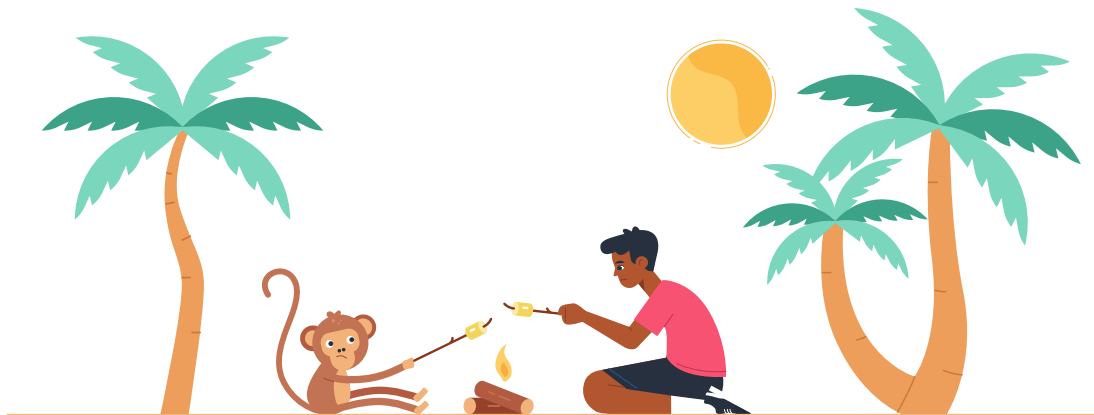


Trade:

Competition or cooperation?



People would be poorer if their country tried to produce everything they needed and wanted.



Trade helps everyone get higher quality goods at a lower cost.

Countries can specialize in the goods and services they can produce at the lowest cost, then trade with those that have goods that they can't produce as easily themselves.

Trade deficit: When a country imports more than it exports.



DISCUSSION

1. What would the island scenario have looked like if no one traded with each other?
2. What's the role of cooperation in meeting our needs?
3. How can a trade deficit actually lead to a higher standard of living?