

A Recalculation of Cline's Estimates of the Gains to
Trade Liberalization in the Textile and Apparel Industries

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Michael R. Metzger

Bureau of Economics
Federal Trade Commission

Table I

Expected Gains and Losses to Society
from Trade Liberalization

	<u>Cline</u>	<u>True</u>
Consumer (Δ Surplus)	+ [A ₁ +A ₂ +B+C]	+ [A ₁ +A ₂ +B+C+E+G]
Producer (Δ Surplus)	- [C]	- [C+E]
Government (Δ Revenues)	- [A ₁]	- [A ₁]
"Resource Cost"	+ [D]
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Net Gain	+ [A ₂ +B+D]	+ [A ₂ +B+G]

TABLE III

TEXTILE TRADE LIBERALIZATION:
ESTIMATED GAINS AND LOSSES
(millions 1986 dollars)

	Cline Estimate	Revised Cline
CONSUMERS		
Imported Textiles	(+1,275)	(+1,310)
Domestic Textiles	(+1,513)	(+1,537)
Total	+2,788	+2,847
TEXTILE PRODUCERS	-1,513	-1,537
TARIFF REVENUE	-488	-488
"RESOURCE COST"	24	---
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TOTAL	+811	+822

