Across the Border

Read a trade story and track what crosses a border.

6.C.7.4.A "Define basic concepts related to trade, including exports and imports, tariffs, free trade, and balance of trade."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the words that explain imports, exports, tariffs, and free trade. Circle Coastland's export and import values to see how its balance of trade is found.

From Helmets to Trade Balances

1. At a bike shop in the United States, a worker opens a crate of helmets made in another country. Those helmets are imports to the United States because they enter the country for sale. Across town, a factory packs bicycle bells made in the United States for buyers in another country. Those bells are exports because they leave the country for sale. The same shipment can be an export for the country sending it and an import for the country receiving it. Trade connects people who make, move, and buy goods.

2. Suppose a government charges a tariff on helmets arriving from abroad. A tariff is a tax on imported goods. The importer pays the tax to the government and may raise the store price to cover the added cost. Some leaders support tariffs to help local makers compete; others worry about higher prices for shoppers. In free trade, countries lower or remove barriers such as tariffs so goods can cross borders more easily. Free trade does not mean every product is free of rules or that shipping costs disappear.

3. Trade has another useful measure: the balance of trade. It compares the value of a country's exports with the value of its imports over a period of time. Imagine that a country called Coastland exports goods worth $12 million and imports goods worth $15 million in one year. Its balance of trade is a $3 million deficit because it bought more from other countries than it sold to them. If exports were worth more than imports instead, Coastland would have a trade surplus. The measure counts value, not the number of packages.

2 ANSWER WITH EVIDENCE

Use the passage

1. For the United States, why are the helmets imports but the bicycle bells exports?

2. If a tariff is charged on the arriving helmets, what does the importer pay, and how might the tariff affect the store price?

3. Under free trade, what could happen to a tariff on the helmets? Name one cost or rule that could still remain.

4. What is Coastland's balance of trade for the year, and why is it a deficit?

3 YOUR TURN

Your own words

Invent a trade story for a country you name. In four sentences, describe one import and one export, explain a tariff or free-trade choice, and give export and import values that show whether its balance of trade is a surplus or deficit.

ANSWER KEY

Across the Border

GRADE 6 · 6.C.7.4.A

PART 1 · READ AND MARK

Underline the words that explain imports, exports, tariffs, and free trade. Circle Coastland's export and import values to see how its balance of trade is found. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	For the United States, why are the helmets imports but the bicycle bells exports?	**The helmets enter the United States from another country for sale. The bells leave the United States for buyers in another country.**
2	If a tariff is charged on the arriving helmets, what does the importer pay, and how might the tariff affect the store price?	**The importer pays a tax to the government and may raise the store price to cover it.**
3	Under free trade, what could happen to a tariff on the helmets? Name one cost or rule that could still remain.	**The tariff could be lowered or removed. Shipping costs or product rules could still remain.**
4	What is Coastland's balance of trade for the year, and why is it a deficit?	**It is a $3 million deficit because imports worth $15 million exceed exports worth $12 million.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Pine Island imports rice from its neighbor and exports wooden chairs to that neighbor. The chairs are exports for Pine Island because they leave the country, while the rice is an import because it enters. Pine Island chooses free trade and removes its tariff on imported rice. In one year, its exports total $9 million and its imports total $7 million, so its balance of trade is a $2 million surplus.

For Part 3, accept any named country and goods if imports enter, exports leave, the tariff or free-trade choice is explained, and the balance correctly compares the stated values.