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# Is Free Trade Good for America?

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Segment Length: 3:27 minutes; 3:52 minutes

## **Videos:**

“NAFTA Has Destroyed American Manufacturing”

<https://www.youtube.com/watch?v=65v3rq6thFM>

“Free Trade Creates Prosperity”

<https://www.youtube.com/watch?v=8eU96kROCIk>

## **Guide:**

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

## **Analysis Questions:**

1. In the first video Margaret Elkis says the United States must choose between bankruptcy, outsourcing manufacturing, and selling out. What does she mean by these? Why are these the options?
2. John Stossel argues that free trade gets bad press. Why, according to Stossel, does the media cover the jobs lost as a result of NAFTA but not the jobs gained?
3. John Stossel says NAFTA leads to lower prices for goods in America, which creates jobs. How could NAFTA lower prices? Why would lower prices lead to more jobs?
4. How might Margaret Elkis take issue with John Stossel’s comparison of international trade and interstate trade within the U.S.? How does Elkis’ illustration using interstate trade differ from Stossel’s?
5. Margaret Elkis emphasizes the impact of NAFTA on American manufacturing. Why would this industry be affected differently by foreign trade than another industry, like Hollywood moviemaking?
6. John Stossel and Margaret Elkis each recognize that production is often cheaper in other countries. How do their analyses of the implications of this fact differ?
7. John Stossel notes that he has a trade deficit with his local supermarket. What is a trade deficit? Why might those in opposition to trade agreements like NAFTA be skeptical of trade deficits with other nations?

8. John Stossel says that, so long as there is no force involved, both parties win in a trade. How can this be so? How does America win from free trade? How do the countries with whom the United States trades win?
9. More than 80% of economists favor unrestricted trade with the United States, John Stossel reports. How do you think Margaret Elgis would respond to this statistic?