

## Index

- Aggregation of commodities, 60  
effect of error, 202  
Aluminum oxide, 88, 103
- Balassa, B., 35  
Baldwin, R., 49, 50, 54, 56, 91  
Bayesian analysis of regression estimates, 171  
example, 150  
theory, 136  
Belsley, D., 122  
Beta coefficients, 152  
table of, 173  
Biased estimation, 138  
Blattberg, R., 122  
Bowen, H., 50, 59, 220  
Branson, W., 50, 58  
Brecher, R., 51, 53  
Brock, W., 207
- Capital  
definition of, 41  
effect on trade, 174, 200  
measurement problems, 112, 220  
rate of accumulation, 106  
Carruth, A., 218  
Chamberlain, G., 139  
Chang, W., 209  
Chenery, H., 31, 49, 50, 58, 59  
Chilean nitrate, 88, 102  
Chipman, J., 16, 208  
Choudri, E., 51, 53  
Clusters of commodities, 61  
explanations of, 78  
Cones of diversification, 6  
Consumption  
composition of, 40  
share, 8, 15  
vector, 8  
Cost minimization, first order condition, 215
- Deardorff, A., 46, 191, 336, 337  
Deletion of observations  
in data analysis, 165  
example, 124  
theory, 123  
Diagnostics, errors in variables, 131  
in data analysis, 169  
Dimensionality of model, 12  
Disaggregation, effect of, 73  
Earnings of factors, 145
- Economies of scale, 35  
effect on GNP equation, 104  
measure of, 72  
and nonlinearities, 156  
suggested by data, 106  
Ellipse  
prior, 138  
sum of squares, 138  
Endowment vector, 5, 8  
Entrepot trade, accounting, 214  
Errors in variables. *See also* Measurement errors  
bound, 129  
Ethier, W., 42, 44, 336, 337  
Even model, 13  
Exhaustible resources, 38
- Factor  
abundance definition, 7, 15, 190  
endowment similarity condition, 6, 18  
excess supply vector, 9  
input intensities, 7  
intensity matrix, 7  
mobility, 22  
reallocation effects, 189  
reward vector, 9  
Factor intensity reversals, 5, 13, 19  
and nonlinearities, 167  
Factor market  
adjustment costs, 31  
distortions, 28  
equilibrium conditions, 215  
Factor price equalization  
theorem, 3, 23  
Factors embodied in net exports, 15  
Factors used in data analysis, 90  
Fareed, A., 54
- Gilstein, C., 122  
GNP equations, discussion of, 179  
Gonedes, N., 122  
Gross errors of measurement, 118  
Grubel, H., 35  
Gruber, W., 37  
Guest worker programs, 22
- Harkness, J., 50, 57  
Harvey, A., 122  
Heckscher-Ohlin theorem, 13, 19  
and capital concept, 43  
Heckscher-Ohlin-Vanek equations, 15  
Heller, P., 54  
Helpman, E., 35, 36, 336  
Heston, A., 234

- Heteroscedasticity  
estimated adjustment factors, 162  
theory, 118
- Hickian composite good, 43
- Hilton, S., 56, 337
- Hoerl, R., 338
- Huber, P., 122
- Hufbauer, G., 37, 49, 58, 71
- Human capital. *See* Knowledge capital
- Ichimura, S., 54
- Information contract curve, 139
- Intermediate inputs, 33
- International Standard Classification of Occupations, 92
- Intraindustry trade, 35
- James, W., 338
- Jeanneret, T., 337
- Johnson, H., 218
- Jones, R., 10, 215, 218, 336
- Judge, G., 338
- Junz, H., 58
- Keesing, D., 33, 37, 54, 58, 91
- Kemp, M., 42, 44
- Kendrick, J., 112, 232
- Kennard, R., 338
- Klepper, S., 117, 130
- Knowledge capital  
effect on trade, 174  
measurement of, 90, 108, 234
- Koppen, G., 234
- Kravis, I., 35, 234
- Krueger, A., 157
- Kuh, E., 122
- Kyle, J., 57
- Labor force, definition, 109
- Labor market distortions, 217
- Ladder  
of commodities, 86  
of development, 88, 96
- Leamer, E., 31, 49, 50, 56, 59, 117, 122, 123, 131, 134, 136, 139, 143, 144, 153, 154, 191
- Leonard, H., 135, 144
- Leontief, W., 49, 50
- Leontief paradox, 24, 50, 56
- Lerner, A., 4
- Lerner diagram, 4
- Linearity  
net exports, 1  
output, 8
- Lloyd, P., 35
- Lowinger, T., 58
- Magee, S., 207, 218
- Magnification result, 10
- Markusen, J., 35
- Maskus, K., 54, 58
- Mayer, W., 31
- Measurement errors  
econometric treatment, 127  
effect on data analysis, 162  
example, 132
- Mehta, D., 37, 91
- Melvin, J., 35
- Metcalfe, J., 337
- Mieszkowski, P., 218
- Migration of factors, 7
- Minerals  
prices and values, 91  
units, 236
- Monoyios, N., 50, 58
- Mussa, M., 31
- Neary, P., 218, 219, 336
- Net export data  
accounting systems, 240  
boxplots, 88, 89  
correlation matrix, 85, 86  
correlation with resource data, 114  
dependence profiles, 95, 277ff  
shares, 85  
sources, 236
- Net exports  
factors embodied in, 15  
vector of, 8
- Nonlinearities. *See also* Linearity  
as alternative hypothesis, 155  
econometric methods, 118  
evidence for, 180  
and extreme observations, 167  
in GNP equation, 104  
Nonnormal errors, 120  
Nontraded goods, 23  
and consumption shares, 210  
effect on prior, 147  
Norm, 66
- Oswald, A., 218
- Output vector, 8
- Pooled estimates, theory of, 142
- Population characteristics, table of, 110-111
- Posner, M., 37

- Preference dissimilarity, 39
- Price vector, 8
- Prior covariance matrix, 143
- Prior information, use in estimation  
example, 150  
theory, 136
- Prior moments  
GNP equation, 144  
net export equations, 146
- Product cycle, 37
- Public resources, 33
- Quebracho, extract of, 88, 103
- Reciprocity relations, 11  
use in inferring tariff effects, 208
- Regression  
Bayesian, 136  
direct, 129  
reverse, 129
- Resource abundance ratio, 103
- Resource data  
abundance profiles, 103, 277ff  
boxplots, 93  
correlations with net export data, 114  
definitions of variables, 90
- Ricardian model, 17, 36
- Roskamp, K., 54
- Ruffin, R., 22
- Rybczynski coefficients, 159
- Rybczynski theorem, 10, 16  
and capital concept, 43  
in the two-by-two model, 217
- Scatter diagrams, 244ff
- Sherk, D., 33
- Short run models, 31
- Similarity condition, 6
- SITC classification, 60  
changes of, 237  
three digit, 73
- Sodium nitrate, 88, 102
- Specialization of production, 19  
and nonlinearities, 156, 167
- Specialized factors, 32
- Steedman, I., 337
- Stein, C., 338
- Stern, R., 46, 54, 58
- Stolper-Samuelson theorem, 11, 16  
and capital concept, 43
- Student distribution, 121
- Summers, R., 234
- Sveikauskas, L., 50
- Syrquin, M., 50, 58
- Tariffs, 24  
estimated effects on income distribution, 207
- Tatemoto, M., 54
- Taylor, L., 31, 59
- Technological differences, 36
- Technological gap, 37
- Trade data. *See* Net export data
- Trade imbalance, 104
- Transportation costs, 18, 24
- Travis, W., 24, 28
- Trewartha, G., 234
- Two-by-two model, algebra, 215  
*t*-values, interpretation of, 153
- Uneven model  
more factors than goods, 18  
more goods than factors, 16
- Unions, 28, 218
- Unit isocost lines, definition of, 4
- Unit value isoquant  
choice of input intensities, 7  
definition of, 3
- Vanek, Y., 15, 54
- Vernon, R., 37, 91
- Wages, table of, 12, 29
- Weiser, L., 54
- Welsch, R., 122
- Woodland, A., 337
- Zero profit conditions, 215