

Name: _____

APPLYING YOUR KNOWLEDGE 3 – Contrasting Views

Read each editorial below. Then answer the questions that follow.

Editorial A

International trade has helped our nation to grow in leaps and bounds since World War II. We must continue to trade with other countries to increase our present GNP. To introduce high tariffs on foreign goods would be short-sighted and disastrous.

It is true that some jobs at home are lost because of an increasingly active foreign trade. Countries such as Japan and Germany have become extremely skilled manufactures. They provide competition, which is necessary to the promotion of an efficient society. This competition benefits all consumers by giving them a wide selection of goods from which to choose, as well as fair and reasonable prices.

Keeping this in mind, we must resist the temptation to impose strict tariffs on international goods. These tariffs could have only one long-term effect: a reduction of the efficiency of our country's use of resources.

Finally, the goal of keeping U.S. jobs is both valid and necessary, but tariffs are not the way to do it. Because tariffs breed tariffs, retaliation is likely. When other countries impose tariffs on U.S. goods, the tariffs will cause a reduction in trade. The result will be a loss of jobs, offsetting any jobs created by our own tariffs.

Editorial B

There is no question that international trade is dangerous to our economy. While it is ludicrous to suggest that we limit trade completely, it is necessary to take a good hard look at the damage international trade has done to jobs at home.

Because of a rapid increase in the productivity of other nations since World War II, foreign products currently enjoy great popularity in domestic markets. This popularity has led directly to the unemployment problem currently experienced by our country. Too much demand for foreign products is endangering our lives.

There is no single answer to this problem. The present "buy American" campaigns are helpful and important, but they alone cannot conquer the problem. We are at a point where the only true solution is to impose tariffs and import quotas. This is not a popular solution. Many people will claim that these tariffs will reduce competition, raising prices and decreasing efficiency. There is little evidence to support this assumption. The free enterprise system itself accommodates competition as a necessary guideline, with or without international trade.

We must do everything we can to keep the situation from worsening. The time to take action is now, and take action we must. Tariffs are the next step toward stabilizing our economy.