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INTERNATIONAL TRADE FACILITATES ECONOMIC AND INCOME GROWTH

WASHINGTON, D.C. –The economic analysis of international trade should be paramount in the consideration of trade and related policy measures, Joint Economic Committee (JEC) Chairman Jim Saxton said today in releasing a new JEC study on trade. The new JEC study is entitled *International Trade and Investment: An Historical and Contemporary Survey of Research and Analysis*.

“Trade liberalization has resulted in an expansion of international trade and investment that has increased economic and income growth around the world,” Saxton said. “According to official data, countries that facilitate international trade experience significantly higher growth than do other countries. International trade provides an important avenue for development of many poor countries.

“Trade liberalization can lower the cost of goods and services, improve resource allocation, and thus increase economic welfare. As a result, trade tends to be associated with higher rates of productivity growth, and the higher economic and income growth this implies. Increasing economic efficiency, the reduction of waste, and better economic performance is in everybody’s long-term interest.

“The U.S. is a major exporter of electrical machinery, motor vehicles, transport equipment, office machines, power generating machinery as well as other manufactured goods, agricultural goods, and many financial services. Many U.S. businesses and workers have an important stake in the expansion of international trade.

“International trade cannot solve all the economic problems in the world, and the advantages of particular trade measures can be oversold. However, international trade offers very clear economic benefits, while the costs of protectionism and autarchy are equally clear,” Saxton concluded.

For a copy of the study, *International Trade and Investment: An Historical and Contemporary Survey of Research and Analysis*, please visit the JEC website at www.house.gov/jec

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