between the two nations, which saw U.S. FDI in India grow from approximately $370 million in 1990 to $2.4 billion in 2000. It was also during the 1990s that India’s technology industry began to grow rapidly. By the end of the decade, the United States had become the largest export market for Indian technology products and services.

In the early twenty-first century, trade between the two nations grew rapidly, and Indian exports continued to increase. Trade relations were driven by the impressive growth of the Indian services and technology sectors, which saw a 250 percent increase in exports between 2000 and 2005. The trade in goods between the countries increased during this period from $14.35 billion in 2000 to $26.7 billion in 2005. As in the preceding decade, this growth in trade was accompanied by a similar increase in direct foreign investment, as U.S. FDI in India grew from $2.4 billion in 2000 to $8.5 billion in 2005. Although this represented only 0.5 percent of all U.S. FDI, it represented 16 percent of all foreign investment in India, making the United States the country’s second-largest investor. As their relationship developed, India and the United States argued over laws regarding intellectual property and Indian laws mandating that manufacturers use local goods in the manufacture of some products.

U.S. trade in goods and services with India in 2012 totaled $93 billion, with $34 billion in exports and $59 billion in imports. The leading U.S. goods exported to India were precious stones and metals (particularly gold), commercial aircraft, and machinery, as well as agricultural products, such as cotton and fresh fruit. Leading items imported from India included precious stones and metals (including finished jewelry), pharmaceuticals, oil, and organic chemicals. India was the United States’ fifth-largest supplier of agricultural products in 2012, with imports of more than $3.5 billion in spices, essential oils, and rice. U.S. (FDI) in India was $28.4 billion in 2012, a 15.3 percent increase from 2011. The majority of this investment was in the technical services, manufacturing, finance, and insurance sectors. Indian investment in the United States was $5.2 billion in 2012, a 6.7 percent increase from the previous year, and was primarily in the technical services and banking sectors.

SEE ALSO Foreign Investment in the United States; Tariffs; Trade

INDIAN REMOVAL ACT (1830)
The Indian Removal Act of 1830, passed by Congress on May 26, 1830, empowered President Andrew Jackson (in office 1829–37) to exchange Native American tribal land east of the Mississippi River for land west of the Mississippi River without tribal agreement. Prompted by the desire of white settlers to gain access to Native American land in the Southeast, the Indian Removal Act effectively legalized a land grab by white settlers in the present-day states of Alabama and Mississippi. The act also nullified Native American claims to land ownership and economic sovereignty within U.S. territory, and it resulted in the forced western migration of thousands of Native Americans to unsettled lands that the United States acquired from France in the Louisiana Purchase of 1803. While the U.S. government financially compensated the relocated tribes for the loss of their historical lands, the forced move had devastating economic and social consequences for the relocated tribes, including massive loss of property, traditional cultural practices, and life.

Although the forced removal of Native Americans had been considered and rejected under the earlier U.S. presidencies of Thomas Jefferson (in office 1801–09) and James Monroe (in office 1817–25), the Indian Removal Act was championed by President Jackson, who argued that the act would protect Native American tribes from the negative influences of white culture. Jackson had long been a proponent of Native American tribal removal from the United States, dating back to his military career, when he defeated the Creek Indians in the Battle of Horse Shoe Bend in 1814 and forced the tribe to cede much of present-day Alabama and Georgia. Jackson later negotiated 9 of the 11 major Native American removal treaties in U.S. history and oversaw the removal of nearly 50,000 Native Americans to “Permanent Indian Territory” in the West. Jackson’s speech to Congress in support of the act stressed that removal would allow the tribes to “pursue happiness in their own way and under their own rude institutions” and give the tribes room to develop into an “interesting, civilized, and Christian community.” Jackson also emphasized that the tribes would be financially compensated for the loss of their land and given a year’s worth of supplies to support their resettlement. That compensation fell far short of tribal needs and did not take into account that the tribes were being moved from a humid to an arid climate, a difference that challenged traditional tribal agricultural practices.

The Indian Removal Act primarily affected five Native American tribes traditionally based in the Southeast: the Creek, Choctaw, Chickasaw, Cherokee, and Seminole. These five tribes were sometimes referred to as the “civilized” tribes by early nineteenth-century whites for the degree to which they had successfully integrated European economic, legal, and cultural practices into their societies. These practices included sedentary farming, the adoption of written constitutions and legal codes, and Christian religious practice. Before 1830, for example, many Choctaws and Creeks had chosen to become citizens of the states of Mississippi and
Alabama, respectively. Ironically these efforts at cultural assimilation only exasperated white settlers’ attempts to seize Native American land and provoked support for the Indian Removal Act. The act’s passage was successfully challenged by the Cherokee tribe in the Supreme Court of the United States, which sided with the tribe and against forcible removal in 1832. President Jackson, however, ignored the court’s decision and continued to encourage white seizure of Native American land. He also tacitly endorsed harassment of the Cherokee by federal and state officials until a group of Cherokee peoples—without any tribal leaders—agreed to cede tribal land in Georgia. Congress narrowly ratified this agreement in the Treaty of New Echota in 1835.

By 1838 the majority of Cherokee peoples, under the leadership of Chief John Ross, had still refused to leave the Southeast. In response, the U.S. government dispatched 7,000 soldiers to forcibly move the remnants of the Cherokee tribe to present-day Oklahoma. While the soldiers were ostensibly present to assist the Cherokee during the journey, both sides were ill prepared for the harsh conditions of the move. About 4,000 Cherokee—around 20 percent of the tribe’s population—died en route to Oklahoma. This tragedy became known as the Cherokee “Trail of Tears” and represents one of the darkest moments in the relations between the U.S. government and Native Americans. Despite the difficulty of their move, the Cherokee tribe eventually prospered in Oklahoma, largely rebuilding their traditional society. The tribe was again forced to move, however, after the passage of the Kansas-Nebraska Act of 1854 and the Homestead Act of 1862. By the late 1840s no major Native American tribes remained in the Southeast outside a small group of Seminole Indians still resisting removal in Florida.

The Indian Removal Act had four significant economic outcomes for Native Americans in the early nineteenth century. First, it stated that Native American tribes “claimed and occupied” their traditional lands as...
opposed to owning them. This proved to be a crucial distinction that increased the federal government’s legal ability to seize Native American land. Second, the act declared that the removed tribes would not legally own their new federally assigned Western land as well. While they could supposedly occupy it forever, they were not free to sell it and would lose it if they left it or became “extinct.” Third, while the removed tribes would be compensated for their lost lands, government assessors alone set the compensation amounts, ensuring underpayment. Finally, the removed tribes would no longer hold the economic privileges of sovereign nations in their new Western lands. These outcomes would be modified by the end of the U.S. government’s “Permanent Indian Territory” policy in 1862 and the institution of the tribal reservation system still in effect today.

SEE ALSO Cherokee Indian Cases (1830); Five Civilized Tribes; Homestead Act of 1862; Kansas-Nebraska Act (1854); Louisiana Purchase; Trail of Tears

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INDIAN REORGANIZATION ACT (1934)
The Indian Reorganization Act of 1934 (IRA) was a federal law passed during the Great Depression (1929–39) that sought to improve economic self-sufficiency on American Indian reservations. The act was drafted under the leadership of John Collier (1884–1968), the commissioner of the Office of Indian Affairs, and was signed into law as part of President Franklin Delano Roosevelt’s (1882–1945) New Deal, a series of federal laws designed to alleviate economic hardship and promote employment during the Depression. The IRA promoted economic growth through a three-part plan. First, it granted American Indians the right to organize their own governments and economic activities. Second, it encouraged the study of American Indian arts, crafts, and traditions. Third, it abolished the General Allotment Act of 1887, which sought to assimilate Indians into mainstream American culture through private land ownership. Although the act was underfunded and rejected by 73 tribes—including the nation’s largest, the Navajo (Diné)—it succeeded in granting American Indians greater political, cultural, and economic self-determination. Historian Laurence M. Hauptman calls it “the most important legislation affecting Native Americans in the twentieth century.”

After Collier was appointed as head of the Office of Indian Affairs in 1933, he began to spearhead an effort to reform federal policy toward American Indians. Having grown up near tribal lands in New Mexico, he was fascinated by the communal nature of American Indian culture, particularly that of the Pueblo Indians of the Rio Grande Valley. One of the primary objectives of the bill was to overturn the General Allotment Act of 1887, which had divided up collectively owned tribal lands into parcels and forced American Indians into private ownership of those allotments. The federal government then purchased any land that was left over, reaping an estimated 90 million acres of land by 1933. Although many argued that private land ownership would encourage American Indians to abandon tribal practices and more fully assimilate into Euro-American culture, political historian Frederick Hoxie writes that “the campaign for equality and total assimilation” became in actuality “a campaign to integrate native resources into the American economy.”

In drafting the IRA bill Collier wanted to prevent forced assimilation and return economic resources and self-determinacy to newly established tribal governments, spurring economic growth on reservations and liberating American Indian tribes from reliance on resource transfers from the U.S. government. Under Collier’s plan American Indians could once again hold their property collectively, if they so chose, via the involuntary return of private lands to the tribe. Prior to the passage of the bill, Collier contacted many American Indian leaders in order to get a sense of their willingness to transfer their lands to the tribe. Some argued that communal ownership was not traditional in their culture. Others claimed that it would be economically detrimental to landholders, and still others expressed doubts that newly established tribal governments could adequately manage land resources. Ultimately the idea met with such resistance that Collier altered the bill to make the decision to return land to the tribe voluntary.

In February of 1934 the bill came before Congress, where it faced serious opposition. Many members feared that it would further isolate American Indians, both economically and culturally. Although Collier did not directly involve American Indians in the drafting of the bill, he conducted 10 “Indian congresses” in the West to explain the bill to tribal