

PUAF 700: U. S. Trade: Policy and Politics
Midterm Examination
November 9, 2005

GENERAL INSTRUCTIONS:

Please identify yourself by your *student ID number*, NOT your name.
Use a yellow book for Part A and a blue book for Part B.
You have a total of two (2) hours to complete the exam.

PART A (60 Points): Identify ten of the following, discussing in a short paragraph the significance of each for international trade and/or US policy.

Byrd Amendment	MFA
comparative advantage	MFN (aka NTR)
Doha Round	savings-investment balance
exchange rate	Section 301
FTAA	Bill Thomas
GMOs	Tokyo Round
import quota	trade adjustment programs
IPR (or TRIPS)	Trade Promotion Authority

PART B (40 Points): Respond to one of the following.

1. China has been under strong American pressure to raise the value of its currency, the renminbi (RMB). To exert pressure toward this end, Senators Schumer and Graham have introduced legislation imposing a 27.5 percent surcharge on imports from China. Secretary of the Treasury John Snow has also been increasingly assertive on the issue.

Write an essay setting forth arguments for and against the United States pressing this issue with Beijing. Include discussion of the likely trade and political effects of Chinese action (or inaction), and its impact on the broad US-East Asian economic imbalance.

2. The Dispute Settlement Mechanism (DSM) of the World Trade Organization (WTO) has been functioning for ten years. Assess its impact on US trade interests, and on US trade politics.

3. Given the rise of labor and environmental issues *and* of general partisan rancor in Congress, how can and should United States Trade Representative Rob Portman go about rebuilding bipartisan consensus on US trade policy?