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THE IMPACT OF INTERNATIONAL TRADE ON CONSUMERS

*Cecelia M. Roland, Workshop Organizer
Cornell Cooperative Extension*

American consumers have, for many years, had the best of worlds in international trade. They have benefited from the lower price tags carried by many imported consumer goods and from the high wages and good standard of living generated by a high production of manufactured goods at home.

Within the last decade the slower economic growth in industrialized nations, a surge in energy costs, and the emergence of developing countries into marketplace competition have forced policy makers, and therefore consumers, to reexamine their attitudes and legislative activities in the area of international trade systems. We, as a nation, face a choice between policies that promote free trade or policies developed as a protective mechanism for American workers and American industries.

A trade war, created by the adoption of strongly protectionist legislation, could be a strong deterrent to our slowly expanding economic regrowth. Yet, millions of unemployed workers in the hard-hit automobile industry clamor for trade policies that cut back on foreign imports and increase the cost to consumers of cars sold in the United States by 4.5 percent, a total consumer cost of \$4.8 billion, or extending the figures even further, a cost of \$740,000 per job saved.

The auto industry is not alone in seeking protective trade legislation. The textile and apparel industries, steel manufacturers, agricultural commodity groups, television makers, and the footwear industry all demand that government develop policies that favor their interests.

The decision is not an easy one, balancing the almost invisible advantages of freer trade policies against the visible and immediate results of unemployment, economic decline, and psychological stress. And yet the United States is caught in the web of world trade; 20 percent of our industrial output and over 38 percent of our agricultural output is exported. One-half of U.S. corporate profits comes from foreign trade and investments. Between 1977 and 1980, four out of every five manufacturing jobs were in export industries and the percentage of GNP devoted to trade doubled.

A further result of the United States implementation of strongly protectionist trade policies would be the impact of these policies on established trading partnerships and international security alliances.

The goal of this particular workshop, *The Impact of International Trade on Consumers*, is to encourage policy education specialists to develop programs for their audiences in this subject matter area and to provide them with subject matter background and program development resources. With this goal in mind, our three speakers have been asked to focus their presentation on specific objectives.

Dr. Dennis Henderson: Identification and discussion of a variety of policy issues in international trade that impact on consumers;

Dr. James Zellner: Examination of policy development alternatives to be considered in the selection of policy options;

Dr. Georgia Neruda: Identification of international trade/consumer impact program models and resources available to the program developer.

Given the importance of the international trade issues and the concern and confusion created for consumers by the conflicting issues of job security, lower prices, and the need for stable world alliances in trade and national security, it is our hope that extension policy education educators will rise to the challenge of interesting, meaningful consumer programming.