

‘Buy America’ Will Not Help America

- ‘Buy America’ provisions isolate the U.S. economy -- telling the rest of the world that America is not open for business.
- Tens of Millions of American jobs directly rely upon U.S. engagement with the global economy -- ‘Buy America’ will not help American workers.
- ‘Buy America’ provisions create headlines that will discourage investors in other countries from building or expanding U.S. operations.
- Taxpayer dollars should go to benefiting the overall U.S. economy and as many American workers as possible. These targeted proposals would only help select U.S. companies and harm many others.

American Workers Benefit from Doing Business with the World - Insourcing

- U.S. subsidiaries of companies based abroad **employ over 5 million Americans**, accounting for over 4% of the private sector workforce.
- U.S. subsidiaries support an annual **payroll of \$364.2 billion** – with average compensation per worker of \$68,000.
- U.S. subsidiaries manufacture in America to **export goods** around the world – accounting for nearly 19 percent of all U.S. exports or \$195.3 billion.
- U.S. subsidiaries **buy goods from American-made sources** – spending 77 cents on the dollar of inputs at domestic companies.

2008 State-by-State Insourcing Job Report...quick glance...

In **Ohio**, the Tata Consultancy Services (TCS), a U.S. subsidiary of the Indian-based company The Tata Group, opened in March 2008 a new delivery center in Milford, Ohio. The 200,000 square-foot facility will serve as the primary software development and delivery center for North American customers. TCS expects to hire 1,000 new employees, most of who will be hired from the region and its universities.

In **North Dakota**, LM GlasFiber, a U.S. subsidiary of a Danish company that manufactures wind turbine blades, invested \$39.9 million to expand its factory in Grand Forks, North Dakota. The new facility has increased employment at the facility in North Dakota from 320 to a total of 800. This year, LM GlasFiber announced plans for a second U.S. manufacturing operations in Little Rock, Arkansas.

In **New York**, Nova Bus, part of Swedish-based Volvo Bus Company, is investing \$25 million to build its first American plant in Plattsburg, NY. The plant will begin deliveries in the second half of this year employing 300 workers. The State of New York recruited Nova Bus, in return Nova committed to being a top employer in upstate New York.

Reaction to 'Buy America'.....

"People are frightened out there...There's a lot of fear out there in the economy. So I don't think that now is the best time in the world to get new trade agreements. But I also believe that **intelligent people all over the world will see that it is not necessarily the time to pick new fights,** either. We have to get out of this together." - Former President Bill Clinton speaking at the World Economic Forum in Davos Switzerland on January 29, 2009.

"If a bill is passed which prohibits the sale or purchase of European goods on American territory, that is **not something we will stand idly by and ignore,**" European Commission spokesman Peter Power. (Source: *Reuters*: EU executive warns U.S. over "Buy America" policy, Huw Jones, Published online on January 29, 2009.)

"An expansion of the **current "Buy American" rules would be a dumb idea,** it would be a bad idea because the natural reaction would be for our trade partners to react in kind." - Thomas Donohue, U.S. Chamber of Commerce. (Source: *Reuters*: Policymakers sound alarm over protectionism, Jonathan Lynn, Published online January 29, 2009.)

"If there are protectionist measures India will be compelled to also take commensurate measures against those countries which will be **good for no one.**" Kamal Nath, India's trade minister. (Source: *Reuters*: Policymakers sound alarm over protectionism, Jonathan Lynn, Published online January 29, 2009.)

"Retreating into **protectionism would harm** national self-interest..." - Ban Ki-moon, Secretary-General of the United Nations speaking at the World Economic Forum. (Source: www.webforum.org: Annual Meeting Quotes - Thursday 29.)

"We know one of the **dangers of an economic slowdown can be protectionism.**...The only way to make sure that this crisis doesn't get worse, and longer, is to act together...and keep trade open." - Pascal Lamy, head of the World Trade Organization. (Source: *Wall Street Journal*: Leaders Warn Against a Protectionist Trend, Joellen Perry and Bob Davis, published on January 29, 2009.)

The Wall Street Journal and Washington Post Agree

Avoid 'Buy America' in Economic Stimulus

"Congress is signaling to the rest of the world that U.S. protectionists are in charge." (Source: *Wall Street Journal*: Protectionism as Stimulus, We need to trade more, not less, REVIEW & OUTLOOK published on January 30, 2009.)

"The United States started one such trade war in 1930, when it enacted a tariff increase that prompted European retaliation -- thus helping turn a bad recession into the Great Depression. **Better to learn from this history than to repeat it.**" (Source: *Washington Post*: Trade Test, Why President Obama and his party should resist the cry to 'Buy American', Editorial published on January 28, 2009.)