



Balance of Trade 2

Recommended Citation

"Balance of Trade 2", pegasus, January 01, 1994, <https://nautilus.org/pegasus/balance-of-trade-2/>



Expedition 5: Balance of Trade

Merchandise Trade Balance is the difference between the amount of money a country receives from selling its goods abroad and the amount of money it pays to buy goods from other countries.

1. Access Virtual Expeditions and review the [data on merchandise trade balance](#). Create a graph of the data for the period 1960 to 1997. In which year(s) did the US merchandise trade balance with Japan show a surplus? In which year(s) did the US balance of trade on merchandise show a deficit?

2. What economic trends may have contributed to deficits in the US trading relationship with Japan?

3. What are the implications for the US economy when we maintain a trade deficit with Japan?

4. Read the following two articles, [America Benefits from Free Trade](#) and [The Truth About Trade](#). As a group, prepare a US policy on trade with Japan. What is your philosophy of international trade? What do you want to promote? What do you want to avoid?

Related Links

Japan

Tradeport

A report on the largest portion of the U.S. trade imbalance with Japan—automotive trade.

[Japan: Economic Trends and Outlook](#) An overview of the economic status and future of Japan, the United States' largest overseas trading partner and the world's second largest economy.

Japan Web Navigator

Current news (international, national, regional), science and technology, business and economics.

[Japan Information Network](#)

Information about the Japanese economy and economic history.

United States

[America Benefits from Free Trade](#) An argument for an American "open-door" policy by a former US Trade Representative.

[The Truth About Trade](#) An economist's views on the need for more flexible trade policies in the post-Cold War period.

[US Customs](#)

Information on US commerce.

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