

Economics 443  
Seminar in International Trade

Spring 2007  
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This is a seminar in which all students are expected to prepare, present and defend their own research paper, and prepare and critique the papers of their colleagues. Marking will be 75% on the basis of the final paper and 25% on the basis of participation in the critique of others. A final examination is possible if students do not attend class to provide input to their colleagues.

The first three weeks of the course will help the student select a topic from a list provided. Students may suggest their own topics, but these must be approved in advance and in consultation with the instructor. Topics such as extensions of the Ricardian, Heckscher-Ohlin and Specific Factors models will also be developed in class.

Textbook: There is not text for this course except that each student is expected to have the textbook they used for 342. However, it is entirely for your own reference.

*A Few Examples of Topics*

Is there a preference within Canada for Canadian goods? Do Canadians trade more among themselves (among provinces) than with other countries?

Examine one model of international trade and test its predictions. For example, look at the Heckscher-Ohlin model, the specific factors model or the Ricardian model and ask how well they predict the observed pattern of trade.

Replicate Leontief's "paradox. Is it still a paradox?

What are the effects of different impediments to trade: tariffs, quotas, health regulations, domestic content requirements, etc?

What explains the pattern of tariffs and other trade restrictions in Canada (or any other country)?

What explains the average level of tariffs in Canada (or any other country) over time?

What is the cost of protection (in a particular country)?

Do multilateral trade agreements lower impediments to trade more than bilateral agreements?

Are trade deficits "bad"?

Does international trade stimulate economic growth?

How does anti-dumping impede trade?

What is the effect of NAFTA?

A credibility check: What has been the effect of the FTA and/or the NAFTA on Canada? Compare and contrast the predictions made before the FTA with what has actually transpired.

Did the FTA/NAFTA have an effect on: the pattern of wages, the flows of trade between Canada, the US and Mexico, the expansion or contraction of particular industries? What was the effect of the lumber dispute on the industry in Canada or the consumer in the US?

Compile a set of migration statistics among a group of countries. How well does simple theory characterize the patterns you observe?

Construct a world migration index. Is it consistent with increasing factor price equalization?

Explain the inflow of immigrants to Canada.

Do immigrants improve local income? What are the economic arguments for and against immigration? Evaluate some of them.

Within Canada, explain the flow of people among the provinces.

How long does it take immigrants to become full economic participants in the domestic economy?

How do immigrants from different countries reach income levels indistinguishable from domestic residents?

Explain the number of tourism visits to Canada or to another country of interest.

Explain the number of tourism visits to Canada or to another country of interest. Explain the value of tourist expenditures to Canada or from Canada to another country or countries.

Asia has become an important source of tourism to Canada. What accounts for the growth?

We often observe countries developing spectacles to encourage tourism and trade. How successful are these? Take Expo67 or Expo86 as examples and see whether they made a difference to tourism flows to Canada.

Is tourism a complement or a substitute for international trade?

How does foreign investment affect domestic income?

What explains the pattern of direct foreign investment to Canada?

If we want to explain the flows of direct foreign investment, are countries that are more economically or politically free on average more likely to be recipients of such investment?

When Britain invested abroad in the late 19th and early 20th century, did it cause a slowdown in British growth?

How have automobile restraints affected the price of automobiles in Canada?

What was the effect of the transfer by France to Germany of 5 billion francs in the period 1870-1873?

What was the effect of the transfer after World War I on the incomes of the Allies and Germany?

What were the consequences of the Auto Pact?

What are the consequences of the Multi Fiber Arrangement for both high income countries and low income countries?

What are the consequences of agricultural subsidies in the US and the EU?

Do trade restrictions improve environmental standards?

Do countries that trade more internationally grow faster than those that trade less?

Russia traded with Germany right up to the German invasion. Historians have criticized this trade as having significantly aided the German war effort. Are they right?

How does technical change influence the pattern of factor rewards?

What does politics have to do with international trade? How well does the political cycle influence trade policy?

Since 1989, how well has East and West Germany integrated?

Suppose Korea is reunited under a democratic regime. How long will reintegration take?

What economic effects do international economic sanctions have upon countries? Draw from any situation you know and analyze the impact on both the proposer of sanctions and/or the recipient of sanctions. [Think of South Africa, Iran, Iraq, or any others.]

What is the effect of the common agricultural policy on trade in European Community agricultural goods? Discuss the effects on domestic prices and factor incomes.

What is the effect of Canadian wheat or milk board policy on trade in agricultural products? Discuss the effects on domestic prices and factor incomes.

How important was the Marshall Plan in stimulating growth in Germany after World War II?

Do financial flows follow trade flows. Is the international financial contagion that we saw in the decline of the Thai baht and the subsequent exchange rate depreciations of the Malaysian, Indonesian, Japanese,.... currencies related by the volume of trade among trading partners?