
Contents

Preface	ix
1. Introduction	1
Robert E. Baldwin	
I. MEASURING TRADE POLICY EFFECTS UNDER IMPERFECTLY COMPETITIVE MARKET CONDITIONS	
2. Empirics of Taxes on Differentiated Products: The Case of Tariffs in the U.S. Automobile Industry	11
James Levinsohn	
<i>Comment: Raymond Riezman</i>	
<i>Comment: James E. Anderson</i>	
3. Industrial Policy and International Competition in Wide-Bodied Jet Aircraft	45
Richard Baldwin and Paul Krugman	
<i>Comment: Richard Harris</i>	
<i>Comment: Catherine L. Mann</i>	
4. Strategic Models, Market Structure, and State Trading: An Application to Agriculture	79
Marie Thursby	
<i>Comment: Kala Krishna</i>	
5. Imperfect Competition, Scale Economies, and Trade Policy in Developing Countries	109
Dani Rodrik	
<i>Comment: Harry P. Bowen</i>	
<i>Comment: Beth V. Yarbrough</i>	

II. MEASURING THE ECONOMIC EFFECTS OF PROTECTION

- 6. Measures of Openness** 147
Edward E. Leamer
Comment: Drusilla K. Brown
- 7. The Effects of Protection on Domestic Output** 205
Robert E. Baldwin and Richard K. Green
Comment: Robert C. Feenstra
Comment: Robert M. Stern
- 8. Trade Restraints, Intermediate Goods, and World Market Conditions** 233
Val Eugene Lambson
Comment: Avinash K. Dixit
Comment: Gene M. Grossman

III. DETERMINING THE RELATIONSHIP BETWEEN FOREIGN DIRECT INVESTMENT AND EXPORTS

- 9. U.S. and Swedish Direct Investment and Exports** 259
Magnus Blomström, Robert E. Lipsey, and Ksenia Kulchycky
Comment: Steven J. Matusz
Comment: John Mutti

IV. ASSESSING U.S. BILATERAL TRADE POLICY DISPUTES

- 10. United States–Japan Economic Relations** 305
Rachel McCulloch
Comment: Robert W. Staiger
Comment: Peter A. Petri
- 11. The Political Economy of Protectionism: Tariffs and Retaliation in the Timber Industry** 339
Joseph P. Kalt
Comment: Arye L. Hillman
- List of Contributors 369
- Author Index 373
- Subject Index 377