

21 INTERNATIONAL TRADE

A. WHY TRADE?

B. SPECIALIZATION AND COMPARATIVE ADVANTAGE

- 1. Assumptions**
- 2. Absolute and Comparative Advantage**
- 3. Terms of Trade**
- 4. Demand and Supply for Exports, Imports (21 Apx)**
- 5. Increasing Costs**

C. TRADE POLICIES

- 1. Trade Agreements**
- 2. Aid to Displaced Workers and Firms**
- 3. Tariffs**
- 4. Quotas**
- 5. Non-Tariff Barriers**

D. POLICY RESPONSES TO ISSUES

- 1. Ant-Dumping [Reading]**
- 2. Cheap Foreign Labor**
- 3. Long Run Growth Argument**
- 4. Structural, Institutional Factors**

E. EFFECTS OF RECENT TRADE POLICIES

- 1. Consumers**
- 2. Employment**
- 3. Foreign Investment**
- 4. Financial Markets**
- 5. Economic Growth**

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