

## *Contents*

INTRODUCTION TO THE SERIES	v
PREFACE	vi
INTRODUCTION	viii
LIST OF SYMBOLS	xiii
<b>Part 1. INTERNATIONAL TRADE THEORY</b>	
Chapter 1. WHY DO NATIONS TRADE?	3
The Heckscher-Ohlin school 3	
Staffan Burenstam Linder 12	
The Social Physics school 13	
Conclusions 32	
Chapter 2. HOW DOES TRADE AFFECT THE INTERNATIONAL DISTRIBUTION OF INCOME?	35
The Heckscher-Ohlin school 36	
The Social Physics school 51	
Gunnar Myrdal 70	
Conclusions 76	
<b>Part 2. REGIONAL INCOME DIFFERENCES</b>	
Chapter 3. AN ECONOMIC MODEL IN TIME AND SPACE	81
The analytical framework 81	
The functional relationships 83	
How to run the model 96	
Conclusions 98	
<b>Part 3. UNITED STATES 1880-1950</b>	
Chapter 4. THE METHOD TO BE USED	101
Chapter 5. THE DATA TO BE USED	103
The regions 103	
The regional incomes 105	
The regional capital stocks and the regional rates of return on capital 113	
The regional labour forces and the regional service incomes per labour 113	

	The regional populations 113	The regional levels of education 119	The regional degrees of urbanization 122	The distances between regions and the gross economic population potentials 122
Chapter 6.	"ESTIMATING" THE PARAMETERS			127
	The substitution parameters 127	The distribution parameters 129	The efficiency parameters 129	The parameter $\Gamma$ 130
	The parameters $\zeta$ , $\eta$ and $\vartheta$ 131	The parameter $\Theta$ 139	The parameters $H$ , $\lambda$ and $\mu$ 139	The parameter $\Lambda$ 145
	The parameters $\nu$ , $\pi$ and $\tau$ 145	A new equation with a parameter $\kappa$ 149	The parameter $\Xi$ 153	The parameters $\nu$ , $\varphi$ and $\chi$ 153
	The parameter $\Omega$ 155	The parameters $\psi$ and $\omega$ 156		
Chapter 7.	ALTERNATIVE 1			161
Chapter 8.	ALTERNATIVE 2			169
Chapter 9.	A NUMERICAL EXAMPLE			175
Chapter 10.	CONCLUSIONS			181
Appendices				183
Appendix A.	$\lambda$ -ELASTICITIES			185
Appendix B.	THE COMPUTER PROGRAMS by BJARNE ANDERSSON			189
Appendix C.	SENSITIVITY ANALYSIS ON A HYBRID COMPUTER by BJARNE ANDERSSON and ERLING OLSEN			199
	The simplified model 199	The simplified program 201	Running the model 206	Running a Cobb-Douglas Heckscher-Ohlin model 211
	The film 218			
INDEX				219
SAMMENFATNING PÅ DANSK				223