

THE UNIVERSITY OF MICHIGAN
Gerald R. Ford School of Public Policy
 and
Department of Economics

PubPol/Econ 541
INTERNATIONAL TRADE POLICY

SYLLABUS
Fall 2019, Alan Deardorff

Text	Podcasts	Questions	Requirements	Schedule	Inclusivity	Expectations	Accommodations	Contacts	Readings
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PURPOSE: The aim of this course is to teach you a lot about the economics -- and a little about the institutions -- of international trade and trade policy. The course is companion to SPP/Econ 542, International Finance Policy, which deals with international macroeconomic topics such as the balance of trade and balance of payments, determination of exchange rates, and international macroeconomic policies. Each course will also include the bare essentials of the other course so that if you take only one of them, you won't be lost in the world economy.

The course is mainly about trade policy. You will learn what trade policies are, how they are used by the United States and other countries, and how their use is restricted by international agreements. More importantly you will learn how to use economic modeling to understand the effects of trade policies and to quantify these effects. Along the way you will also learn about the institutions of the world economy, especially those that have to do with trade. And you will learn a little bit about the economic theories of why nations trade, and why they gain from trade.

Prerequisite: PubPol/Econ 555 or equivalent course in intermediate microeconomics

Organization: The course meets twice a week, Tuesdays and Thursdays, 8:30-10:00 AM, in room 1210 Weill.

TEXTS

The textbooks for the course are

Krugman, Paul R., Maurice Obstfeld, and Marc Melitz ("KOM" below), **one** of the following as explained below:

International Economics: Theory and Policy, 9th edition, Addison Wesley, 2012, isbn-13

#978-0-13-801896-2

International Economics: Theory and Policy, 10th edition, Pearson, 2015, isbn-13

#978-0-13-801896-2

International Trade: Theory and Policy, 10th edition, Pearson, 2015, isbn-13

#978-0-13-342367-9

Jackson, John H., *The World Trading System: Law and Policy of International Economic Relations*, Second Edition, MIT Press, 1997, isbn #0-262-60027-7.

NOTE on the Krugman, Obstfeld, Melitz text:

The most recent edition, the 10th, came out in 2015. Unlike previous editions, this is in three forms: one that combines international trade and finance like previous editions (which I ordered for you, but the publisher did not send me); a second that covers only trade (that they did), and a

third that covers only international finance. If you intend to buy this new edition, you might want to choose based on whether you plan to take PubPol 542, International Financial Policy, at some point, since it will likely use the same book and you'll save money by buying the combined text rather than the two separate ones. However, 542 is not being offered this year. Alternatively, you might want to buy a used copy of the 9th edition from 2012, or even an earlier one. Coverage should be roughly comparable.

I provide chapter and page numbers for the trade-only version of the 10th edition and for the 9th edition. If you have the combined 10th edition, I suspect that the chapters and page numbers will be very similar to the 9th edition.

NOTE on the Jackson text:

The Jackson text is now out of print, so I will scan the assigned portions and make them available on Canvas. However, you may want to look for used copies of the book online, since that may be more convenient for reading.

There will also be a number of additional readings that are required. All are available under Files/Resources /Readings on Canvas. Most of the readings are also available free to the public on the web, through links included on this syllabus. A few readings are available through subscription sites, including ones subscribed to by U of M (e.g., JSTOR, Proquest). And a few are available only on Canvas.

Because of the speed with which issues evolve, readings selected in advance can never cover all of the latest developments. We will therefore spend some time each week discussing recent news related to trade and trade policy. You should follow current issues of international trade policy by reading daily periodicals such as the *Wall Street Journal*, *New York Times*, or *Financial Times* or weekly publications such as *Business Week*, or *The Economist*. Student subscriptions to these publications are available at reduced prices. I also post links to relevant news items on my personal website. We will devote some time each week to discussing the news.



PODCASTS

In the last year, the [Peterson Institute for International Economics](#) has provided weekly podcasts, *Trade Talks*, most of them featuring Soumaya Keynes of *The Economist* and PIIE scholar Chad Bown, discussing topics of international trade policy. I have included links to a number of them at appropriate points in the syllabus marked **Optional**. I have not listened to all of them myself yet, but I've heard enough to know that they are valuable, if you can take the time to listen to them.

QUESTIONS ON READINGS

For each topic I will provide a link to a page or more of questions on the readings that I will post to Canvas. These questions have several purposes:

- To assist your studying the material. I suggest that, when you finish reading and making notes on an assigned reading, you immediately see if you can answer these questions. If not, go back and look for the answers while the reading is fresh in your mind.
- To provide the basis for in-class discussion. I will ask a few of these questions during class discussion, and by preparing beforehand you'll be able to participate.
- To give you a glimpse of a small part of what will appear on exams. In addition to asking you to understand and use the economic tools in the course, exams will also include a few more qualitative questions and some of these will be drawn from these posted questions.

REQUIREMENTS

Requirements for the course consist of a series of problem sets that will *not* be graded, three short papers that will be handed in during the term and graded, and two exams. The weights on each of these requirements, as well as class participation, in determining your grade will be as follows:

Problem Sets	0%
Class participation	10%
Papers	30%
Exam #1	30%
Exam #2	30%

SCHEDULE

Paper #1	Tuesday, October 8	8:30 AM
Exam #1	Thursday, October 31	in class
Paper #2	Tuesday, November 19	8:30 AM
Paper #3	Tuesday, December 10	8:30 AM
Exam #2: Thursday, Dec 19		10:30 AM - 12:30 PM

Note: Final is next-to-last day of exams. Be sure you are here.

WRITING ASSISTANCE

Your papers will be graded on both content and presentation, which means you should take full advantage of the Ford School resources for helping you with your writing. See <http://fordschool.umich.edu/writing-center/> for more information, including links to the websites for signing up for advising appointments.

FORD SCHOOL OF PUBLIC POLICY INCLUSIVITY STATEMENT

Members of the Ford School community represent a rich variety of backgrounds and perspectives. We are committed to providing an atmosphere for learning that respects diversity. While working together to build this community we ask all members to:

- share their unique experiences, values and beliefs
- be open to the views of others
- honor the uniqueness of their colleagues
- appreciate the opportunity that we have to learn from each other in this community
- value one another's opinions and communicate in a respectful manner
- keep confidential discussions that the community has of a personal (or professional) nature
- use this opportunity together to discuss ways in which we can create an inclusive environment in Ford classes and across the UM community

Accommodations for Students with Disabilities: If you believe you need an accommodation for a disability, please let your instructor know at your earliest convenience. Some aspects of courses may be modified to facilitate your participation and progress. As soon as you make your instructor aware of your needs, they can work with the Services for Students with Disabilities (SSD) office to help determine appropriate academic accommodations. Any information you provide will be treated as private and confidential.

Student Mental Health and Well-Being Resources: The University of Michigan is committed to advancing the mental health and wellbeing of its students. We acknowledge that a variety of issues, such as strained relationships, increased anxiety, alcohol/drug problems, and depression, directly impacts students' academic performance. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, contact [Counseling and Psychological Services \(CAPS\)](#) and/or [University Health Service \(UHS\)](#). For a listing of other mental health resources available on and off campus, visit:

<http://umich.edu/~mhealth/>.

EXPECTATIONS AND ACCOMMODATIONS

Please see <http://fordschool.umich.edu/academics/expectations> for the Ford School's policies regarding the following, all of which will be followed in this course:

- Academic integrity
- Accommodations for students with disability
- Student mental health and wellbeing
- Inclusivity
- Attendance and assignments

Regarding technology in the classroom, you are welcome to use laptop computers and handheld devices during class for legitimate class-related purposes, such as looking up current news and other information relevant to class discussion.

WHERE AND WHEN TO FIND ME

Alan Deardorff:

Office: Weill Hall, Room 3314

Phone: 764-6817

Office Hours: Mondays and Thursdays 10-11 AM

E-mail: alandear@umich.edu

Feel free to e-mail me with questions or to request a meeting outside of my office hours. Also, if my door is open, ask if I have time to meet with you and I probably will.

Course Home Page:

<http://www-personal.umich.edu/~alandear/courses/541/541.html>

COURSE OUTLINE AND READING LIST

NOTES:	<p>1. Click title for citation; click <u>Online</u> for item if on the web; for the items not on the web, see <u>Canvas</u>.</p> <p>2. Copies of all readings other than from the KOM textbook are also available in <u>Canvas</u>.</p> <p>3. All readings are required unless marked "optional," but a few are marked with a tilde, ~, representing views that are not necessarily justified by economic analysis. They contain useful factual information, but I disagree with some of their interpretations, and they are here so that you will be aware of a range of views.</p>
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0. Introduction to the Course (Sep 3)

No readings for today. For all subsequent classes, you should read everything assigned **before** the class meets.

I've listed the numbers of pages for each reading and for each topic, so plan accordingly.

Optional:

Kudlow, "Don't blame Trump' for trade fights" [YouTube](#) (2:14)

Oliver, "Trade" [YouTube](#) (21:13)

I. Overview of the International Economy

A.1. The State of Play in International Trade and Trade Policy (Sep 5) [81p] [Questions](#)

KOM, Chs. 1, 2 (any edition) [21 pp]

WTO:

Porter, "[Trump's Trade Endgame Could Be the Undoing of Global Rules](#)" | [Canvas](#). [5 pp]

Schlesinger, "[How China Swallowed the WTO](#)" | [Canvas](#). [12 pp]

Swanson, "[Trump Presses World Trade Organization](#)" | [Canvas](#). [12 pp]

FTAS AND OTHER TRADE AGREEMENTS:

Londoño and Rich, "[U.S. Allies Sign Sweeping Trade Deal in Challenge to Trump](#)" | [Canvas](#). [7 pp]

Lewis et al., "[Japan and EU sign trade deal in move against protectionism](#)" | [Canvas](#). [3p]

Tankersley, "[Trump Signs Revised Korean Trade Deal](#)" | [Canvas](#). [3p]

Otto & Watts, "[At Summit, China Finds Multiplayer Trade Deals Don't Come Easy](#)" | [Canvas](#). [3p]

Munshi et al., "[High hopes as Pan-African free trade deal comes into force](#)" | [Canvas](#). [7 pp]

Webber and Politi, "[Mexico ratifies Nafta's replacement, the USMCA](#)" | [Canvas](#). [3p]

Economist, "[A new trade deal has FOMO as its secret sauce](#)" | [Canvas](#). [2p]

Mauldin, "[U.S., Japan Edge Closer to Limited Trade Pact](#)" | [Canvas](#). [3 pp]

Read Eventually: [18p]

Peker, "[EU Pursues Trade Talks with Australia in Wake of U.S. Tariffs](#)" | [Canvas](#). [2 pp]

Song et al., "[South Korea agrees deal with UK for post-Brexit trade](#)" | [Canvas](#). [3p]

Brunsdén, "[EU-Canada trade deal is legal, says Europe's top court](#)" | [Canvas](#). [2p]

Harris et al., "[Environmental criticism mounts over EU-South America trade deal](#)" | [Canvas](#). [4p]

Schreuer, "[E.U. Signs Trade Deal With Vietnam](#)" | [Canvas](#). [4p]

Beattie, "[How realistic is a sectoral trade deal between US and UK?](#)" | [Canvas](#). [3 pp]

A.2. The State of Play in International Trade and Trade Policy, continued (Sep 10) [98p] Questions

Brexit:

Wheeler et al., "[Brexit: All you need to know about the UK leaving the EU](#)" | [Canvas](#) [6 pp]

Economist, "[The dangerous delusion of no-deal BREXIT](#)" | [Canvas](#) [5 pp]

Pop, "[Doubts Rise Over Europe's Readiness for a No-Deal Brexit](#)" | [Canvas](#) [5p]

Optional:

Trade Talks, "[Brexit Two Years On](#)" | [Podcast](#) [23:27 minutes]

Trade Talks, "[Brexit, British Politics, and European Parliamentary Elections](#)" | [Podcast](#) [23:12 minutes]

TRADE WARS:

Bown & Kolb, "[Trade War Timeline](#)" | [Online](#). [14 pp]

Safeguards:

Schlesinger & Ailworth, "[U.S. Imposes New Tariffs, Ramping Up 'America First' Trade Policy](#)" | [Canvas](#). [4 pp]

Optional:

Trade Talks, "[Tariff Time! Washing Machines and Dirty Trade Policy](#)" | [Podcast](#) [21:31 minutes]

National Security:

Swanson, "[White House to Impose Metal Tariffs on E.U., Canada and Mexico](#)" | [Canvas](#). [6p]

Economist, "[Double-edged American steel tariffs cut both ways for domestic producers](#)" | [Canvas](#). [2p]

Johnson & Restuccia, "[Trump administration withholds report justifying 'shock' auto tariffs](#)" | [Online](#). [4p]

Swanson & Rappeport, "[White House Reassesses Auto Tariffs as It Focuses on China Fight](#)" | [Canvas](#). [4p]

Optional:

Trade Talks, "The Trump Administration Views Trade as National Security Threat" | [Podcast](#) [35:32 minutes]

Trade Talks, "Steel and Aluminum Tariffs: Trump versus Everyone" | [Podcast](#) [19:22 minutes]

Trade Talks, "Trump Shifts His National Security Threats (Again)" | [Podcast](#) [21:58 minutes]

Intellectual Property:

Trump, "[Addressing China's Laws, Policies, Practices, and Actions](#)" | [Online](#). [1 pp]

Barfield, "[The president's China intellectual property order: Nothingburger or historic document?](#)" | [Online](#). [3 pp]

Branstetter, "[China's Forced Technology Transfer Problem -- And What to Do About It](#)" | [Online](#). [10 pp]

Optional:

Trade Talks, "Trade and Investment Talks: China Wants America's Technology" | [Podcast](#) [17:35 minutes]

China Tariffs:

Tankersley & Bradsher, "[Trump Hits China With Tariffs on \\$200 Billion in Goods, Escalating Trade War](#)" | [Canvas](#). [3p]

Paletta & Long, "[Trump delays some China tariffs to limit impact on holiday shopping](#)" | [Canvas](#). [5p]

Optional:

Trade Talks, "Trump's Next China Tariffs and Fears in the Global Economy" | [Podcast](#) [21:25 minutes]

Mexico Migration Tariffs:

Paletta et al., "[Trump says U.S. to impose 5 percent tariff on all Mexican imports](#)" | [Canvas](#). [5p]

Thiessen, "[Don't downplay Trump's role in the U.S.-Mexico immigration deal. His strategy worked](#)" | [Canvas](#). [2p]

Optional:

Trade Talks, "The Migration Crisis Behind Trump's Mexico Tariff Threat" | [Podcast](#) [23:28 minutes]

Trade Talks, "Trump-Mexico Trade War Cheat Sheet" | [Podcast](#) [19:20 minutes]

OTHER DISPUTES AND ACTIONS:

Peker & MacDonald, "[Europe Restricts Steel Imports to Counter U.S. Trade Policies](#)," | [Canvas](#). [4p]

Findlay, "[India raises US tariffs after losing preferential trade access](#)" | [Canvas](#). [2p]

Pfeifer, "[Fears rise of escalation in US and EU trade dispute](#)" | [Canvas](#). [5p]

Politi, "[Donald Trump threatens France over digital transaction tax](#)" | [Canvas](#). [2p]

Kim & Yoon, "[When Hello Kitty Is the Enemy: South Korea Takes a Trade Dispute to Heart](#)" | [Canvas](#). [4p]

Stacey & Samson, "[US gives China's Huawei another 90-day reprieve](#)" | [Canvas](#). [2p]

Optional:

Trade Talks, "Japan and South Korea: Old Wounds, New Trade Fight" | [Podcast](#) [19:56 minutes]

Trade Talks, "Fighting over Which Poor Countries Are Special" | [Podcast](#) [22:30 minutes]

Read Eventually: [66p]

Edmondson & Rappeport, "Trump's Tariffs on Canadian Newspaper Are Overturned," | [Canvas](#). [2p]

- Kazmin, "India curbs imports to cut current account deficit and bolster rupee," | [Canvas](#). [2p]
 Bokhari & Stacey, "Pakistan to raise import duties to head off currency crisis," | [Canvas](#). [2p]
 Vogt et al., "Companies Split on U.S. Exit From Postal Pact Benefiting China," | [Canvas](#). [3p]
 Mount, "Trump tariffs leave a bitter taste for Spain's olive producers," | [Canvas](#). [2p]
 Harding & Harris, "Japan prepares WTO subsidy case against South Korea," | [Canvas](#). [2p]
 Parkin, "India's tea growers scalded as US sanctions hit Iran," | [Canvas](#). [4p]
 Lockett, "[China launches anti-dumping probe targeting Australian barley.](#)" | [Canvas](#). [1p]
 Hancock & Wang, "[China crackdown on overseas personal shoppers boosts ecommerce.](#)" | [Canvas](#). [4p]
 Le Corre, "[EU moves to protect interests against predatory China.](#)" | [Canvas](#). [3p]
 Whelan & Elliott, "[Mexico Reduces U.S. Gasoline Imports.](#)" | [Canvas](#). [4p]
 Lane, "[Can a bitter policy argument be settled by the real world? For once, yes.](#)" | [Canvas](#). [4p]
 Will, "[This 99-year-old federal law is stifling jobs and shifting higher costs to consumers.](#)" | [Canvas](#). [3p]
 Myers, "[China's Voracious Appetite for Timber Stokes Fury in Russia and Beyond](#)" | [Canvas](#). [5p]
 McNish, "[Chinese Dispute Strikes Canada's Canola Farmers](#)" | [Canvas](#). [4p]
 Economist, "[The EU tries to strong-arm Switzerland into a new trade deal](#)" | [Canvas](#). [2p]
 Swanson et al., "[Trump Administration Considered Tariffs on Australia](#)" | [Canvas](#). [2p]
 Brunsten, "[EU and US broker beef import deal that promises to end dispute](#)" | [Canvas](#). [2p]
 Rocco, "[China suspends some Canadian pork imports over banned additive](#)" | [Canvas](#). [1p]
 Webber, "[US announces anti-subsidy duties on steel from Mexico and China](#)" | [Canvas](#). [2p]
 Weinland, "[WTO rules against US in tariff dispute with China](#)" | [Canvas](#). [2p]
 Whoriskey, "[U.S. weighs plan to block cocoa imports produced with child labor. Ivory Coast calls ban unfair](#)" | [Canvas](#). [4p]
 Smyth & Kazmin, "[India faces WTO investigation over sugar subsidies](#)" | [Canvas](#). [3p]
 Webber, "[US and Mexico resolve tomato trade spat](#)" | [Canvas](#). [3p]

B. Tariffs and Quotas (Sep 12, 17) [26 pp] Questions

KOM: [12 pp]

9th Ed.: Ch. 9, pp. 192-202, 205-207

10th Ed. (trade only): Ch. 9, pp. 206-217, 220-224

Deardorff, "[Nontariff Barriers and Domestic Regulation](#)", pp. 1-12 | [Online](#) [12 pp]

Lahart, "[The Imperfect Science of How Much Tariffs Will Hurt](#)". | [Canvas](#) [2 pp]

Optional:

Touillon-Ricci, "[A 4,000-year old tale of trade and contraband](#)" (7:54) (Tariffs are not new!)

C. Exchange Rates (Sep 19) [26 pp] Questions

KOM, 9th Ed. Ch 14, pp. 320-328 [10 pp] [Canvas](#) (for those who bought the trade-only text)

Economist, "[The Big Mac Index](#)" | [Canvas](#). [3p]

Taplin, "[Why Beijing Won't Just Let the Yuan Go](#)" | [Canvas](#). [3p]

Fick, "[Nigeria adopts unorthodox measures to defend the naira](#)" | [Canvas](#). [3p]

Blackstone, "[The Losing Battle Against the World's Most Powerful Currency](#)" | [Canvas](#). [4p]

Economist, "[What comes after Bretton Woods II?](#)" | [Canvas](#). [3p]

Optional:

Trade Talks, "Is China a Currency Manipulator?" | [Podcast](#) [22:33 minutes]

D. International Transactions and the Trade Balance (Sep 24) [75 pp] Questions

KOM, 9th Ed. Ch 13 [23 pp] [Canvas](#) (for those who bought the trade-only text)

Hansen, "[International Transactions](#)" | [Online](#) [13 pp]

Obstfeld, "[Targeting specific trade deficits is a game of whack-a-mole](#)" | [Canvas](#) [2 pp]

~Scott, "[U.S.-Korea trade deal resulted in growing trade deficits and more than 95,000 lost U.S. jobs](#)" | [Online](#) [3 pp]

~Buffett, "[America's Growing Trade Deficit Is Selling the Nation Out From Under Us](#)" | [Online](#) [5 pp]

WTO, "[Highlights of world trade,](#)" and "[World trade developments](#)" | [Canvas](#). [21 pp]

Optional:

Trade Talks, "What's Wrong with Germany's Trade Surplus" | [Podcast](#) [31:46 minutes]

E. Policies and Institutions: International (Sep 26 - Oct 1) [94 pp] Questions

KOM: [11 pp]

9th Ed.: Ch. 10, pp. 234-244

10th Ed. (trade only): Ch. 10, pp. 252-262

Jackson, Ch. 1 pp. 1-11 [Canvas](#) [11 pp]

Jackson, Ch. 2 [Canvas](#) [48 pp]

WTO, "[Ministerial ends with decisions on fish subsidies, e-commerce duties; ongoing work continues](#)" | [Online](#) [2 pp]

Rodrik, "[The WTO has become dysfunctional](#)" | [Canvas](#) [3 pp]

Swanson & Ewing, "[Trump's National Security Claim for Tariffs Sets Off Crisis at W.T.O.](#)" | [Canvas](#) [7 pp]

Economist, "[How to Rescue the WTO](#)" | [Canvas](#). [12 pp]

Optional:

Trade Talks, "WTO S.O.S. -- Save our System" | [Podcast](#) [17:36 minutes]

Trade Talks, "America May Be Doing Away with WTO Dispute Settlement" | [Podcast](#) [31:50 minutes]

F. Policies and Institutions: National, United States (Oct 3) [33p] Questions

Jackson, Ch. 3, pp. 79-100 [Canvas](#) [21 pp]

Verrill, "[An Introduction To Trade Remedies Available Under U.S. Law](#)" | [Canvas](#). [3p]

USTR, "[2019 Trade Policy Agenda](#)" | [Canvas](#). [3p]

~Public Citizen, "[Fast Track: An Undemocratic Path to Unfair 'Trade'](#)" | [Online](#) [1 pp]

Kabel, "[What's the Hold-Up? In the U.S., Fast-Track Presidential Authority Needed.](#)" | [Online](#) [1 pp]

Fefer et al., "[Section 232 Investigations: Overview and Issues for Congress.](#)" | [Canvas](#) [1 pp]

Ackerman, "[White House, In Shift, Pushes to Revive U.S. Export-Import Bank](#)" | [Canvas](#). [3 pp]

G. Policies and Institutions: National, Other (Oct 8) [28 pp] Questions

European Union:

Jackson, Ch. 3, pp. 100-104 [Canvas](#) [5 pp]

EC, "[The EU In Brief](#)" | [Online](#) [2 pp]

EC DG-Trade, "[Policy Making](#)" | [Online](#) [2 pp]

EC DG-Trade, "[Anti-dumping](#)" | [Online](#) [2 pp]

Charlemagne, "[The Trade War Within](#)" | [Online-Proquest](#) [3 pp]

Japan:

Jackson, Ch. 3, pp. 104-105 [Canvas](#) [1 p]

METI, "[Trade Control](#)" | [Online](#) [1 pp]

WTO, "[Trade Policy Review: Japan](#)" | [Online](#) [3 pp]

China:

MOFCOM, "[Mission](#)" of the Ministry of Commerce, People's Republic of China | [Canvas](#). [3 pp]

WTO, "[Trade Policy Review: China](#)" | [Online](#) [6 pp]

Optional:

Xinhua, "The Facts and China's Position on China-US Trade Friction" | [Canvas](#)

II. Trade Barriers

A. Non-tariff Barriers (Oct 10) [44 pp] [Questions](#)

KOM: [8 pp]

9th Ed.: Ch. 9, pp. 202-205, 208-211, 215-218

10th Ed. (trade only): Ch. 9, pp. 217-220, 224-227, 232-235

Jackson, Ch. 5, pp. 153-156 [Canvas](#) [3 pp]

Deardorff, "[Nontariff Barriers and Domestic Regulation](#)", pp. 12-16 | [Online](#) [5 pp]

Feenstra, "[How Costly Is Protectionism?](#)" | [Online-JSTOR](#) [20 pp]

Beattie, "[Mind your TRQs: a Brexit lesson in global trade](#)" | [Canvas](#). [4 pp]

Economist, "[Buying local is more expensive than it looks](#)" | [Canvas](#). [4 pp]

Optional:

Trade Talks, "Are Trump's Steel Quotas Worse than His Steel Tariffs?" | [Podcast](#) [20:26 minutes]

*** FALL STUDY BREAK, Oct 15-16 ***

B. Multi-Market Analysis (Oct 17) [7 pp] [Questions](#)

Deardorff, "[Trade Policy with Interacting Markets](#)" | [Online](#) [7 pp]

C. Cost-Benefit Analysis of Trade Policies (Oct 22) [41 pp] [Questions](#)

Fetzer, "[U.S. Flat Rolled Steel](#)" | [Canvas](#). [26 pp]

Fetzer, "[Tires from China](#)" | [Canvas](#). [15 pp]

D. Why Countries Restrict Trade (Oct 24) [76 pp] [Questions](#)

KOM: [15 pp]

9th Ed.: Ch. 10, pp. 219-234

10th Ed. (trade only): Ch. 10, pp. 236-252

Hoekman and Kosteci, "[Functions of the Multilateral Trading System](#)" pp. 27-40 | [Canvas](#). [14 pp]

Baldwin and Magee, "[Is Trade Policy for Sale?](#)" | [Online-Springer](#) [22 pp]

Deardorff and Stern, "[Introduction](#)" | [Canvas](#). [19 pp]

Magee, "[Why Are Trade Barriers So Low?](#)" | [Online-Wiley](#) [6 pp]

Optional:

Davidson, "[U.S. Tariffs On Shoes](#)" | [Online](#) [4 minutes]

III. The Theory of International Specialization and Exchange

A. The Standard Trade Model (Oct 29, Nov 5) [23 pp] [Questions](#)

KOM, Ch. 6 (any edition) [19 pp]

Bernhofen & Brown, "[Evidence from nineteenth century Japan](#)" | [Online](#) [4 pp]

*** EXAM #1, in class, Thursday Oct 31 ***

(Covers through assignments for Oct 24, Why Countries Restrict Trade.)

B. Behind the Standard Trade Model: Comp. Adv., Inc. Dist. (Nov 7) [51 pp] [Questions](#)

KOM, on comparative advantage: [15 pp]
 9th Ed.: Ch. 3, pp. 24-40
 10th Ed. (trade only): Ch. 3, pp. 24-40
 KOM, on effects of trade: [10 pp]
 9th Ed.: Ch. 5, pp. 89-93, 97-98
 10th Ed. (trade only): Ch. 5, pp. 94-98, 102-103

Deardorff, "[Intro to Comparative Advantage](#)" | [Online](#) [7 pp]

Freeman, "[Are Your Wages Set in Beijing?](#)" | [Online-JSTOR](#) [19 pp]

C. **Scale Economies and Imperfect Competition (Nov 12) [22 pp] Questions**

KOM: [22 pp]

9th Ed.: Ch. 7, pp. 137-148; Ch. 8, pp. 155-166

10th Ed. (trade only): Ch. 7, pp. 145-156; Ch. 8, pp. 164-174

IV. **Uses and Abuses of Trade Policy**

A. **Preferential Trading Arrangements (Nov 14) [66 pp] Questions**

KOM: [4 pp]

9th Ed.: Ch. 10, pp. 245-249

10th Ed. (trade only): Ch. 7, pp. 263-268

WTO, "[Causes and Effects of PTAs](#)" | [Online](#) [30 pp]

Posen, "[The Errors of Conservatives Obscure the Case for Trade](#)" | [Canvas](#). [2 pp]

Deardorff and Sharma, "[The Simple Analytics of Trade Creation and Diversion](#)" | [Online](#) [21p]

B. **NAFTA and Its Renegotiation (Nov 19) [58 pp] Questions**

NAFTA:

DeLong, "[NAFTA and other trade deals have not gutted American manufacturing](#)" [28p] [Online](#)

Renegotiation:

Soergel, "[What the U.S., Canada and Mexico Want From a New NAFTA](#)" [5p] [Canvas](#)

USTR, "[Summary of Objectives for the NAFTA Renegotiation](#)" [17p] [Online](#)

Donnan, "[Can Donald Trump deliver on his threat to pull out of Nafta?](#)" [5p] [Canvas](#)

Schultz & Aspe, "[Nafta Needs an Update, Not Repeal](#)" [3p] [Canvas](#)

Kirby, "[USMCA, Trumps New NAFTA Deal, Explained in 500 Words](#)" [2p] [Online](#)

Optional:

Trade Talks, "How Big Is the USMCA? It's Uncertain" | [Podcast](#) [29:17 minutes]

C. **Safeguards and Trade Adjustment Assistance (Nov 21, 26) [73 pp] Questions**

Jackson, Ch. 7 [Canvas](#) [37 pp]

Brainard et al., "[Insuring America's Workers](#)" | [Online](#) [8 pp]

~James, "[Maladjusted](#)" | [Online](#) [13 pp]

Rosen, "[Strengthening Trade Adjustment Assistance](#)" | [Online](#) [10 pp]

Lawrence, "[A Numbers Argument for Renewing](#)" | [Online](#) [2 pp]

Beattie, "[The flaws in trying to compensate globalisation's losers](#)" | [Canvas](#). [3 pp]

Optional:

Trade Talks, "Can Trade Adjustment Assistance Work?" | [Podcast](#) [19:04 minutes]

D. **Dumping and Anti-Dumping Policy (Dec 3, 5) [68 pp] Questions**

Jackson, Ch. 10 [Canvas](#) [33p]

Deardorff, "[Economic Perspectives on Anti-Dumping Law](#)" | [Online](#) [15p]

~Jakob, "[Lesser Duty Rule and Community Interest in Anti-dumping](#)" | [Online-Springer](#) [5p]
Hufbauer and Cimino-Isaacs, "[The Outlook for Market Economy Status for China](#)" | [Online](#) [7p]
Beesley, "[Brussels prepares market economy compromise for China](#)" | [Canvas](#). [3p]
Donnan, "[US seeks to deny China market economy status](#)" | [Canvas](#). [3p]
Morrison, "[China's Status as a Nonmarket Economy \(NME\)](#)" | [Online](#). [2p]

Optional:

Trade Talks, "Zeroing: The Biggest WTO Threat You've Never Heard Of" | [Podcast](#) [22:14 minutes]

E. Subsidies and Countervailing Duties (Dec 10) [36 pp] [Questions](#)

KOM: [6 pp]

9th Ed.: Ch. 9, pp. 203-204, Ch. 12 pp. 274-277

10th Ed. (trade only): Ch. 9, pp. 217-218, Ch. 12 pp. 293-296

Jackson, Ch. 11 [Canvas](#) [25 pp]

Mauldin, "[In U.S. Trade Fight With Canada, the Border Watches, Warily](#)" | [Canvas](#). [3 pp]

Wall, "[WTO Rules Washington State Support to Boeing Not a Prohibited Subsidy](#)" | [Canvas](#). [2 pp]



*** EXAM #2 (Semi-cumulative) ***
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Thursday, Dec 19, 10:30 AM - 12:30 PM
