

## Linear Trade-Model Equilibrium Regions, Productivity, and Conflicting National Interests

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### Abstract:

This paper examines the many equilibria that arise in a family of linear models in which the production parameters vary among models. The equilibria are analyzed as points in a graph. The points constitute a region of the graph with a robust and significant shape. The analysis shows that the classical linear model of international trade contains within it inherent conflict in the interests of trading partners. An analysis of various productivity levels in two trading countries shows that the set of productivity levels best for one country invariably yields poor outcomes for the other. The conflict entails rivalry over the share of the world's industries in which a given country predominates as producer.

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