

# Contents

## I

### Theories of International Trade

- Introduction 1
- 1 Determinants of the Commodity Structure of U.S. Trade 4  
*Robert E. Baldwin*
- 2 International Investment and International Trade in the Product Cycle 27  
*Raymond Vernon*
- 3 Causes of Trade in Primary Products versus Manufactures 40  
*Staffan Burenstam Linder*
- 4 The Theory of Intra-Industry Trade 51  
*Herbert G. Grubel*

## II

### Protectionism versus Trade Liberalization

- Introduction 61
- 5 The Political Economy of Postwar United States Trade Policy 64  
*Robert E. Baldwin*
- \* 6 Foreign Trade and United States Employment 77  
*Murray H. Finley*
- 7 It's a Walkover for Shoe Imports 87  
*George Fecteau and John Mara*

- 8 The Issue of Further Reductions in Barriers to International Trade 94  
*Richard Blackhurst, Nicolas Marian, and Jan Tumlr*
- 9 Imports and Consumer Prices: A Survey Analysis 110  
*William R. Cline*

### III

#### Trade Policy Issues for the 1980s

Introduction 119

- 10 The NIEO Proposals: A Cool Look 123  
*W. M. Corden*
- 11 Adjustment Assistance for Trade-Displaced Workers 158  
*George R. Neumann*
- \* 12 Information and the Multinational Corporation: An Appropriability Theory of Direct Foreign Investment 180  
*Stephen P. Magee*
- 13 Statements on Oil and OPEC 202  
*Murray A. Adelman and Theodore H. Moran*
- 14 Comparative Advantage of United States Agriculture 221  
*D. Gale Johnson*
- 15 The Tokyo Round of Multilateral Trade Negotiations 231  
*Robert E. Baldwin*

### IV

#### Multinational Enterprises

Introduction 263

- 16 Home-Country Policy Toward Multinationals 267  
*C. Fred Bergsten, Thomas Horst, and Theodore H. Moran*
- 17 The Efficiency (Contradictions) of Multinational Corporations 296  
*Stephen Hymer*
- 18 Multinationals Revisited 308  
*Paul Streeten*

## V

## The Performance of Floating Exchange Rates and International Transmission of Macroeconomic Flux

- Introduction 317
- 19 Fixed and Flexible Exchange Rates: A Renewal of the Debate 327  
*Jacques R. Artus and John H. Young*
- 20 An Economist's View of the Foreign Exchange Market: Report on Interviews with West Coast Foreign Exchange Dealers 351  
*John Rutledge*
- 21 Commentary on the Rutledge Paper 357  
*Scott Pardee and Dennis Weatherstone*
- 22 Tests of Forecasting Models and Market Efficiency in the International Money Market 362  
*Richard M. Levich*
- 23 The Monetary Approach to the Balance of Payments 368  
*Michael Mussa*
- 24 The Mundell–Laffer Hypothesis—A New View of the World Economy 374  
*Jude Wanniski*
- 25 International Interdependence and the U.S. Economy 389  
*Marina v. N. Whitman*
- 26 Monetary Policy Under Exchange-Rate Flexibility 408  
*Rudiger Dornbusch*

## VI

## Structural Change in International Financial Relations

- Introduction 425
- 27 Alternative Approaches to International Surveillance of Exchange-Rate Policies 432  
*Thomas D. Willett*
- 28 Reserve Assets and a Substitution Account: Towards a Less Unstable International Monetary System 450  
*Reserve Assets Study Group of the Group of Thirty*

- 29 Operating Principles and Procedures of the European Monetary System 465  
*Jacques van Ypersele de Strihou*
- 30 The American Response to the European Monetary System 477  
*Robert Triffin*
- 31 Exchange Rates, Payments Adjustment, and OPEC: Why Oil Deficits Persist 487  
*Robert M. Dunn, Jr.*
- 32 The Response to Higher Oil Prices: Adjustment and Financing 506  
*Morgan Guaranty Trust Company*
- 33 Some Questions and Brief Answers About the Eurodollar Market 516  
*John R. Karlik*
- 34 The International Money Market: Perspectives and Prognosis 533  
*Gunter Dufey and Ian H. Giddy*

Index 545