degree in journalism from Columbia Journalism School, and a master of fine arts in television production from Brooklyn College of the City Univ of New York) 19 October 2011 Taiwan needs newer fighter jets, free trade agreement with U.S.: says Congresswoman <https://www.defencetalk.com/taiwan-needs-newer-fighter-jets-free-trade-agreement-37766/> (brackets added)

In addition to aiding Taiwan’s security, Ros-Lehtinen’s bill also calls for greater economic ties between Taiwan and the U.S. “Taiwan is the 10th largest trading partner of the United States, and the 6th largest destination for U.S. agricultural products,” said [Florida Congresswoman Ileana] Ros-Lehtinen. “So it’s a desirable market for U.S. goods and services. In fact, studies by the U.S International Trade Commission show that U.S. exports to Taiwan could grow approximately 16 percent a year if the U.S.-Taiwan FTA were enacted.” “Taiwan is a democracy. It supports a free market. It supports the rule of law,” said Ros-Lehtinen of the island, which has operated as an independent country in the last six decades. “It provides a transparent, free and fair, stable environment for U.S investments and business opportunities in Asia.”

ADVANTAGE 2. Supports a strategic ally.

A. Taiwan is worthy of robust American support

Rupert J. Hammond-Chambers 2011. (Associate for Development for The Center for Security Policy; President of US-Taiwan Business Council; member of the National Committee on United States-China Relations.) 16 June 2011 Why Taiwan Matters <http://www.us-taiwan.org/reports/2011_june16_why_taiwan_matters_testimony_to_house_committee_on_foreign_affairs.pdf>

The U.S. has an enormous interest in seeing Taiwan continue on its present positive trajectory. Over the past 15 years, Taiwan has held four free presidential elections. On two of those occasions, it has seen the peaceful transition of power from one party to another. Taiwan is a dynamic democracy with real power vested in both the executive and legislative branches of government, each working with and restraining the other. The island has two large and highly competitive political parties, offering significant policy choices for its citizens. Taiwan has also become a partner with the United States in combating intellectual property piracy, and it has an established track record on human rights and free media. Taiwan plays a lead role in providing for peace and security in the region by participating in programs such as the Container Security Initiative, and it is also taking on a leadership role by providing disaster relief assistance on a global scale. Taiwan also takes its defense and security priorities seriously, with significant investments in its armed forces when it can get access to modern equipment. Taiwan’s policies and actions clearly reflect and support American foreign policy priorities in Asia - standing in stark contrast to a number of other Asian countries, including China, whose policies and actions frequently run contrary to American interests. Given these important advances for a long-term American friend, it would seem logical that Taiwan would be worthy of robust American support. That has not been the case in the recent past, however, as America’s relationship with China has cast a long shadow over U.S. - Taiwan relations.

B. US-Taiwan FTA would promote democracy

John J. Tkacik, Jr. and Daniella Markheim 2007. (Tkacik - Senior Research Fellow in China, Taiwan, and Mongolia Policy in the Asian Studies Center. Markheim - Senior Trade Policy Analyst in the Center for International Trade and Economics at Heritage Foundation.)15 August 2007 Free Trade with Taiwan Is Long Overdue <http://www.heritage.org/research/reports/2007/08/free-trade-with-taiwan-is-long-overdue>

A U.S.-Taiwan FTA not only would prove a sig­nificant boon to American automobile, agricultural, pharmaceutical, and financial services exporters, but also would give geopolitical relief to a belea­guered Asian democracy under threat from Asia's most powerful dictatorship and signal to Beijing U.S. displeasure with China's trade misbehavior. Indeed, most Members of Congress could find a lot to like in an FTA with Taiwan, a country that has world-class labor and environmental standards already in place. Additionally, the U.S. is in an ideal negotiation position with Taiwan. USTR negotiators have great leverage in a deal with Taiwan because Taiwan seeks the FTA for political as much as economic reasons.

C. Taiwan FTA would reduce the risk of military confrontation with China

John J. Tkacik, Jr. and Daniella Markheim 2007. (Tkacik - Senior Research Fellow in China, Taiwan, and Mongolia Policy in the Asian Studies Center. Markheim - Senior Trade Policy Analyst in the Center for International Trade and Economics at Heritage Foundation.)15 August 2007 Free Trade with Taiwan Is Long Overdue <http://www.heritage.org/research/reports/2007/08/free-trade-with-taiwan-is-long-overdue>

Moreover, the closer U.S.-Taiwan economic ties are seen to be in Beijing, the less likely Beijing will assume that it can take military action against Tai­wan without involving America. Beijing may then see the benefits of resolving frictions with Taipei through enticements, concessions, and general goodwill rather than with threats of military force. If a U.S.-Taiwan FTA had this effect alone, it would be worth giving it priority attention in Washington. In a broader sense, the geostrategic benefits from tying Taiwan closer to the United States argue for moving ahead quickly with an FTA in Washington.

2A Evidence: Free Trade Agreement with Taiwan

OPENING QUOTES

Protectionism is destructionism; America’s future depends on free, open, and fair trade

Bryan Riley 2011. (Senior Analyst in Trade Policy in the Center for International Trade and Economics at The Heritage Foundation.) 11 July 2011 Win–Win Trade Agreements Would Boost the U.S. Economy <http://www.heritage.org/research/reports/2011/07/free-trade-agreements-would-boost-the-us-economy>

Before the Declaration of Independence mentioned taxation without representation, it accused the king of Great Britain of “cutting off our Trade with all parts of the world.” A few years later, the Founding Fathers drafted a Constitution that created the world’s most successful free trade area by strongly restricting the ability of state politicians to interfere with interstate commerce. Following the Great Depression and World War II, the United States led the way in creating the General Agreement on Tariffs and Trade (GATT). The U.S. economy continued to grow as the number of countries participating in GATT increased from 23 to more than 150, and average tariffs fell from 38 percent in 1947 to about 4 percent today.[1] In addition to declining trade barriers, improvements in transportation and technology have increased the role of trade in the U.S. economy tremendously. Since 1960, the volume of trade relative to U.S. gross domestic product (GDP) has more than tripled, from 9.3 percent to 28.7 percent.[2] President Ronald Reagan made a succinct case for keeping U.S. trade robust in his 1988 State of the Union Address: One of the greatest contributions the United States can make to the world is to promote freedom as the key to economic growth. A creative, competitive America is the answer to a changing world, not trade wars that would close doors, create greater barriers, and destroy millions of jobs. We should always remember: protectionism is destructionism. America’s jobs, America’s growth, America’s future depend on trade—trade that is free, open, and fair

INHERENCY

TPP won’t solve: Taiwan unlikely to join TPP free-trade pact any time soon

Taipei Times 2015. (Reported by William Lowther) 17 January 2015 Taiwan Entry Into TPP Unlikely Soon: US Experts <http://www.taipeitimes.com/News/taiwan/archives/2015/01/17/2003609452>

Taiwan’s entry into the Trans-Pacific Partnership (TPP) free-trade pact is unlikely to happen any time soon, Washington experts say. “Taiwan would be a tricky one for the US government, so I don’t see any dramatic move in that direction,” Asian Development Bank executive director Robert Orr told a conference this week.

“US has welcomed Taiwan To Join TTP”: Response - 12 other members would have to approve

The China Post 2014. (China Post is Taiwan’s leading English-language daily newspaper in readership) 1 March 2014 US welcomes Taiwan membership in TPP if island fulfills criteria: diplomat <http://www.chinapost.com.tw/taiwan/foreign-affairs/2014/03/01/401777/US-welcomes.htm>

The United States would welcome Taiwan’s participation in the Trans-Pacific Partnership (TPP) as long as it meets the high standards set by TPP members, Taipei’s diplomat to Washington was cited as saying yesterday. Leo Lee, Taipei’s deputy representative to Washington, was speaking in the wake of a recent report that cited unnamed U.S. officials as claiming that Taiwan could join TPP as early as 2015. But senior White House officials have noted that whether or not Taiwan could become a part of TPP needs the approval of all 12 existing members, Lee was cited by the Central News Agency as saying at a press conference in Washington.

Taiwan’s trade with China is more free than its trade with the US

Forbes Magazine 2012. (Reported by Winston Wong) 26 February 2012 A Free Trade Agenda For the U.S. and Taiwan <http://www.forbes.com/sites/realspin/2012/02/26/a-free-trade-agenda-for-the-u-s-and-taiwan/2/>

For now that seems unlikely, though there is considerable political support for such an agreement. Speaking last fall in Washington, U.S. Senator Joseph Lieberman, a former Democratic vice presidential candidate, called on the Obama administration specifically to negotiate such an agreement with Taiwan. “There’s an odd irony here,” Lieberman said. That is: “Taiwan’s trade relations with mainland China are now arguably more free than their trade relations with the United States.” This shouldn’t be. In 2010, the United States exported an estimated $26 billion in goods and services to Taiwan, while importing some $36 billion worth of Made in Taiwan electronics, plastics and other goods, making Taiwan America’s ninth-largest trading partner.

HARMS / SIGNIFICANCE

US should not let US-Taiwan trade relations deteriorate

Rupert J. Hammond-Chambers 2011. (is the Associate for Development for The Center for Security Policy and the President of US-Taiwan Business Council. He is a Trustee of Fettes College and is a member of the National Committee on United States-China Relations.) 16 June 2011 Why Taiwan Matters <http://www.us-taiwan.org/reports/2011_june16_why_taiwan_matters_testimony_to_house_committee_on_foreign_affairs.pdf>

The U.S. has also let US-Taiwan trade relations deteriorate. While trade ties remain robust, America’s percentage of Taiwan trade continues to fall - reaching less than 13% in 2011. This comes at a time when Taiwan has consummated the ECFA with China, which contributes to the continued expansion and deepening of the scope of economic relations across the Taiwan Strait. China now absorbs well over 40% of Taiwan’s output. This is a disturbing trend for the United States for two principal reasons. First, Taiwan is America’s 9th largest trading partner. Taiwan’s economy is worthy of nurturing simply for the volume of U.S. exports that it consumes. Second, Taiwan is a strategic global technology partner – as discussed in parts of this testimony – and the United States has significant interests in ensuring that the global technology supply chain that runs from America’s technology clusters in Massachusetts, Texas, Washington, and California continues to grow.

Isolated from FTAs, Taiwan is harmed by FTAs’ trade-diversion effect

Dr. William T. Wilson 2014. (senior research fellow at Heritage Foundation’s Asian Studies Center; headed economic and financial research for Skolkovo’s Ernst & Young Institute for Emerging Market Studies; former vice president and senior economist for COMERICA INC.; M.A. and Ph.D. in economics from Purdue Univ.)19 September 2014 America's Secret Weapon to Secure Taiwan's Future: Trade <http://www.heritage.org/research/commentary/2014/9/america-secret-weapon-to-secure-taiwan-future-is-trade>

Currently, only twenty-two countries recognize Taiwan diplomatically, although 171 recognize mainland China. Taiwan has trade agreements of marginal dollar value with several of these twenty-two countries. Outside of this small circle of what Taiwan calls its “diplomatic allies,” its negotiating partners require tacit approval from the mainland before embarking on talks with Taiwan.As a result, except for recent agreements with Singapore and New Zealand, Taiwan has been a bystander as Asian FTAs proliferated. While Taiwan joined the WTO in January 2002 (shortly after China’s entry), the growing global trade that is now subject to preferential treatment under FTAs is undermining the value of its WTO membership. Isolated economically, Taiwan will be increasingly harmed by the FTAs’ trade-diversion effect. Its exports will lose out in FTA markets, due to increased competition from imports from other FTA partners. The successful completion by Korea—a competitor with Taiwan across a wide range of products—of FTAs with the European Union and United States provides a useful example of some of the costs to Taiwan of not participating in these Asian FTAs. (In total, Korea has managed to sign eight FTAs covering forty-six countries.)

Taiwan must enter into FTAs or they will lose out to South Korea in the global marketplace

Executive Yuan 2013. (official website of the executive branch of Taiwan’s government.) FTAs and services trade agreements ensure Taiwan’s competitiveness 2013 FTAs and services trade agreement ensure Taiwan’s competitiveness <http://www.ey.gov.tw/en/News_Content.aspx?n=1C6028CA080A27B3&s=994FD92444200EBA>

The services trade agreement is of great significance to Taiwan’s economic development, stressed the premier. “The ROC has always upheld the principle of free and open competition in world trade. As more and more countries remove tariffs and other trade barriers to allow their strongest products to be sold in other countries, those who fail to join free trade groups will be marginalized,” he said. Citing South Korea as a model, Premier Jiang said the East Asian country in recent years has been proactive about entering into FTAs with its trading partners, including the United States, European Union, Singapore, Association of Southeast Asian Nations and mainland China. “As our export product types are similar to South Korea’s, missing out on opportunities to sign FTAs with other countries will cost us in the future. If we fail to compete on an equal footing, our exports will dwindle, and we will definitely lose out to South Korea in the global marketplace,” he explained. “Many countries are working to conclude FTAs for similar reasons. To maintain its competitiveness in this environment, Taiwan must participate in regional economic integration,” he affirmed.

ADVOCACY / ADVANTAGES

Even free-trade skeptics can love US-Taiwan FTA: It can boost American jobs

John J. Tkacik, Jr. and Daniella Markheim 2007. (Tkacik - Senior Research Fellow in China, Taiwan, and Mongolia Policy in the Asian Studies Center. Markheim - Senior Trade Policy Analyst in the Center for International Trade and Economics at Heritage Foundation.)15 August 2007 Free Trade with Taiwan Is Long Overdue <http://www.heritage.org/research/reports/2007/08/free-trade-with-taiwan-is-long-overdue>

Taiwan stands out as an FTA partner that even free-trade skeptics can love. A U.S.-Taiwan FTA has the potential to boost American jobs in key manufactur­ing industries, with autos and business equipment topping the list. Taiwan has developed-country levels of trade, high labor and environmental standards, and solid health and intellectual property protections. Its market for U.S. goods still has considerable room for expansion, particularly for automobiles, agricultural products, and high-tech goods.

US-Taiwan trade = $63.2 billion, and we shouldn’t miss the opportunity to expand it

Ta-tung Jacob Chang 2013. (deputy representative of the Taipei Economic and Cultural Representative Office in the U.S.) 23 July 2013 The Importance Of US-Taiwan Economic Relations <http://thehill.com/opinion/op-ed/312985-the-importance-of-us-taiwan-economic-relations>

The U.S. should consider the benefits to be gained from greater economic integration with Taiwan. With two-way trade totaling $63.2 billion in 2012, Taiwan is the 11th largest trading partner of the U.S., its 16th largest export market and the 7th largest destination for U.S. agricultural exports. As the U.S. looks to Asia, Taiwan presents an opportunity for economic partnership not to be missed.

US and Taiwan FTA would bring economic benefits to both economies

Dr. Vinod Aggarwal and Dr. Shujiro Urata 2006. (Aggarwal - Professor of Political Science, Affiliated Professor in the [Haas School of Business](https://en.wikipedia.org/wiki/Haas_School_of_Business), and directs the Berkeley APEC Study Center; PhD in International Political Economy. Urata - PhD in Economics and is the Professor of International Economics Waseda University.) 2006 Bilateral Trade Agreements in the Asia-Pacific: Origins, Evolution, and Implications ISBN-13: 978-0415702096 ISBN-10: 0415702097 <https://books.google.com/books?id=lbp0kNhz0MwC&pg=PT238&lpg=PT238&dq=Bilateral+Trade+Agreements+in+the+Asia-Pacific:+Origins,+Evolution,+and+Implications&source=bl&ots=-A5iTMctVi&sig=tk6MFBv7IJxi5cutppK6fLTtqaE&hl=en&sa=X&ved=0CDYQ6AEwA2oVChMIrvaOtpTwxgIVwjY-Ch2cawYN#v=onepage&q=Bilateral%20Trade%20Agreements%20in%20the%20Asia-Pacific%3A%20Origins%2C%20Evolution%2C%20and%20Implications&f=false>

Econometric studies in both the US and Taiwan indicate that an FTA would bring about increases in bilateral trade and welfare in both economies and in GDP for Taiwan. Sectoral trade flows would increase substantially, as US exports to Taiwan in motor vehicles, rice, fish, and other food sectors would rise by more than 100 percent. Similarly, US imports from Taiwan for dairy, textiles, apparel, leather, and certain crop commodities would also increase by more than 100 percent. In dollar terms, these changes are significantly smaller because in many of the sectors, current trade is small or near zero.

Taiwan-US FTA will strengthen partnership between Taiwanese and American companies

Dr. Vinod Aggarwal and Dr. Shujiro Urata 2006. (Aggarwal - Professor of Political Science, Affiliated Professor in the [Haas School of Business](https://en.wikipedia.org/wiki/Haas_School_of_Business), and directs the Berkeley APEC Study Center; PhD in International Political Economy. Urata - PhD in Economics;Professor of International Economics Waseda Univ.) 2006 Bilateral Trade Agreements in the Asia-Pacific: Origins, Evolution, and Implications ISBN-13: 978-0415702096 ISBN-10: 0415702097 <https://books.google.com/books?id=lbp0kNhz0MwC&pg=PT238&lpg=PT238&dq=Bilateral+Trade+Agreements+in+the+Asia-Pacific:+Origins,+Evolution,+and+Implications&source=bl&ots=-A5iTMctVi&sig=tk6MFBv7IJxi5cutppK6fLTtqaE&hl=en&sa=X&ved=0CDYQ6AEwA2oVChMIrvaOtpTwxgIVwjY-Ch2cawYN#v=onepage&q=Bilateral%20Trade%20Agreements%20in%20the%20Asia-Pacific%3A%20Origins%2C%20Evolution%2C%20and%20Implications&f=false>

On the other hand, politically, a Taiwan-US FTA is expected to create an environment that will strengthen the partnership between Taiwanese and American companies, which will in turn help the latter develop their markets in China (the gateway effect), stimulate structural reform within Taiwan, accelerate deregulation and the evolution towards a knowledge-based economy, and provide Taiwan with a better balance among its trade partners (including the US, China, Japan, and ASEAN), given Taiwan’s reluctance to rely too heavily on China.

Taiwan and US have a shared love for freedom

[Walter Lohman](http://www.heritage.org/about/staff/walterlohman.cfm) & Rupert Hammond-Chambers 2008. (Lohman - master’s degree in foreign affairs from Univ of Virginia; director of the Asian Studies Center at Heritage Foundation. Hammond-Chambers - president of the US-Taiwan Business Council; Adjunct Professor at Georgetown Univ.)14 October 2008 The Ideal Candidate for Free Trade [www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade](http://www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade)

Yet Taiwan stands as the near-consensus favorite for an FTA with America for a reason that transcends even these powerful economic incentives: a shared love for freedom Our love of freedom has endeared Americans to Taiwan. These are a people who have cherished freedom from the days of struggle against communists on the mainland to their successful establishment of freedom, with American encouragement, on the island itself.

FTA will boost US manufacture and agriculture exports; FTA

[Walter Lohman](http://www.heritage.org/about/staff/walterlohman.cfm) & Rupert Hammond-Chambers 2008. (Lohman - master’s degree in foreign affairs from Univ of Virginia; director of the Asian Studies Center at Heritage Foundation. Hammond-Chambers - president of the US-Taiwan Business Council; Adjunct Professor at Georgetown Univ.)14 October 2008 The Ideal Candidate for Free Trade [www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade](http://www.heritage.org/research/commentary/2008/10/the-ideal-candidate-for-free-trade)

The idea already has a critical mass of support on Capitol Hill. Resolutions calling for a U.S.-Taiwan FTA are introduced every Congress. Senate Finance Committee Chairman Max Baucus is a consistent supporter and chief sponsor of the current Senate resolution. Companion legislation in the House has 43 co-sponsors. There's good reason for this wide-ranging support. A U.S.-Taiwan FTA would give a big boost to American exports of manufactured goods. Exports of autos and auto parts would gain. It would be a boon for our financial services sector. And it would help American ranchers and farmers too. Taiwan is already one of the largest markets for our agricultural goods. An FTA could boost these exports -- including rice and beef -- by a half billion dollars a year. But these gains in the "traditional" trade markets pale in comparison to what can be achieved in the high-tech sector. Taiwan is the United States' principal strategic partner in the global technology supply chain. Taiwanese companies are partnered with almost every leading American technology company and help produce many of the affordable technology products that enhance our workplace productivity and personal welfare. An FTA would maximize this benefit and distribute it across the economy.

Taiwan is a key strategic partner to the US and one of the richest countries in Asia

Dr. William T. Wilson 2014. (senior research fellow at Heritage Foundation’s Asian Studies Center; headed economic and financial research for Skolkovo’s Ernst & Young Institute for Emerging Market Studies; former vice president and senior economist for COMERICA INC.; M.A. and Ph.D. in economics from Purdue Univ.)19 September 2014 America's Secret Weapon to Secure Taiwan's Future: Trade <http://www.heritage.org/research/commentary/2014/9/america-secret-weapon-to-secure-taiwan-future-is-trade>

With geopolitical tensions increasing throughout East Asia, the United States has sorely neglected a key strategic partner: Taiwan. Its per capita GDP of roughly $39,000, as measured in purchasing power parity ($21,000 at current exchange rates), makes Taiwan one of the richest countries in Asia. Yet it has been largely left out of the rapid integration that has long characterized the economic policies of the region.

Taiwan industries will be harmed by protectionism in the long run

Executive Yuan 2013. (official website of the executive branch of Taiwan’s government.) FTAs and services trade agreements ensure Taiwan’s competitiveness 2013 FTAs and services trade agreement ensure Taiwan’s competitiveness <http://www.ey.gov.tw/en/News_Content.aspx?n=1C6028CA080A27B3&s=994FD92444200EBA>

On the surface, it may appear that Taiwan can absent itself from such agreements, and industries do not need to accept the challenges of increased competition and possible restructuring, Jiang said. “The protection of a few fragile industries in the short run, however, would forfeit the competitiveness of strong industries in the long run. By that time, Taiwan’s businesses would regrettably be forced to move to countries that have inked FTAs, leaving the island void of investment and employment opportunities,” he emphasized.

Countries with low trade barriers are much more prosperous than those that restrict imports

Bryan Riley 2013. (master’s degree in economics from the University of Southern California. Working in Heritage’s Center for Trade and Economics; contributes to the influential Index of Economic Freedom.)1 February 2013 Politicians Should Listen to Economists on Free Trade <http://dailysignal.com/2013/02/01/politicians-should-listen-to-economists-on-free-trade>

There is plenty of evidence to back up the economic consensus in support of free trade. For example, the recently released 2013 Index of Economic Freedom, published by The Heritage Foundation and The Wall Street Journal, shows that countries with low trade barriers are much more prosperous than those that restrict imports. President Harry Truman once asked for a one-handed economist: “All my economists say, ‘on the one hand…on the other.’” But when it comes to trade policy, there is no ambivalence among economists. Our elected officials should take their advice and work to expand free trade.

US should do Taiwan FTA: Taiwan is economically more important than all current US FTA partners (except S. Korea)

Dr. Vincent Wei-cheng Wang 2014. (Senior Fellow with the Asia Program, Professor of Political Science and Chairman of the Dept at Univ of Richmond; former Visiting Professor or Fellow at National Chengchi University, National Sun-Yat-sen University, El Colegio de Mexico, and Institute for Far Eastern Studies, Kyungnam University; Ph.D. from Univ of Chicago.) 5 June 2014 Recent Developments in China’s Relations with Taiwan and North Korea <http://www.uscc.gov/sites/default/files/Vincent%20Wang-Testimony%2020140605-Final.pdf>

The U.S. should also consider signing a free trade agreement (FTA) with Taiwan. The adage that FTAs are often signed for good political as much as good economic reasons applies here. In the aftermath of 911, the U.S. signed FTAs with Jordan, Bahrain, Oman, Israel, and Colombia for more security than economic reasons. Taiwan is economically more important than all current US’s FTA partners, except South Korea. If the U.S. views Taiwan as indispensable to its Asia Rebalancing policy, then there is an added strategic imperative to conclude FTA with Taiwan.

Taiwan already meets all of GAO’s requirements for being a US FTA partner, and 14 US states advocate an FTA

Central News Agency of Taiwan 2005. (Reported by Jorge Liu and Flor Wang) May 25 2005 Taiwan Ready To Be A Free Trade Partner Of US: Vice Minister <http://www.bilaterals.org/?taiwan-ready-to-be-free-trade>

Although the U.S. used to complain about Taiwan’s poor protection of U.S. intellectual property rights and its medicine pricing system and telecommunications market, he said, the America Chamber of Commerce in Taipei has given the thumbs-up to Taiwan’s improvements in recent years. Taiwan has actually met the six requirements outlined by the U.S. General Accounting Office for becoming a free trade partner of the U.S., he said, adding that 14 U.S. states have passed resolutions in favor of an FTA between the two countries.

Taiwan has made tremendous efforts to qualify for FTA with the US

Cheng-yi Lin and Denny Roy 2011. (Lin - Executive Director of the Center for Asia-Pacific Area Studies (CAPAS) and Research Fellow in the Institute of European and American Studies at Academia Sinica in Taiwan. Roy - Senior Fellow in the Research Program at the East-West Center)10 May 2011 The Future of United States, China, and Taiwan Relations ISBN-13: 978-0230112780 ISBN-10: 0230112781 <https://books.google.com/books?id=ZbvGAAAAQBAJ&pg=PA69&lpg=PA69&dq=The+Future+of+United+States,+China,+and+Taiwan+Relations&source=bl&ots=KhfcXDgKTX&sig=m7IonbAsYRxXqOJkJjbi9ewfg68&hl=en&sa=X&ved=0CD0Q6AEwBGoVChMI_uyiopTwxgIViTc-Ch0Yzw4t#v=onepage&q=The%20Future%20of%20United%20States%2C%20China%2C%20and%20Taiwan%20Relations&f=false>

For example, in 2003, the United States announced six criteria for its FTA partner selection: country readiness (e.g. political will, trade capabilities, and rule of law); economic and commercial benefit (e.g. macroeconomic and sector benefits); benefits to the U.S’s broader trade liberalization strategy (e.g., supporting US trade goals); compatibilities with U.S. interests (e.g. support for US foreign goals and security policies); Congressional and private sector support; and U.S. government resource constraints. Since this announcement in 2003, Taiwan has made tremendous efforts to address or respond to these six U.S. criteria. In Taiwan’s lobbying leaflet entitled “Building on a Strong Partnership - The Proposed U.S. -Taiwan FTA,” Taiwan argues that it passes the US litmus test.

Obstacles to Taiwan FTA are political, not legal

Iana Dreyer, Fredrik Erixon, Hosuk Lee-Makiyama, Razeen Sally 2010. (Dreyer is Trade Policy Analyst at ECIPE. She holds a Master’s degree from the London School of Economics with a specialisation in international trade. Fredrik Erixon, Hosuk Lee-Makiyama, and Razeen Sally are co-Directors of European Center for International Political Economy.) 2010 BEYOND GEOPOLITICS – THE CASE FOR A FREE TRADE ACCORD BETWEEN EUROPE AND TAIWAN <http://www.ecipe.org/app/uploads/2014/12/beyond-geopolitics-the-case-for-a-free-trade-accord-between-europe-and-taiwan.pdf>

Though Taiwan is not recognised as a sovereign state by most members of the United Nations (and all its major trading partners), strictly legal obstacles to signing FTAs with them are minimal. Taiwan is an independent customs territory, and a full member of the WTO, APEC and the ADB. It has bilateral investment treaties (BITs) with several Asian countries, double-taxation and intellectual-property agreements with various EU member states, and an Open Skies agreement with the USA. Ultimately, obstacles are political rather than legal. China must be reassured that any agreement that Taiwan signs is not a move towards formal statehood and independence.

Taiwan has expressed interest in US FTA for the past several years

Shirley A. Kan and Wayne M. Morrison 2014. (Kan is a specialist in Asian Security Affairs for the Congressional Research Service; Morrison is a specialist in Asian Trade and finance for the Congressional Research Service. He earned a Bachelor of Science Degree in Accounting from the University of Delaware and an MBA with a concentration in Finance and Strategic Analysis from the Kenan-Flagler Business School of the University of North Carolina.) 11 December 2014 U.S.-Taiwan Relationship: Overview of Policy Issues <https://www.fas.org/sgp/crs/row/R41952.pdf>

Taiwan has expressed interest in a FTA/ECA with the United States for the past several years. Some analysts have urged Taiwan to pursue other agreements with the United States, such as a bilateral investment agreement (BIA), which could boost both trade and investment. In addition, Taiwan is seeking to join various proposed regional FTAs, including the Trans-Pacific Partnership (TPP) that would include the United States; and the Regional Comprehensive Economic Partnership (RCEP), which would include 16 Asian-Pacific countries.

Taiwan has been seeking a US-Taiwan FTA for years

Kerry Dumbaugh 2009. (China Analyst at Center for Naval Analyses; Specialist in Asian Affairs for the Congressional Research Service; MA in National Security Studies from National War College; MA in International Relations from University of Pennsylvania; BA in East Asian Studies from Wittenberg University; Adjunct Professor for Syracuse University Maxwell) 2 November 2009 Taiwan-U.S. Relations: Developments and Policy Implications <https://www.fas.org/sgp/crs/row/R40493.pdf>

Taiwan for years has been seeking the economic and political benefits of a U.S.-Taiwan Free Trade Agreement (FTA), so far without success. President Ma reportedly mentioned the subject again during his August 2008 transit visit through the United States on his way to Latin America. To date, U.S.-Taiwan trade discussions have been held under a 1994 Trade and Investment Framework Agreement (TIFA), a non-binding consultative mechanism the United States employs for resolving trade and investment difficulties with countries still opening their economies. But U.S.-Taiwan TIFA talks have been suspended in retaliation for Taiwan placing restrictions on imports of U.S. beef.

Taiwan has literally begged the US for an FTA: They will agree to any deal we offer

John J. Tkacik, Jr. and Daniella Markheim 2007. (Tkacik - Senior Research Fellow in China, Taiwan, and Mongolia Policy in the Asian Studies Center. Markheim - Senior Trade Policy Analyst in the Center for International Trade and Economics at Heritage Foundation.)15 August 2007 Free Trade with Taiwan Is Long Overdue <http://www.heritage.org/research/reports/2007/08/free-trade-with-taiwan-is-long-overdue>

Taipei fears relentless geopolitical isolation at Beijing's hands and hopes to expand its participation in the international community to counter China's pressure. Taiwan recognizes that the strategic benefits of establishing closer ties with the United States go be­yond free trade. Taiwan is literally begging the United States for an FTA. Taiwan's political leaders tell Amer­ican counterparts-Republicans and Democrats- that they will agree to virtually anything the United States wants to secure a trade agreement that they quite reasonably deem vital to preserving Taiwan's economic independence from communist China. Recent conversations with Taiwanese politicians from across the political spectrum suggest that there is a broad consensus of support in Taiwan for a truly comprehensive FTA regime encompassing autos, office equipment, agricultural products, financial and telecommunications services, pharmaceuticals, and government procurement.

64 legislative bodies in 38 US states have endorsed a US-Taiwan FTA

Taipei Economic and Cultural Office in Chicago 2007. (overseen by the [Taipei Economic and Cultural Representative Office in the United States](http://www.tecro.org/) , serves Taiwan citizens in the Midwestern United States and the interests of Taiwan. Since 1979, TECO-Chicago has functioned as the Midwest regional branch of the Taipei Economic and Cultural Representative Office in the United States.) 20 July 2007 Director-General Cheng speaks in Detroit on Taiwan’s economic and democratic success, benefits to Michigan and U.S. <http://www.taiwanembassy.org/US/CHI/ct.asp?xItem=37712&ctNode=2514&mp=27>

Mr. Cheng touted Taiwan’s robust trade relations with the United States and pursuit of a proposed U.S.-Taiwan Free Trade Agreement (FTA), under which U.S. exports to Taiwan would increase 16 percent, according to an estimate of the U.S. International Trade Commission. “As Taiwan’s automotive, electronics, communications, optical, and biotech industries ‘go global,’ Michigan will become even more attractive to Taiwan businesses under the FTA,” he predicted. In fact, 64 legislative bodies in 38 U.S. states have endorsed the U.S.-Taiwan FTA proposal, he reported, so Taiwan urges the U.S. Administration to prioritize and start FTA negotiations with Taiwan for mutual benefits.

US businesses support a US-Taiwan FTA

Annie Huang 2006. (Account Executive at NEOact Communications Agency; Reporter for Taiwan Today) August 25 2006 Economics minister targets potential US FTA, AIT prefers relaxation of cross-strait transport http://taiwantoday.tw/ct.asp?xItem=23059&CtNode=453

Regarding the MOEA's progress in promoting the FTA, Deputy Director-General of the Bureau of Foreign Trade Wu Hsin-hua, also speaking at the plenary meeting, said that 49 U.S. state senates and houses of representatives have passed resolutions in support of Taiwan's effort, and that 120 U.S. businesses from more than 30 states had expressed approval of a Taiwan-U.S. FTA. Wu also claimed that, compared with other Asian countries, Taiwan represented the best partner for cooperation in the region, and that a bilateral FTA had the support of the International Intellectual Property Alliance, U.S.-Taiwan Business Council, and American Chamber of Commerce in Taipei.

US-Taiwan FTA would be a win-win proposition, and TPP would not be enough

Forbes Magazine 2012. (Reported by Winston Wong) 26 February 2012 A Free Trade Agenda For the U.S. and Taiwan <http://www.forbes.com/sites/realspin/2012/02/26/a-free-trade-agenda-for-the-u-s-and-taiwan/2/>

As an interim step many have suggested adding Taiwan to the Trans-Pacific Partnership (TPP) Free Trade Agreement negotiations, which currently include Australia, Brunei, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam. That would be a good start, but no substitute for a bilateral U.S.-Taiwan FTA or a Taiwan-NAFTA agreement. With both the Taiwanese and U.S. economies still feeling the aftermath of the global recession, a free trade agreement would be a win-win proposition for both nations.

With a dynamic capitalist economy, Taiwan would benefit from free trade

Forbes Magazine 2012. (journalist Winston Wong) 26 February 2012 A Free Trade Agenda For the U.S. and Taiwan <http://www.forbes.com/sites/realspin/2012/02/26/a-free-trade-agenda-for-the-u-s-and-taiwan/2/>

With a “dynamic capitalist economy,” as the U.S. CIA World Factbook describes it – with nearly $274 billion (U.S.) in exports in 2010 – Taiwan obviously would benefit from additional free trade agreements. And none would be more appropriate than a U.S.-Taiwan FTA.

US-Taiwan FTA would enhance US strategic interest, encourage innovation, and export US energy

American Legislative Exchange Council Board of Directors 2014. (nonprofit organization of conservative state legislators and private sector representatives that drafts and shares model state-level legislation for distribution among state governments in the U.S.)11 Oct 2014 Resolution Urging the Presidential Administration to Launch Negotiations for a Free Trade Agreement with Taiwan <http://www.alec.org/model-legislation/resolution-urging-presidential-administration-launch-negotiations-free-trade-agreement-taiwan/>

The United States and Taiwan enjoy a robust and longstanding economic partnership. We are Taiwan’s third largest trading partner, and Taiwan is America’s 12th. However, codifying the trade relationship with the negotiation of a formal free trade agreement would enhance our strategic interests in the Asia-Pacific region; encourage greater innovation and manufacturing efficiencies by stimulating joint technological development and new cooperative ventures; and increase exports of US energy to Taiwan given our current energy export policies.

Benefits of US-Taiwan FTA are many and go beyond advantages of economic relationship

Dr. Sheng-Cheng Hu 2006. (PhD Economics from the Univ of Rochester;director of the Institute of Economics, Academia Sinica; was elected president of the Taiwan Economic Association and was elected an Academician, the highest academic honor in Taiwan; minister of economics in the cabinet of Taiwan) 28 Nov 2006 Taiwan’s Economy and the Role of a US-Taiwan FTA <http://www.us-taiwan.org/reports/2006_november28_hu_sheng-cheng_speech.pdf>

The benefits of the US-Taiwan FTA are many: In addition to removing trade and investment barriers, it serves to promote cooperation on economic security; maintain stability in the Asia-Pacific region; reflect our common values of democracy and respect for human rights; and strengthen the bonds of our friendship. An economically strong Taiwan is a stabilizing force in the Asia-Pacific region. Taiwan’s isolation from the rest of the world must be avoided. It will not only weaken Taiwan economically, but also tilt the balance of power in the Asia-Pacific region away from the US and weaken US influence in the region. The signing of an FTA between the United States and Taiwan holds advantages beyond the bilateral economic relationship. It sets a good example for other countries interested in signing FTAs with Taiwan. It can have a positive effect on regional economic integration in Asia generally, as it nudges US trading partners in the region towards more open economic and trade policies. Further, the US-Taiwan FTA is consistent with America’s goal of achieving economic development and stability in the Asia-Pacific region. The time for the US-Taiwan FTA is now. I urge your support for this important and historic goal.

Taiwan has comprehensive protection of IPRs, sound legal system, and modern infrastructure

Taiwan’s Ministry of Economic Affairs 2014. (U.S.-Taiwan CONNECT is Taiwan's authoritative, one-stop source for news, data, events and analysis about the dynamic U.S.-Taiwan partnership. The U.S.-Taiwan CONNECT website is run by Taiwan's Ministry of Economic Affairs, the ministry responsible for formulating policy and laws for industry and trade, foreign direct investment, energy, minerals, measurement standards, intellectual property, state-owned enterprises in Taiwan.) 2014 Creating New Opportunities for Colorado and Taiwan <http://www.ustaiwanconnect.org/files/2014%20State%20Factsheet%20Colorado.pdf>

Taiwan serves as an ideal partner for U.S. business in Asia. Taiwan has complete industrial supply chains, high concentration of industrial clusters, and a consolidated manufacturer base. The Swiss-based International Institute for Management Development's (IMD) 2012 World Competitiveness Yearbook ranked Taiwan seventh in the world in terms of overall competitiveness and fifth in government efficiency. This is reflected in Taiwan's comprehensive protection of intellectual property rights, sound legal system, and modern infrastructure. Furthermore, the Economic Cooperation Framework Agreement (ECFA) signed between Taiwan and Mainland China in 2010 has opened up opportunities in Mainland China. Businesses can now collaborate with innovative Taiwanese companies and leverage ECFA to utilize Taiwan as a gateway to Mainland China and other fast-growing Asian markets.

Taiwan’s economy among top 20 freest in the world and provides one of the best investment environments

Dr. Lyushun Shen 2014. (He obtained his bachelor's degree in law from [National Chung Hsing University](https://en.wikipedia.org/wiki/National_Chung_Hsing_University) in 1972. He then continued his study in international relations at the [Univ of Pennsylvania](https://en.wikipedia.org/wiki/University_of_Pennsylvania) where he obtained his master's degree in 1979 and doctoral degree in 1981; currently serves as the [Taiwan representative](https://en.wikipedia.org/wiki/Taipei_Economic_and_Cultural_Representative_Office) to the [United States](https://en.wikipedia.org/wiki/United_States).) 28 June 2014 Taiwan Belongs In A Free Trade Agreement: Column <http://www.usatoday.com/story/opinion/2014/06/28/lyushun-shen-taiwan-trade-agreement/11413387/>

Taiwan's admission in the TPP, however, will significantly benefit all members. According to the 2014 Index of Economic Freedom, Taiwan's economy is among the "top 20 freest" in the world. Taiwan provides one of the best investment environments, based on a market-friendly approach and a commitment to intellectual property rights, for investors and entrepreneurs around the globe

Great business environment; Taiwan ranks 14th in economic freedom

Index of Economic Freedom 2015. (The 2015 Heritage Foundation Index of Economic Freedom. The Index of Economic Freedom is an annual index and ranking created by The Heritage Foundation and The Wall Street Journal in 1995 to measure the degree of economic freedom in the world's nations.) 2015 Taiwan <http://www.heritage.org/index/country/taiwan>

Taiwan’s economic freedom score is 75.1, making its economy the 14th freest in the 2015 Index. Its score is up by 1.2 points from last year, with improvements in seven of the 10 economic freedoms led by investment freedom, the control of government spending, and labor freedom. Taiwan is ranked 5th out of 42 economies in the Asia–Pacific region, and its overall score is well above the world average. Prudent macroeconomic policy within a stable legal and monetary environment has been the key to rising levels of economic freedom over the past five years. Commitment to structural reforms and openness to global commerce have enabled Taiwan to advance far into the “mostly free” category. Recording uninterrupted years of growth in economic freedom since 2009, Taiwan has achieved its highest score ever in the 2015 Index. Taiwan’s export-driven, dynamic economy benefits from a well-functioning legal framework and a tradition of private-sector entrepreneurship. The efficient business environment is facilitated by a competitively low corporate tax rate and the elimination of minimum capital requirements for incorporating a company. Despite progress, however, a relatively high level of perceived corruption and a rigid labor market still restrain Taiwan’s overall economic freedom.

DISAD RESPONSES

“China Backlash” – 3 Responses: 1) benefits of FTA would outweigh 2) China can’t complain, they’ve known since ’79 that we have the right to make agreements with Taiwan 3) Disad should have happened already: we’ve signed 98 other agreements with Taiwan

John J. Tkacik, Jr. and Daniella Markheim 2007. (Tkacik - Senior Research Fellow in China, Taiwan, and Mongolia Policy in the Asian Studies Center. Markheim - Senior Trade Policy Analyst in the Center for International Trade and Economics at Heritage Foundation.)15 August 2007 Free Trade with Taiwan Is Long Overdue <http://www.heritage.org/research/reports/2007/08/free-trade-with-taiwan-is-long-overdue>

Regrettably, the Administration is paralyzed by a diplomatic version of "approach-avoidance conflict" with China that prevents it from even contemplat­ing a Taiwan FTA. The clear benefits of a Taiwan FTA are eclipsed by anticipated anger from China, which builds up stress in the foreign policy bureau­cracy, paralyzing its ability to make a rational cost-benefit decision. However, a clear look at the costs and benefits suggests that the costs would be transitory and psychological, while the benefits would be endur­ing and substantial. Beijing will, of course, com­plain. It always does. But such complaints would be groundless. There is no legal or diplomatic bar to a U.S. trade agreement with Taiwan. China acquiesced to Washington's stated intention to continue the U.S.- Taiwan trade relationship as a condition of normal­ization of U.S.-China relations. In the document establishing U.S.-China diplomatic relations on January 1, 1979, the United States stated that it intended to "maintain cultural, commercial, and other unofficial relations with the people of Tai­wan." Maintenance of America's complex trade relationship with Taiwan via continued negotiation of bilateral agreements was an implicit condition of America's normalization with China, which was made explicit when Congress passed and President Jimmy Carter signed the Taiwan Relations Act (TRA). As of December 27, 2000, the U.S. had con­cluded at least 98 international agreements with Taiwan within the TRA framework. China will undoubtedly say that a free trade agreement that must be approved by Congress is qualitatively different from previous executive agree­ments. This assertion is easily rebutted by pointing out that the TRA contemplated such an agreement and that the United States has never committed not to negotiate congressionally approved trade agree­ments with Taiwan as a condition of normalization or anything else. Moreover, it is a diplomatic imper­ative that the United States not allow China to dic­tate either the form or substance of U.S. trade relations with Taiwan.

“China Backlash” - Turn: Accepting this Negative Disad would weaken US national security and reduce peace, security, and prosperity of the region

Dr. William T. Wilson 2014.(PhD in economics; senior research fellow in the Asian Studies Center, of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, at The Heritage Foundation; former senior research fellow at the Skolkovo Institute for Emerging Market Studies.) 1 August 2014 Market Solutions Should Be Central To US-Taiwan Policy <http://www.heritage.org/research/reports/2014/08/market-solutions-should-be-central-to-uss-taiwan-policy>

Successive American presidential Administrations, guided by the 1979 Taiwan Relations Act, have recognized that a Taiwan that is free to make its own decisions, free from coercion by the People’s Republic of China (PRC), is in the vital national security interest of the United States. The Taiwan Relations Act, in fact, is explicit about the connection between Taiwan’s fate and the maintenance of “peace, security and stability in the Western Pacific.” A failure to meet this requirement, thereby allowing Taiwan to be coerced into a closer relationship with China, would be a devastating blow to regional confidence in American leadership as well as the peace, security, and prosperity of the region.

“China Backlash” - Response: US could easily sign an FTA with Taiwan; China’s complaints will eventually subside

Gary Schmitt 2010. ( is the co-director of the Marilyn Ware Center for Security Studies at AEI and the director of AEI’s Program on American Citizenship and former staff director of the Senate Select Committee on Intelligence. He has been an adjunct professor at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University. Schmitt has a PhD from the University of Chicago) 8 June 2010 Taiwan: China, Inc.’s Newest Subsidiary? <https://www.aei.org/publication/taiwan-china-inc-s-newest-subsidiary/>

It will be interesting to see how the Obama administration responds. The fact is the United States could easily sign a FTA with Taiwan, which would, in turn, open the doors for other countries to do likewise. Taipei would jump at the chance, and there are good reasons—economic and strategic—for Washington to do so. If the Obama administration is interested in supporting the Ma administration’s efforts to normalize relations between Taiwan and China, keeping the citizens of Taiwan from feeling even further isolated is imperative. Failing that, one can expect many in Taiwan to assume (wrongly or not) that American policy is to allow China to slowly but inevitably gain a dominant say over Taiwan’s future. Undoubtedly, China will complain (and loudly) if the United States and Taiwan sign an FTA. But the complaining will eventually subside, particularly since Beijing will not have a leg to stand on when it comes to denying Taipei its WTO privileges.

“China Backlash” - Response: China has remained largely silent throughout Taiwan’s pursuit of FTAs

Bonnie Glaser 2013. (senior adviser for Asia in the Freeman Chair in China Studies, a senior associate with CSIS Pacific Forum and a consultant for the U.S. government on East Asia, a board member of the U.S. Committee of the Council for Security Cooperation in the Asia Pacific and a member of the Council on Foreign Relations;served as a member of the Defense Dept’s Defense Policy Board China Panel. She has a MA with concentrations in international economics and Chinese studies from the Johns Hopkins School of Advanced International Studies.) November 2013 Taiwan’s Quest For Greater Participation In The International Community <http://csis.org/files/publication/131121_Glaser_TaiwansQuest_WEB.pdf> (brackets in original)

Throughout Taiwan’s pursuit of free trade agreements, Beijing has remained largely silent, urging countries only to “continue adhering to the one-China policy.” Ma Zhaoxu, a spokesperson for Beijing’s Ministry of Foreign Affairs, stated in 2010 that the Mainland “[did] not object to non-governmental economic and trade exchanges between Taiwan and countries having diplomatic relations with China” but that Beijing “opposed” agreements of an “official nature.” Fan Liqing, spokesperson for the Mainland’s TAO, reiterated this position in 2012, noting that though Beijing was “against any agreements signed between foreign countries and Taiwan that concern sovereignty,” it had “never opposed economic and non-governmental exchanges between Taiwan and foreign countries.” Countries seeking FTAs with Taiwan have likely notified or consulted with Mainland China to ensure that there will be no negative repercussions. Thus far, it appears that Beijing is only op- posed to countries signing an FTA with Taiwan that do not already have an FTA with Mainland China, such as India.

“China Backlash” - Response: China won’t interfere: they’re beginning to give Taiwan some space on trade deals

Bloomberg Business 2013. (Reported by Cindy Wang) 7 November 2013 Thaw Lets Taiwan Expand Trade Deals to Add Singapore <http://www.bloomberg.com/news/articles/2013-11-07/china-thaw-allows-taiwan-to-expand-trade-deals-to-add-singapore>

Taiwan signed its biggest trade deal yet with a country that has diplomatic ties with Beijing, as the island tries to integrate its economy with the rest of Asia’s and to diversify economic allies beyond China. A free-trade agreement with Singapore, Taiwan’s fifth-biggest trade partner, was inked today in the southeast Asian city-state after two years of talks, according to Taiwan’s Ministry of Economic Affairs. The deal covers goods, services, investment and government procurement, the ministry said. Taiwan President Ma Ying-jeou is trying to catch up with the regional economic integration embraced by Asian neighbors such as South Korea. China didn’t interfere with Taiwan’s first free-trade agreement with a developed economy, New Zealand, signaling the mainland’s tolerance for such deals. “Relations across the Taiwan Strait are improving and Chinese authorities are quite ready for Taiwan to get some international space,” said Joseph Cheng, a political science professor at the City University of Hong Kong.

“China Backlash” - Response: China is backing away from opposition to Taiwan seeking trade agreements

Shirley A. Kan and Wayne M. Morrison 2014. (Kan is a specialist in Asian Security Affairs for the Congressional Research Service. Morrison is a specialist in Asian Trade and finance for the Congressional Research Service; Bachelor of Science in Accounting from Univ of Delaware and MBA with a concentration in Finance and Strategic Analysis from the Kenan-Flagler Business School of the Univ of North Carolina.) 11 December 2014 U.S.-Taiwan Relationship: Overview of Policy Issues <https://www.fas.org/sgp/crs/row/R41952.pdf>

In an effort to boost economic ties with China in order to take advantage of its rapidly growing economy, and to improve the chances of Taiwan entering into FTAs with other countries, the Ma Administration has sought to liberalize cross-strait trade and investment barriers. This effort included the lifting of restrictions on direct trade, transportation, and postal links. In 2010, the two sides signed the ECFA, an FTA that seeks to significantly liberalize trade and investment barriers over time. The agreement is expected to hasten the pace of cross-strait economic integration and boost economic growth on both sides. The agreement included an “early harvest” provision to eliminate tariffs on various products within three years. As part of the ECFA process, the two sides reached an agreement in June 2013 to liberalize trade in services. Press reports indicate that, since the signing of the ECFA, China has backed away somewhat from opposition to Taiwan seeking trade agreements with other countries, which Taiwan calls “economic cooperation agreements” (ECAs). On July 10, 2013, Taiwan reached an ECA with New Zealand, and signed the Agreement between Singapore and Taiwan on Economic Partnership (ASTEP) on November 7, 2013. Taiwan also has pursued exploratory talks with the European Union, the Philippines, India, Indonesia, and Israel about the possibility of an ECA.

“Currency Manipulation” - Response: Concerns are misguided

Dr. Phillip Swagel 2015. (former [Assistant Secretary of the Treasury for Economic Policy](https://en.wikipedia.org/wiki/Assistant_Secretary_of_the_Treasury_for_Economic_Policy) from 2006 to 2009; currently a Professor in International Economics at the [Univ of Maryland](https://en.wikipedia.org/wiki/University_of_Maryland) [School of Public Policy](https://en.wikipedia.org/wiki/University_of_Maryland_School_of_Public_Policy), a non-resident scholar at the [American Enterprise Institute](https://en.wikipedia.org/wiki/American_Enterprise_Institute), and a senior fellow at the [Milken Institute](https://en.wikipedia.org/wiki/Milken_Institute). PhD in Economics from Harvard Univ.) 12 May 2015 Currency manipulation provisions do not belong in trade agreements <https://www.aei.org/publication/currency-manipulation-provisions-do-not-belong-in-trade-agreements/>

Demands for provisions to stop currency manipulation by foreign governments have become central to the congressional debate over proposed trade agreements, including the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership, under negotiation with our economic partners in Asia and Europe. Such provisions would require the U.S. to take action against countries that intervene in currency markets to keep their own currencies weak to obtain a trade advantage. Those calling for action against manipulators argue that the practice leads to a wider U.S. trade deficit, which in turn costs U.S. jobs. This assertion is not correct. Other countries do intervene, but this has a variety of effects on the U.S., many of them good. It is true that some firms and workers are hurt, but overall consumer spending and business investment rise and the cost to taxpayers for paying government debt is reduced. Indeed, the most important factors in affecting the U.S. trade balance, job creation and economic growth are to be found here, in the U.S. The idea of including currency manipulation provisions in trade agreements is misguided.

“Currency Manipulation” - Response: Linking currency manipulation to FTAs is a bad idea

Dr. Jeffrey Frankel 2015. (Professor of Capital Formation and Growth at [Harvard's](https://en.wikipedia.org/wiki/Harvard_University) [Kennedy School of Government](https://en.wikipedia.org/wiki/Kennedy_School_of_Government); directs the Program in International Finance and Macroeconomics at the [National Bureau of Economic Research](https://en.wikipedia.org/wiki/National_Bureau_of_Economic_Research); PhD economics from MIT.) 11 June 2015 Why it’s a bad idea to link trade pacts with currency issues <http://www.ejinsight.com/20150611-why-its-a-bad-idea-to-link-trade-pacts-with-currency-issues/>

Let’s be clear: If the US were to insist that “strong and enforceable currency disciplines” be part of trade agreements, no deals would be concluded. Other countries would refuse – and they would be right. Linking efforts to prevent currency manipulation to trade agreements has always been a bad idea, and it still is. True, there are times when particular countries’ currencies can be judged to be undervalued or overvalued, and there are times when their trading partners have a legitimate interest in raising the issue. But even when currency misalignment is relatively clear, trade agreements are not the right way to address it. More suitable venues for resolving exchange-rate issues include the International Monetary Fund, the G-20, the G-7, and bilateral negotiations. For example the undervalued renminbi was successfully addressed in bilateral China-US discussions from 2004 to 2011. China allowed the currency to appreciate 35 percent over time. Today it is well within a normal range.

“Currency Manipulation” - Response: Trade deficits not tied to currency manipulating countries

Dr. Stephen S. Roach 2015. (PhD in Economics from New York Univ; senior fellow at Yale University’s [Jackson Institute for Global Affairs](https://en.wikipedia.org/wiki/Jackson_Institute_for_Global_Affairs);senior lecturer at [Yale School of Management](https://en.wikipedia.org/wiki/Yale_School_of_Management); former chairman of Morgan Stanley Asia and chief economist at [Morgan Stanley](https://en.wikipedia.org/wiki/Morgan_Stanley)) 27 May 2015 Problem Is Not Currency Manipulation; It’s Low Savings <http://www.marketwatch.com/story/problem-isnt-currency-manipulation-its-low-savings-2015-05-27>

And it is here that the currency manipulation argument falls apart. In 2014, the U.S. ran trade deficits with some 95 countries. In other words, America does not suffer from a small number of bilateral trade deficits that can be tied to charges of currency manipulation by countries like China, Japan, Malaysia, or Singapore. Rather, the U.S. suffers from a multilateral trade imbalance with many countries, and this cannot be remedied through the imposition of bilateral penalties such as tariffs. Without fixing its savings problem, restricting trade with a few so-called currency manipulators would simply redistribute the U.S. trade deficit to its other trading partners. In effect, America’s trade balance is like a water balloon — applying pressure on one spot would simply cause the water to slosh elsewhere.

“Dumping Practices” - Response: Antidumping imposes high costs on Americans and thwarts beneficial competition

Alden F. Abbott 2015. (Deputy Director of and John, Barbara, and Victoria Rumpel Senior Legal Fellow in the Edwin Meese III Center for Legal and Judicial Studies at The Heritage Foundation)17 July 2015 US Antidumping Law Needs A Dose Of Free-Market Competition <http://www.heritage.org/research/reports/2015/07/us-antidumping-law-needs-a-dose-of-free-market-competition> (brackets and ellipses in original)

Antidumping is in fact a form of special-interest cronyism that imposes high costs on Americans and thwarts beneficial competition. As summarized by two renowned economists: [A]ntidumping [is] little more than an excuse for special interests to shield themselves from competition at the expense of both American consumers and other American companies…. Rather than promote fairness and competition, the American producers who petition for antidumping tariffs—a powerful and often unrecognized lobby—use them to thwart foreign competition. In essence, “antidumping” means little more than “antibargain.” If a foreign firm sells its product in the U.S. market at too attractive a price, domestic firms can threaten it with an antidumping suit that will lead to hefty tariffs and higher prices.

“Dumping Practices” - Response: Harmful dumping seldom occurs, most simply promotes competition

Alden F. Abbott 2015. (Deputy Director of and John, Barbara, and Victoria Rumpel Senior Legal Fellow in the Edwin Meese III Center for Legal and Judicial Studies at The Heritage Foundation)17 July 2015 US Antidumping Law Needs A Dose Of Free-Market Competition <http://www.heritage.org/research/reports/2015/07/us-antidumping-law-needs-a-dose-of-free-market-competition>

Dumping harms domestic consumers and the overall economy only when the foreign seller successfully drives domestic producers out of business by charging an overly low “predatory” import price, monopolizes the domestic market, and then raises import prices to monopoly levels, thereby recouping any earlier losses. In such a situation, domestic consumers pay higher prices over time due to the domestic monopoly, and domestic producers that exited the market due to predation suffer welfare losses as well. In reality, harmful “predatory” dumping occurs seldom if ever. In the words of one leading commentator, although “U.S. antidumping law is ostensibly concerned with the kind of international price discrimination that stems from” predation, “one would be hard-pressed to find any real-world example of dumping causing competitive markets to become monopolistic.” Despite this fact, however, antidumping law is a widely invoked staple of U.S. trade policy because it is based on legal standards that have nothing to do with true economic predation. Rather, dumping reflects a set of arcane rules, unmoored from free-market principles, that are designed to shield domestic producers from competitive forces at the expense of American consumers rather than promote competition on the merits.

“Dumping Practices” - Response: Competition raises overall long-term economic welfare

Alden F. Abbott 2015. (Deputy Director of and John, Barbara, and Victoria Rumpel Senior Legal Fellow in the Edwin Meese III Center for Legal and Judicial Studies at The Heritage Foundation)17 July 2015 US Antidumping Law Needs A Dose Of Free-Market Competition <http://www.heritage.org/research/reports/2015/07/us-antidumping-law-needs-a-dose-of-free-market-competition> (brackets and ellipses in original)

The truth is that when domestic industries complain that non-predatory dumping is “unfair,” they are really objecting to competition on the merits—competition that raises overall long-term American economic welfare. (The short-run harm to some domestic companies’ bottom line is part of the winnowing process by which greater long-term efficiencies are achieved.) Finally, the existence of antidumping law may encourage implicit collusion among domestic firms and foreign firms to soften price competition. This may happen through a “suspension agreement,” in which “the exporters and producers…agree to modify their behavior so as to eliminate dumping…or the injury caused thereby. If the Secretary [of Commerce] accepts a suspension agreement, the Secretary will ‘suspend’ the investigation and thereafter will monitor compliance with the agreement.”

“Dumping Practices” - Response: Protectionism translates to higher consumer prices and less jobs

Ronald Wirtz 2001. (editor of the research publication of the Federal Reserve Bank of Minneapolis. He was a senior research associate at Citizens League. Wirtz received a MA from Marquette University) December 2001 Anti-dumping: The Free-Trade Antacid <https://www.minneapolisfed.org/publications/the-region/antidumping-the-freetrade-antacid> (brackets and ellipses in original)

But there are also big consequences to protectionism, particularly for the broader economy. For example, anti-dumping laws force car and other manufacturers using steel products—whose employment is 50 times higher than the steel industry itself—to pay higher prices for steel. That translates into higher consumer prices and the potential to eliminate jobs or push production to lower-cost countries. Blonigen said the entire protectionist argument is built on a very slippery slope. "Someone who's against free trade is against free markets," he said. "In a sense, we're telling foreign companies, 'Stop selling at low prices,'" because it hurts domestic industries. "We get worried about, 'Gee, we're losing jobs here, and they're gaining jobs there,'" he said. Such a scenario means you "try and do everything yourself" based on the singular desire to save people's jobs. But the argument for closing trade with countries could easily translate into closing trade between states, and then even neighboring cities. Ultimately, it leads to an economy where "we guarantee that no one will lose their job," Blonigen said. "We now have become a completely static economy ... [ignoring] what made the American economy so great.”

“Trade Deficit” - Response: Trade deficits are good for the economy

Prof. Donald J. Boudreaux 2015. (senior fellow with the Hayek Program for Advanced Study in Philosophy, Politics, and Economics at Mercatus Center, George Mason Univ, and a professor of economics and former economics-department chair at George Mason Univ) 20 April 2015 The Benefits of Free Trade: Addressing Key Myths <http://mercatus.org/publication/benefits-free-trade-addressing-key-myths>

Myth: US trade deficits are bad for Americans. Reality: US trade deficits generally are good for Americans.The trade deficit [is not debt.](http://www.fee.org/the_freeman/detail/a-deficit-of-understanding#axzz2hLX7x8Tm) A growing trade deficit, despite its misleading name, is good for the economy. It is typically a signal that global investors are confident in America’s economic future. The US trade deficit might be larger than it would otherwise be if a trading partner chooses to keep the price of its currency artificially low, but this practice harms the trading partner, not the United States. America’s trade deficit increases whenever non-Americans choose to [increase the amount they invest in the United States](http://www.fee.org/the_freeman/detail/a-deficit-of-understanding-ii#axzz2hLX7x8Tm). This is why another name for the trade deficit is the “capital account surplus”— that is, the net investment funds flowing into the United States. More investment means expansion of existing businesses, more new businesses, higher worker productivity, and more output enhancing activities, such as research and development, all of which increase prosperity. So-called “currency manipulation” by a trading partner [does not harm](http://www.fee.org/the_freeman/detail/on-trade-and-currency-manipulation#axzz2YYshrOWc) the American economy. For example, a lower price of the yuan makes Chinese goods cheaper for American consumers, conferring a real benefit for the United States. Keeping the price of the yuan lower through monetary policy, however, does not lower the real costs of the resources and outputs exported by the Chinese people, who also face higher prices for American imports. An undervalued yuan benefits Americans at the expense of the Chinese.

“Americans hurt” - Response: Only beneficiaries of restrictions are inefficient firms and special interests

Prof. Donald J. Boudreaux 2015. (senior fellow with the Hayek Program for Advanced Study in Philosophy, Politics, and Economics at Mercatus Center, George Mason Univ, and a professor of economics and former economics-department chair at George Mason Univ) 20 April 2015 The Benefits of Free Trade: Addressing Key Myths <http://mercatus.org/publication/benefits-free-trade-addressing-key-myths>

Myth: Restrictions on trade help Americans. Reality: The only beneficiaries of trade restrictions are the [inefficient firms and special interests](http://cafehayek.com/2013/08/whod-a-thunk-it-11.html) that secure these [protections](http://www.washingtontimes.com/news/2013/aug/23/ghei-fishy-costs-for-consumers/) against competition. Despite receiving protection from foreign competition for many decades, large firms have steadily left the US steel industry due to high fixed costs and competition from smaller firms. [Tariffs on steel](http://citac.info/study/citac_2002jobstudy_020703.pdf) increase costs in steel-consuming industries, which employ 12 million Americans, compared to the 190,000 Americans employed in the steel-making industry. The United States’ recent imposition of tariffs on Chinese-made solar panels resulted in China [imposing tariffs](http://www.washingtonpost.com/business/economy/chinese-tariffs-may-hurt-us-makers-of-solar-cells-raw-material/2013/07/23/01ac60a4-f3d9-11e2-aa2e-4088616498b4_story.html) on American polysilicon, raising the cost of solar equipment and reducing employment opportunities in both nations.

“Americans Hurt” - Response: Free trade does not kill jobs, it grows jobs and expands opportunities

Jay Timmons and Chad Moutray 2015. ([Jay Timmons](http://www.nam.org/Contact/Staff/Jay-Timmons/) is president and CEO and [Chad Moutray](http://www.nam.org/Contact/Staff/Chad-Moutray/) is chief economist of the [National Association of Manufacturers](http://www.nam.org/).) 13 May 2015 Free Trade Does Not Cost American Jobs <http://www.newsweek.com/free-trade-does-not-cost-american-jobs-331451>

Too many people, however, still subscribe to the myth that free trade agreements result in job losses. The economic impact of the North American Free Trade Agreement (NAFTA) remains a topic of debate two decades after it was ratified. But the official government numbers tell the truth: Manufacturing jobs actually grew by about 800,000 in the four years directly following NAFTA. The reality is that protectionist policies do not work, and free trade does not kill jobs. It grows jobs and expands opportunities for manufacturers in the United States. Time and again, history demonstrates that, when other countries lower tariffs, it makes our exports more competitive, gives us access to new markets, boosts demand for our products, increases jobs and drives economic growth.

“Americans Hurt” - Response: Real world data does not support claim. NAFTA created millions of jobs

Cyril Handal 2011. (BA in Economics from Ave Marie University; writes for the Heritage Foundation’s Daily Signal) 9 August 2011 How Free Trade Helps Employment and the Economy <http://dailysignal.com/2011/08/09/how-free-trade-helps-employment-and-the-economy/>

Here are the facts: From 1993 to 2002, the U.S. economy posted a net gain of 20 million jobs. More specifically, since NAFTA took effect, the labor market had a net increase of 26 million jobs. When critics assert that NAFTA reduced employment in the United States, there are 26 million arguments against that claim. The argument that trade agreements result in net U.S. job losses is not supported by economic theory or real-world data. Free trade agreements make people more productive by enabling them to specialize and work together more efficiently. We need more trade, not less, and it would be a step in the right direction for President Obama to submit the long overdue trade agreements with Colombia, Panama, and South Korea to Congress with no strings attached as soon as possible.

“US-Korea FTA cost thousands of US jobs” - Response: Disproven by looking at the actual statistics

Anthony Kim 2015. (researches international economic issues at The Heritage Foundation. Kim is the research manager of the Index of Economic Freedom; master's degree in international trade and investment policy from the Elliott School of International Affairs at the George Washington University.) 20 March 2015 The KORUS FTA at 3: Strengthening the U.S. Economy, Not Weakening <http://dailysignal.com/2015/03/20/the-korus-fta-at-3-strengthening-the-u-s-economy-not-weakening/>

According to Public Citizen, the “post-Korea FTA decline in U.S. exports to South Korea and a new flood of imports from Korea have resulted in a major surge in the U.S. trade deficit with Korea that equates to nearly 85,000 lost American jobs.” This is not supported by fact or theory. Consider the following evidence presented in a recent Forbes article:   
 According to the U.S. Census Bureau, exports to South Korea declined from 2012 to 2013, but went up in 2014 to a higher level than in 2012. They had a value of $42.3 billion in 2012 and $44.5 billion in 2014. A month ago, Public Citizen said the KORUS FTA had put 70,000 Americans out of work. Now they’re saying it’s 85,000. So, they would have you believe that 15,000 people have lost their jobs in the last month as a direct result of the KORUS FTA. The U.S. Labor Department has a program called Trade Adjustment Assistance (TAA) that provides benefits to unemployed workers who can demonstrate that foreign trade cost them their jobs. Since the KORUS FTA took effect in 2012, 236,479 people have been certified as eligible for TAA. Only 6,575 of them blamed the KORUS FTA for their unemployment: 0.03 percent of the total.

1. Anthony Kim 2015. (researches international economic issues at Heritage Foundation; research manager of the Index of Economic Freedom; master's degree in international trade and investment policy from Elliott School of International Affairs at the George Washington Univ.) 20 March 2015 The KORUS FTA at 3: Strengthening the U.S. Economy, Not Weakening <http://dailysignal.com/2015/03/20/the-korus-fta-at-3-strengthening-the-u-s-economy-not-weakening/> [↑](#footnote-ref-1)