Nets Across Borders

Compare economic choices and their effects on trade.

7.C.7.2 "Compare the advantages and disadvantages of the traditional, market, and command economic systems, including how government policies affect economic activities and trade relationships among nations."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline one advantage and circle one disadvantage of each economic system. Put a star beside each government policy that changes trade between countries.

Who Makes the Fishing Nets?

1. Imagine three countries that make fishing nets. In Nera, families teach children to knot nets the way their elders did. This traditional system follows customs when deciding what to make and how to work. Experienced knot makers produce nets suited to local waters, but changing designs or filling a huge order can take time. Some Nera families sell nets across the border to Luma. Their small workshops depend on those buyers, so a change in Luma's import rules could reduce their sales.

2. In Luma, companies choose which nets to make after watching what buyers want. In this market system, competition can lead to new designs and faster production. Yet a company that cannot sell enough nets may close, leaving workers without jobs. Luma's government places a tariff, a tax on imported nets, to help local companies compete with Nera's sellers. The tax makes Nera's nets cost more in Luma. Luma's companies may gain customers, while Nera's net makers may lose sales across the border.

3. In Daro, the government directs factories to produce a set number of nets and decides which materials they may buy. This command system can send nets to fishing towns even when private sellers would see little profit there. However, a factory may keep making nets that fishers do not need, because changing the plan takes approval. Daro's government also limits imports of twine from Luma. This policy may protect Daro's twine factories, but it cuts sales for Luma's exporters and limits choices for Daro's net makers.

2 ANSWER WITH EVIDENCE

Use the passage

1. A buyer needs many nets quickly. Which system, Nera's or Luma's, is better suited to respond? Compare it with the other system.

2. How could Daro's command system serve fishing towns that Luma's market system might not? What disadvantage could Daro's plan have?

3. How does Luma's tariff help its companies while hurting Nera's net makers?

4. Compare the trade effects of Luma's tariff and Daro's limit on twine imports. Which country's sellers may lose sales under each policy?

3 YOUR TURN

Your own words

Imagine a fourth country needs fishing nets after a storm. In one paragraph, choose an economic system for making nets, compare one advantage and one disadvantage of your choice with a different system, then propose a trade policy and explain how it would affect a trading partner.

ANSWER KEY

Nets Across Borders

GRADE 7 · 7.C.7.2

PART 1 · READ AND MARK

Underline one advantage and circle one disadvantage of each economic system. Put a star beside each government policy that changes trade between countries. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	A buyer needs many nets quickly. Which system, Nera's or Luma's, is better suited to respond? Compare it with the other system.	**Luma's market system can increase production faster. Nera's traditional workshops may take longer to fill a huge order.**
2	How could Daro's command system serve fishing towns that Luma's market system might not? What disadvantage could Daro's plan have?	**Daro can send nets to towns where sellers would see little profit. Its factories might keep making nets fishers do not need.**
3	How does Luma's tariff help its companies while hurting Nera's net makers?	**The tariff makes imported Nera nets cost more in Luma, so Luma's companies may gain customers while Nera's makers lose sales.**
4	Compare the trade effects of Luma's tariff and Daro's limit on twine imports. Which country's sellers may lose sales under each policy?	**Luma's tariff may reduce sales for Nera's net makers. Daro's import limit cuts sales for Luma's twine exporters.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

After a storm, my country would use a command system to send nets to fishing towns first. Unlike a market system, this could serve towns that cannot pay high prices. However, a government plan might make too many nets of the wrong size, while market companies could adjust to buyers faster. I would allow twine imports without a tariff so factories could get materials quickly. Twine sellers in a neighboring country would gain customers, but local twine makers might face more competition.

Accept comparisons that use the passage's stated advantages, disadvantages, and trade effects. For the open task, accept a reasoned comparison of any two systems and a plausible effect of the proposed policy on a trading partner.