

Protectionism vs. Free Trade

英文高級班

(THU.)

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Warm up: as a class.

Today, we're discussing the relative advantages of **international free trade** (importing and exporting goods freely to and from any country) and **protectionism** (using high tariffs and other **trade barriers** to decrease imports, thus strengthening **domestic** industries and, hopefully, the domestic economy). It's a rather difficult subject, so we'll start with some simple questions:

1. What are Taiwan's major **exports**?
2. What are Taiwan's major **imports**?
3. Who are the ROC's important **trade partners**?
4. Today, does the ROC have a **trade deficit** or a **trade surplus**? -Do you know the approximate dollar amount?

Exercise One: as a class, read the article.

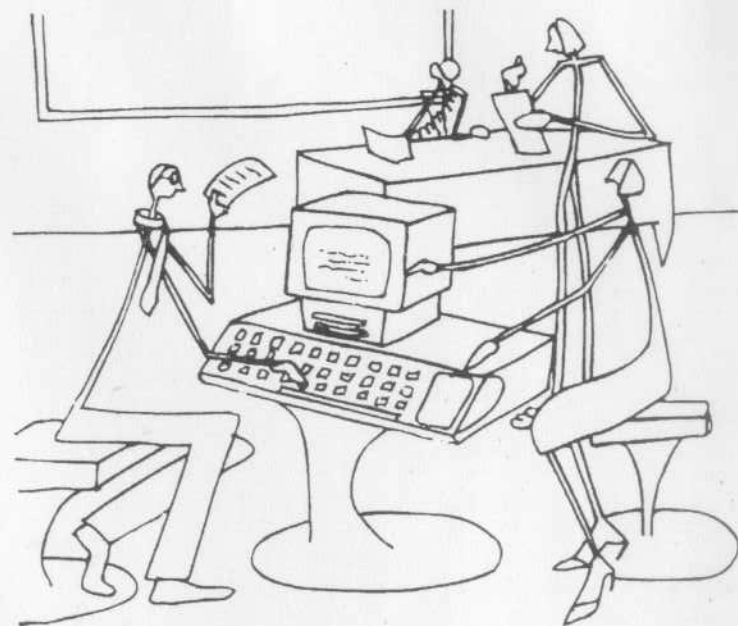
Countries and cultures have been trading with each other for centuries. Before the nineteenth century, world trade was limited because transportation was limited. World trade grew rapidly during the nineteenth century because of the **Industrial Revolution** and the advances in transportation that resulted.

In the early part of the twentieth century, however, serious breakdowns in world trade resulted from two world wars and a world economic depression. During the Great Depression of the 1930s, many countries created **trade barriers** to try to **protect** their industries from **competition**. This "protectionist" policy made the Depression even worse.

After World War II, international trade rapidly increased. Organizations such as the World Bank and the International

Exercise Two: discussion questions for small groups.

1. Before the nineteenth century, **why** was world trade limited?
2. **During** the nineteenth century, what caused world trade to grow?
3. In the early twentieth century, what **two factors** caused world trade to break down?
4. **When** did many countries create **trade barriers**?
5. **Why** did many countries create trade barriers?
6. What was the **result** of the "protectionist" policies?
7. When did international trade **increase** again?



Monetary Fund were set up right after World War II to encourage international business and trade.

In recent years, free trade agreements between countries have created free trade **zones**. Many economists and political leaders believe that the entire world should become a free trade zone. However, many others are afraid of this idea because they believe that some national industries should be protected from international trade. What do you think?

8. **When** were the World Bank and the IMF setup?
9. **Why** were the World Bank and the IMF setup?
10. More recently, what kind of agreements have created "free trade zones"?
11. **Why** are some world leaders and economists afraid of free trade zones?