



Worksheet 20.1

The Gains from Trade

Russell Roberts of George Mason University is a well-known advocate of free trade. He offers [this argument](#) for why free trade is overwhelmingly good for a nation and the world economy (read from the second to the ninth paragraph).

Discussion Questions:

1. ‘Self-sufficiency is the road to poverty’ To what extent is this true? Are there certain industries that a nation should try to be self-sufficient in?
2. Explain the problem with the philosophy of ‘exports are good, imports are bad’.
3. ‘...because trade allows us to buy goods more cheaply than we otherwise could, resources are freed up to expand existing opportunities and to create new ones.’ What basic economic principle is Professor Roberts alluding to here?