



INTERNATIONAL ECONOMICS

Seventh Edition

Dominick Salvatore

Fordham University



JOHN WILEY & SONS

NEW YORK • CHICHESTER • WEINHEIM
BRISBANE • TORONTO • SINGAPORE

Brief Contents

CHAPTER 1: INTRODUCTION 1

PART ONE: INTERNATIONAL TRADE THEORY 27

- CHAPTER 2: THE LAW OF COMPARATIVE ADVANTAGE 29
CHAPTER 3: THE STANDARD THEORY OF INTERNATIONAL TRADE 59
CHAPTER 4: DEMAND AND SUPPLY, OFFER CURVES, AND THE TERMS OF TRADE 91
CHAPTER 5: FACTOR ENDOWMENTS AND THE HECKSCHER-OHLIN THEORY 119
CHAPTER 6: ECONOMIES OF SCALE, IMPERFECT COMPETITION, AND INTERNATIONAL TRADE 171
CHAPTER 7: ECONOMIC GROWTH AND INTERNATIONAL TRADE 205

PART TWO: INTERNATIONAL TRADE POLICY 241

- CHAPTER 8: TRADE RESTRICTIONS: TARIFFS 243
CHAPTER 9: NONTARIFF TRADE BARRIERS AND THE NEW PROTECTIONISM 281
CHAPTER 10: ECONOMIC INTEGRATION: CUSTOMS UNIONS AND FREE TRADE AREAS 327
CHAPTER 11: INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT 361
CHAPTER 12: INTERNATIONAL RESOURCE MOVEMENTS AND MULTINATIONAL CORPORATIONS 399

PART THREE: BALANCE OF PAYMENTS AND EXCHANGE RATES 431

- CHAPTER 13: BALANCE OF PAYMENTS 433
CHAPTER 14: FOREIGN EXCHANGE MARKETS AND EXCHANGE RATES 461
CHAPTER 15: EXCHANGE RATE DETERMINATION 507
-

**PART FOUR: OPEN-ECONOMY MACROECONOMICS AND THE
INTERNATIONAL MONETARY SYSTEM 551**

CHAPTER 16: THE PRICE ADJUSTMENT MECHANISM WITH FLEXIBLE AND FIXED EXCHANGE RATES	553
CHAPTER 17: THE INCOME ADJUSTMENT MECHANISM AND SYNTHESIS OF AUTOMATIC ADJUSTMENTS	589
CHAPTER 18: OPEN-ECONOMY MACROECONOMICS: ADJUSTMENT POLICIES	625
CHAPTER 19: PRICES AND OUTPUT IN AN OPEN ECONOMY: AGGREGATE DEMAND AND AGGREGATE SUPPLY	671
CHAPTER 20: FLEXIBLE VERSUS FIXED EXCHANGE RATES, THE EUROPEAN MONETARY SYSTEM, AND MACROECONOMIC POLICY COORDINATION	703
CHAPTER 21: THE INTERNATIONAL MONETARY SYSTEM: PAST, PRESENT, AND FUTURE	743
ANSWERS TO SELECTED PROBLEMS	789
GLOSSARY OF KEY TERMS	803
NAME INDEX	815
SUBJECT INDEX	819
