

Day 2 Hour 2
Discussion and Comments on Free Trade

1. Free trade is between willing parties. Therefore, free trade must make people better off or they would simply not trade. Both sides must be happy? Can you argue against this? How?
2. How does free trade increase growth and productivity? Will it always do that? What are some examples where this is true?
3. "Big countries benefit from free trade, but small countries can't compete" Explain why this is patently false. Is there any way in which you can argue it is sometimes true?
4. Both Japan and China closed themselves to trade and foreign influence. Why did they do this and why was it very damaging to them economically? North Korea often claims it is best to be [self-reliant](#). Explain why Adam Smith would have disagreed with this ideology.
5. "Free trade can destroy traditional culture." Do you agree with this point of view? What is meant by traditional culture? What is meant by "culture wars" and are they inevitable? What parts of culture do you think should be protected?
6. Why do countries control their exchange rate? Is this free trade? Is it fair?