

# Contents

Preface ix

Introduction  
Robert C. Feenstra

## **I Cross-Country Analysis: The Heckscher-Ohlin Model and Beyond 1**

Introduction 3

### **1 The Factor Content of Consumption in Canada and the United States: A Two-Country Test of the Heckscher-Ohlin-Vanek Model 5**

Richard A. Brecher and Ehsan U. Choudhri

**Comment 18**

Keith E. Maskus

### **2 The Factor-Price Equalization Model and Industry Labor Productivity: An Empirical Test across Countries 23**

David Dollar, Edward N. Wolff, and William J. Baumol

**Comment 48**

J. David Richardson

### **3 Cross-Section Estimation of the Effects of Trade Barriers 51**

Edward E. Leamer

**Comment 83**

James E. Anderson

**4 Per-Capita Income as a Determinant of Trade 89**

Linda C. Hunter and James R. Markusen

**Comment 110**

Lawrence L. Schembri

**II Industry Studies: Product Variety and Imperfect**

**Competition 115**

Introduction 117

**5 Gains from Trade in Differentiated Products: Japanese**

**Compact Trucks 119**

Robert C. Feenstra

**Comment 137**

Shabtai Donnenfeld

**6 Optimal Trade and Industrial Policies for the US Automobile Industry 141**

Avinash Dixit

**Comment 166**

Jonathan Eaton

**7 Market Access and International Competition: A Simulation Study of 16K Random Access Memories 171**

Richard E. Baldwin and Paul R. Krugman

**Comment 198**

Kala Krishna

**III Dual Methods: Aggregate Technology, Prices, and Trade**

**Flows 203**

Introduction 205

**8 Export Supply and Import Demand Functions: A Production Theory Approach 207**

W. Erwin Diewert and Catherine J. Morrison

**Comment 223**

Earl L. Grinols

**9 International Factor Mobility and the Volume of Trade: An Empirical Study 231**

Kar-yiu Wong

**Comment 251**

Alan D. Woodland

**10 Price and Quality Level Comparisons for US Footwear Imports: An Application of Multilateral Index Numbers 257**

Bee Yan Aw and Mark J. Roberts

**Comment 276**

Elias Dinopoulos

**11 Productivity Growth and Changes in the Terms of Trade in Canada 279**

Alexandra Cas, W. Erwin Diewert, and Lawrence A. Ostensoe

**Comment 295**

Michael Denny

References 299

Contributors 315

Name Index 317

Subject Index 319