Questions: 1: The Great Depression (Source: Special Topic 7 in the Gwartney Textbook) 300 word minimum Chapter 16 lists six Institutional Elements that lead to Economic Growth. Those Institutional Elements are: A legal system that protects property rights and enforces contracts even-handedly. Competitive Markets Access to Money of Stable Value Avoidance of Regulations that restrain trade and entry into markets Avoidance of High Marginal Tax Rates Trade Openness Explain the policies implemented leading up to and during the Great Depression that violated these Institutional Elements and contributed to the length and severity of the Great Depression. 2: Trade Restrictions (Source: Gwartney Chapter 18-4, 18-5, 18-6, 18-7) 100 word minimum "Trade restrictions will stop foreign imports, which will increase American employment and protect American jobs." Most economists believe that this comment is wrong. Explain why. 3: Balance of Payments (Source: Gwartney Chapter 19-5): no minimum word requirement. A) Because the United States purchases more cars, stereos, and other goods from Japan than Japan purchases from the United States, it is often said that the United States has a "trade deficit" with Japan. Does this mean that the U.S. Balance of Payments is running a deficit? B) How would you more accurately characterize the effect that trade with Japan has on the Balance of Payments?