

Activity 2

Mr. D's Problem Venture

Mr. D, like Mrs. Brown, is an Americana entrepreneur who buys grain from Americana's farmers who ship it to his warehouse in Oceanattle. Like Mrs. Brown, he buys the grain, but then resells it in markets in Asia and Eastern Europe. With the proceeds he earns from the grain sales, he buys a wide variety of colorful, stylish clothes and shoes that he imports to Americana and sells to retail stores. These are high-quality, low-priced goods that store customers view as great bargains. As a matter of fact, Americana consumers are so satisfied with Mr. D's clothing that he has captured nearly one-third of Americana's clothing and shoe demand.

Americana clothing manufacturers have been driven out of business, and their workers have lost their jobs. These people are very angry to lose jobs to foreign competition. Manufacturers' organizations and labor unions have demanded that the Americana Congress protect them by placing tariffs on imported shoes and clothing or establishing quotas for imported shoes and clothing. In their lobbying efforts, these organizations describe a "giant sucking sound" representing jobs being swallowed by clothing enterprises abroad. Mr. D is one of the most unpopular men in Americana.

Discussion Questions

1. Who gained and who was hurt by Mr. D's enterprise?
2. Why did consumers buy Mr. D's products rather than those made in Americana?