

PUAF 700: U. S. Trade: Policy and Politics
Midterm Examination
November 20, 2002

GENERAL INSTRUCTIONS:

Please identify yourself by your *social security number*, not your name. (DON'T sign.)
Use a yellow book for Part A and a green 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 economic policy.

Appellate Body	quota rents
balance on current account	$S - I = X - M$
Cartegena protocol	Section 201 (escape clause)
comparative advantage	TAA
Convertibility Plan	Trade Act of 1974
dumping	Uruguay Round
GMOs	wage insurance
“protection for Congress”	Ways and Means Committee

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

1. In 1996, the American Enterprise published a short pamphlet by Douglas A. Irwin, professor at Dartmouth University, under the title, *Three Simple Principles of Trade Policy*. The principles he elucidated are:

1. A Tax on Exports is a Tax on Imports.
2. Businesses are Consumers Too.
3. Trade Imbalances Reflect Capital Flows.

Choose one of these principles. Write an essay setting forth the argument Irwin might have used to support that principle.

2. USTR Robert Zoellick faces a range of challenges in making the “Doha Round” a success. He has shaky domestic support, reflected in the excruciatingly narrow House votes for TPA. He faces complex bargaining challenges in such issue areas as agriculture, antidumping laws, WTO procedures, and trade related environmental issues. And US international credibility has been undermined by the imposition of tariffs on steel, and the enactment of the 2002 farm bill.

Choose one of his substantive or political challenges, either one of those listed above or another of your choosing. Write Zoellick a memo suggesting how he should address it and what goals he should seek. (And *don't blow your cover* by using your name instead of your SSN!)