The Price of Trade

Compare competing claims about free trade in one city.

GE.8.2 "Compare and contrast the arguments for and against free trade."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two arguments for free trade and circle two arguments against it, then write the same number beside a pro and a con argument that address the same issue.

A Tariff at the Bike Shop

1. At Harbor City's bike shop, an imported electric bicycle costs less than a similar bicycle assembled nearby. The national government is considering dropping its tariff, a tax on imported bicycles. Supporters of free trade say removing the tariff would cut shop prices, giving more commuters a way to travel without a car. They also argue that bicycle shops could sell more units and hire more mechanics. A local assembly plant, however, worries that cheaper imports would take its customers. Its workers may have to find new jobs, and those jobs may not pay as well.

2. Both sides say they want a healthy local economy, but they measure the gains differently. Supporters point out that the assembly plant buys batteries and brakes from abroad. If tariffs on those parts also fall, the plant could cut costs and keep some jobs. Critics respond that the plant still has to compete with fully assembled imports. If it closes, workers may need time and training before they can move into repair or other growing fields. A lower price at the bike shop would be immediate, while the cost of changing jobs would fall heavily on particular families.

3. Another disagreement concerns what happens beyond the city. Supporters say open markets let producers in different countries specialize, which can expand choices and encourage firms to improve their products. Critics warn that relying on foreign suppliers can leave shops short of bicycles or parts when shipping is disrupted. Supporters answer that buying from several countries, rather than just one, can reduce that risk. Neither side claims that every person gains equally. The choice is whether lower prices and wider options are worth the possible losses and risks, and what help displaced workers might need.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do supporters and critics describe different effects of cheaper imported bicycles on Harbor City?

2. Both sides care about jobs. How does each side argue that freer trade could affect employment?

3. Why might lower tariffs on imported parts help the assembly plant while lower tariffs on finished bicycles hurt it?

4. How do critics and supporters differ in their views of the risk of buying from foreign suppliers?

3 YOUR TURN

Your own words

Imagine your town is debating removing tariffs on imported solar panels. In four or five sentences, compare one likely benefit with one likely cost for local buyers and workers, then explain which concern you would weigh more and why.

The Price of Trade

PART 1 · READ AND MARK

Underline two arguments for free trade and circle two arguments against it, then write the same number beside a pro and a con argument that address the same issue. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do supporters and critics describe different effects of cheaper imported bicycles on Harbor City?	**Supporters expect lower shop prices and more sales. Critics expect the local assembly plant to lose customers, putting its workers' jobs at risk.**
2	Both sides care about jobs. How does each side argue that freer trade could affect employment?	**Supporters expect shops to hire more mechanics and lower parts tariffs to help the assembly plant keep jobs. Critics worry that competition from finished imports could close the plant and displace its workers.**
3	Why might lower tariffs on imported parts help the assembly plant while lower tariffs on finished bicycles hurt it?	**Cheaper imported parts could reduce the plant's costs, but cheaper finished imports could take its customers.**
4	How do critics and supporters differ in their views of the risk of buying from foreign suppliers?	**Critics warn that shipping disruptions could leave shops without bicycles or parts. Supporters argue that buying from several countries could reduce that risk.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Removing tariffs on imported solar panels could lower prices for homeowners and help installation companies sell more systems. However, local panel factories might lose sales to cheaper imports, and their workers might struggle to find equally paid jobs. Both sides want a strong local economy, but they disagree about who will gain first and who will bear the costs. I would favor lower tariffs if the government also funded retraining for workers whose jobs disappear.

Accept other passage-supported comparisons, including differences between immediate consumer savings and the longer adjustment faced by displaced workers. For Part 3, accept either position if the response compares a plausible benefit and cost and explains its choice.