

Superpowers & Free Trade

Superpowers

Modern Global Superpowers (18th – today)

FRANCE - global superpower

1790 - 1815

(18th Century)

GREAT BRITAIN - global superpower

1792 - **1815 - 1915** *- 1945*

(19th Century)

USA - global superpower

1898 - **1945 - 2008**

(20th Century)

CHINA - global superpower

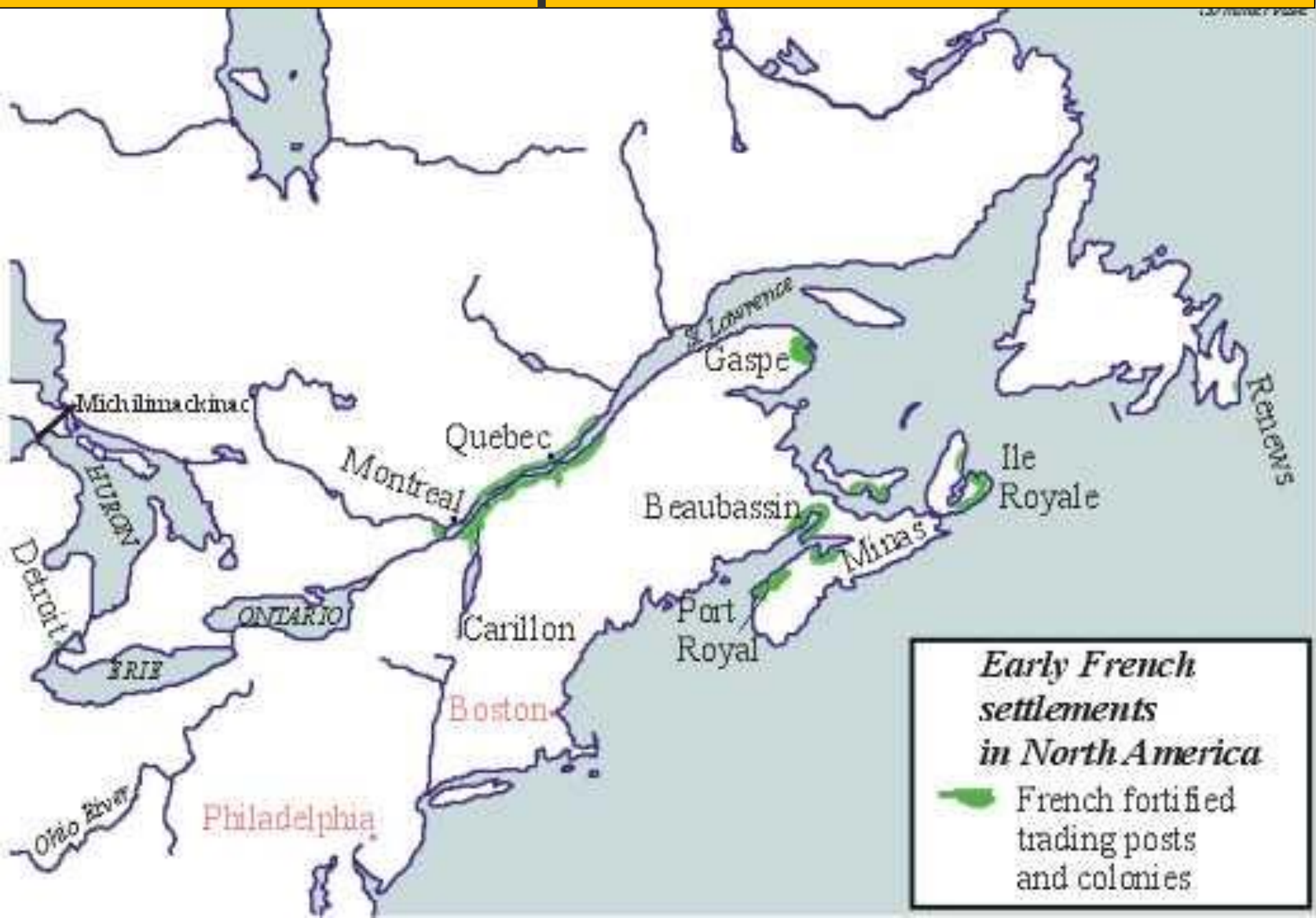
2008 –

(21st Century)

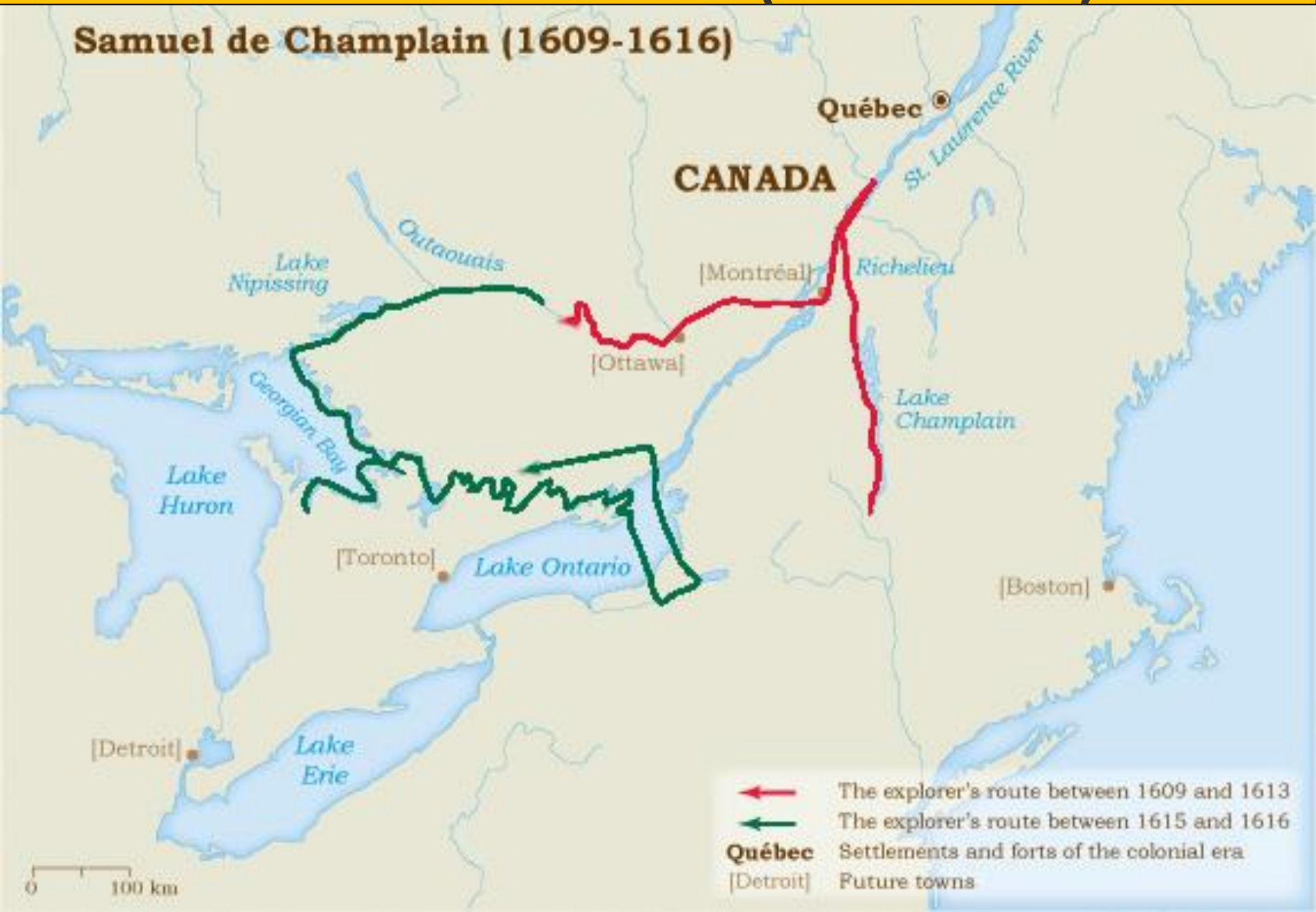
FRANCE - Gaul

- **Gaul Celtic**
- **Roman occupation**
- **Franks Germanic tribe (Clovis-Pepin the Short)**
- **Normans (Vikings) - Crusaders**
- **100 years war - Formation of modern France**
- **Exploration - Discovery**
- **Expansion wars (East - Africa – North America)**
- **Global Superpower (1790-1815)**

Initial French expansion – North America



French settlements (1609-1616)



Nicolas Perrot (1665-1689)

- ← Perrot's route in 1665
- ← Daumont de Saint-Lusson's and Perrot's route in 1670
- ← Perrot's route between 1684 and 1689

Québec Towns, settlements and forts of the colonial era
[Detroit] Future towns



René-Robert Cavelier de La Salle (1670-1687)

CANADA

Québec

Montréal

Fort Frontenac

[Kingston]

Boston

Fort Niagara

New York

Philadelphie

Atlantic Ocean

Lake Superior

Lake Michigan

Lake Huron

Lake Erie

[Detroit]

[Chicago]

Fort Saint-Joseph

Fort Crèvecoeur

[St. Louis]

[Louisville]

Ohio

Illinois

Mississippi River

Fort Saint-Louis

New Orleans

Gulf of Mexico

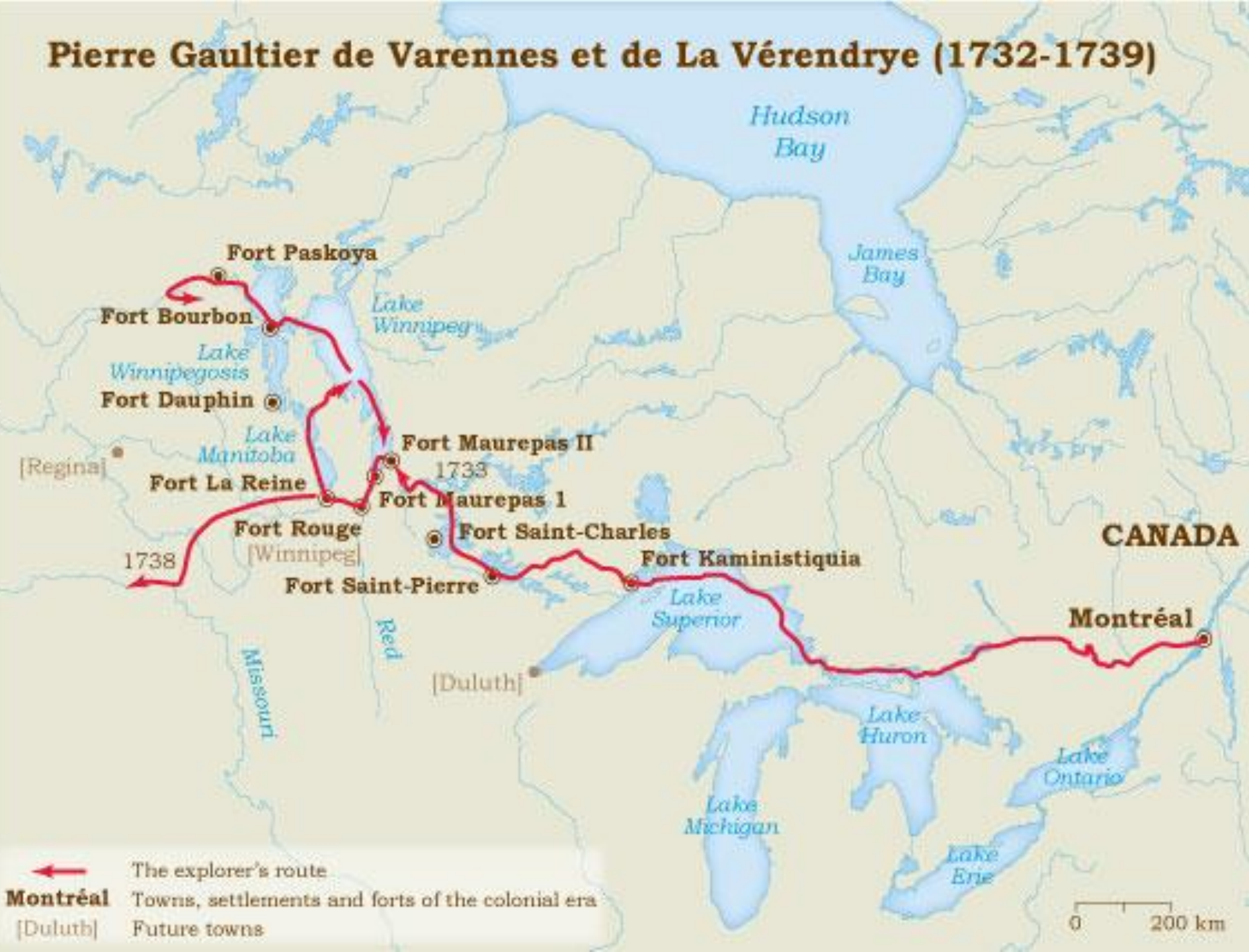
- ← The explorer's route in 1670
- ← The explorer's route between 1679 and 1682
- ← The explorer's route between 1684 and 1687
- Towns, settlements and forts of the colonial era
- Future towns

Québec

[Chicago]

0 400 km

Pierre Gaultier de Varennes et de La Vérendrye (1732-1739)



New France (1663-1760)

The Expansion of the French Empire

- Fur traders, explorers and missionaries began spreading out from Great Lakes region
- **Explorer Louis Jolliet and missionary Jacques Marquette set out to find the Mississippi River;** traveled down it as far as present-day Arkansas
- **Rene-Robert de La Salle** – followed Mississippi River to Gulf of Mexico
 - **Claim Mississippi Valley for King Louis XIV of France – named Louisiana**
- **French called new territory New France**
- Small population and value of fur trade led them to **ally with the Algonquian and Huron Indians; became enemies of the Iroquois**

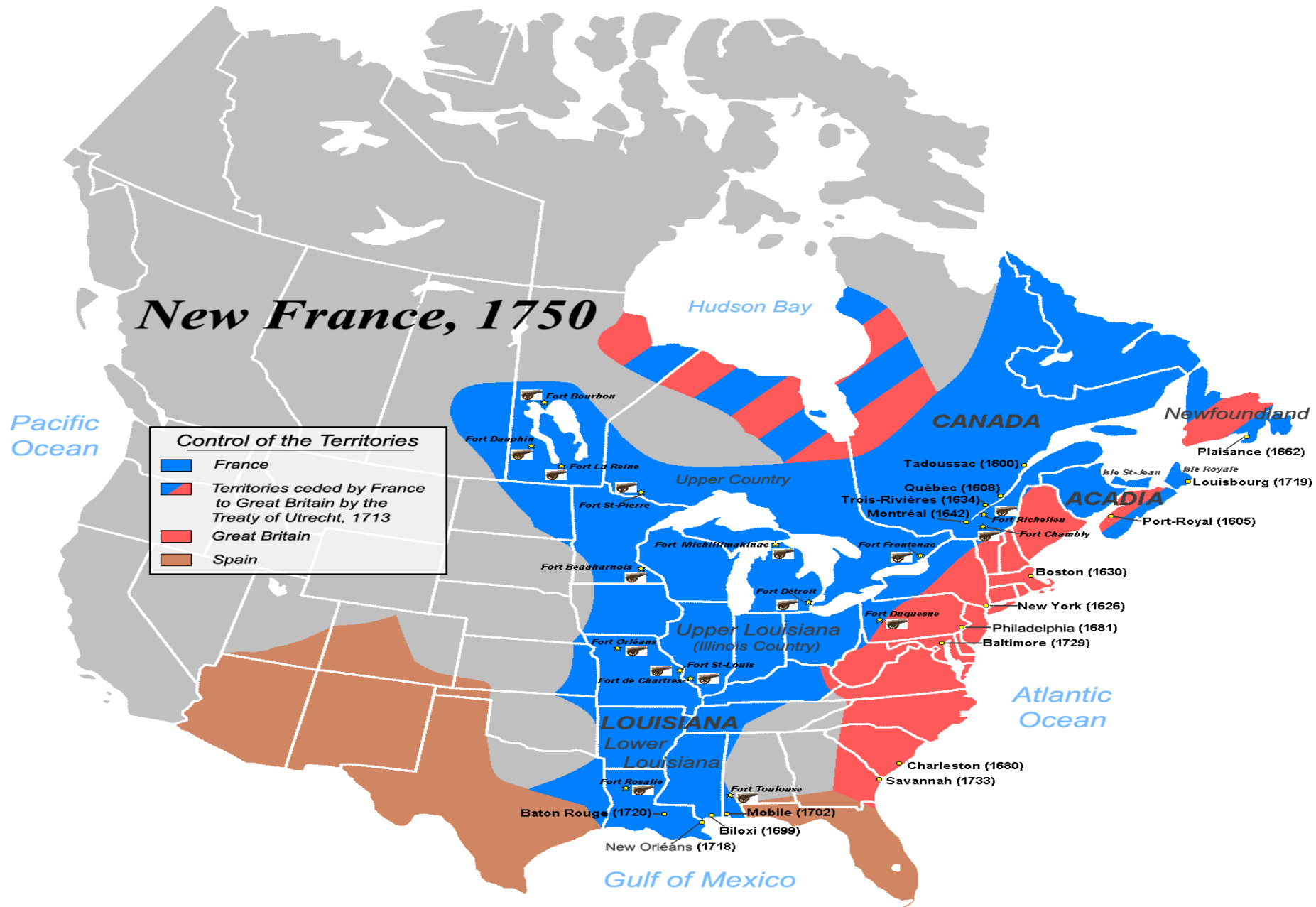
1700 - Half of North America is French



North American, Spanish, French and British Territories circa 1700



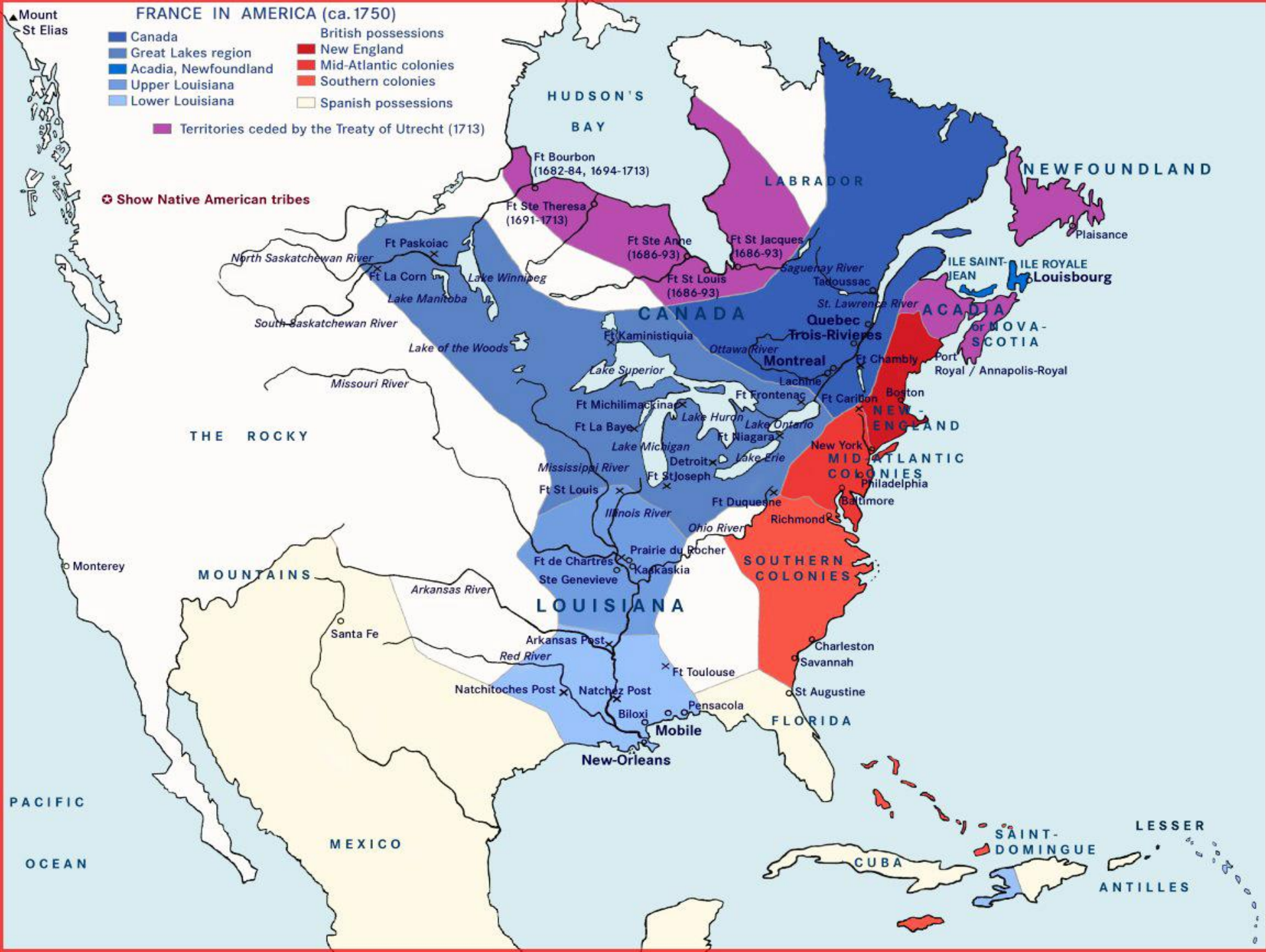
1750



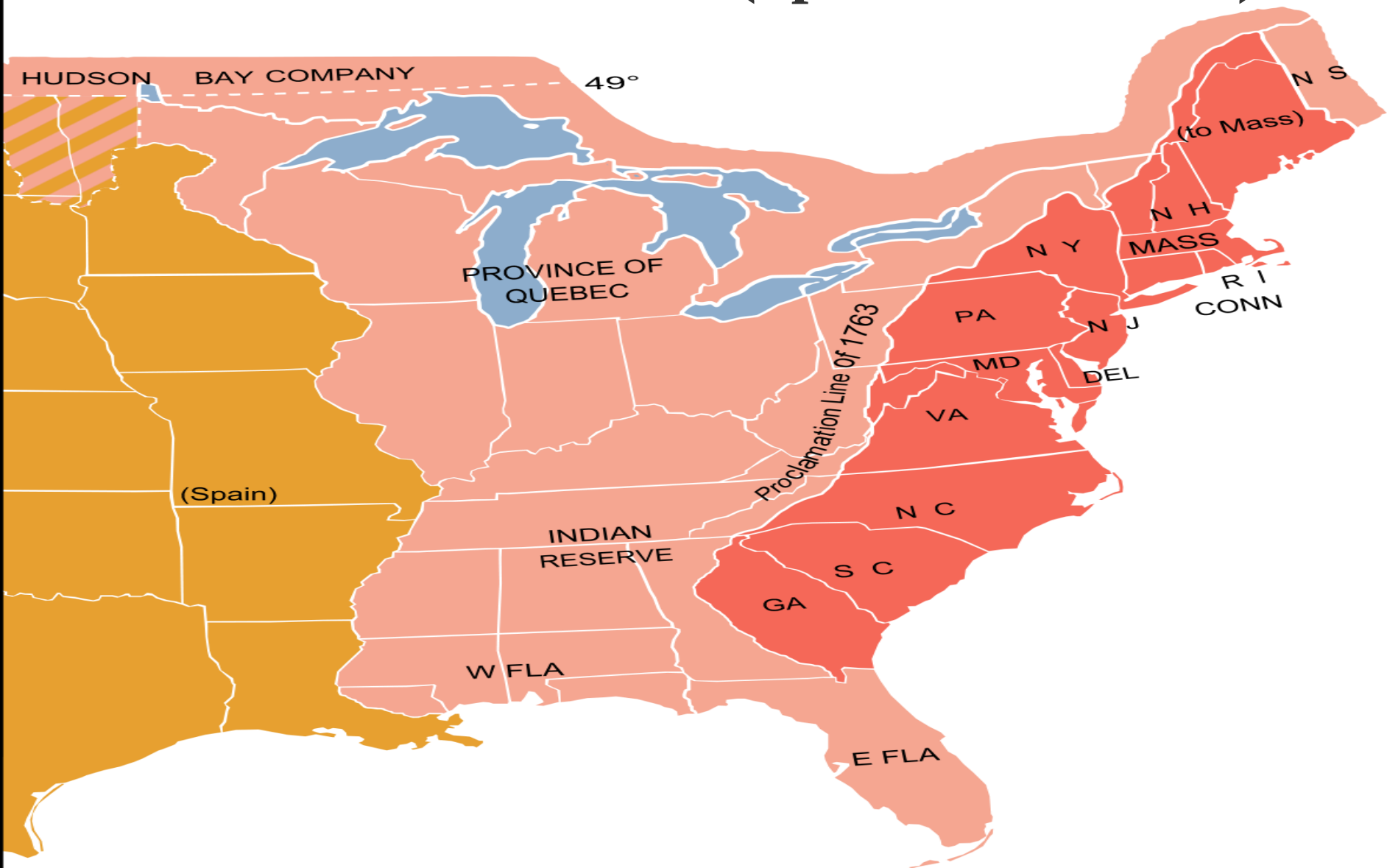
FRANCE IN AMERICA (ca. 1750)

- Canada
- Great Lakes region
- Acadia, Newfoundland
- Upper Louisiana
- Lower Louisiana
- British possessions
- New England
- Mid-Atlantic colonies
- Southern colonies
- Spanish possessions
- Territories ceded by the Treaty of Utrecht (1713)

Show Native American tribes



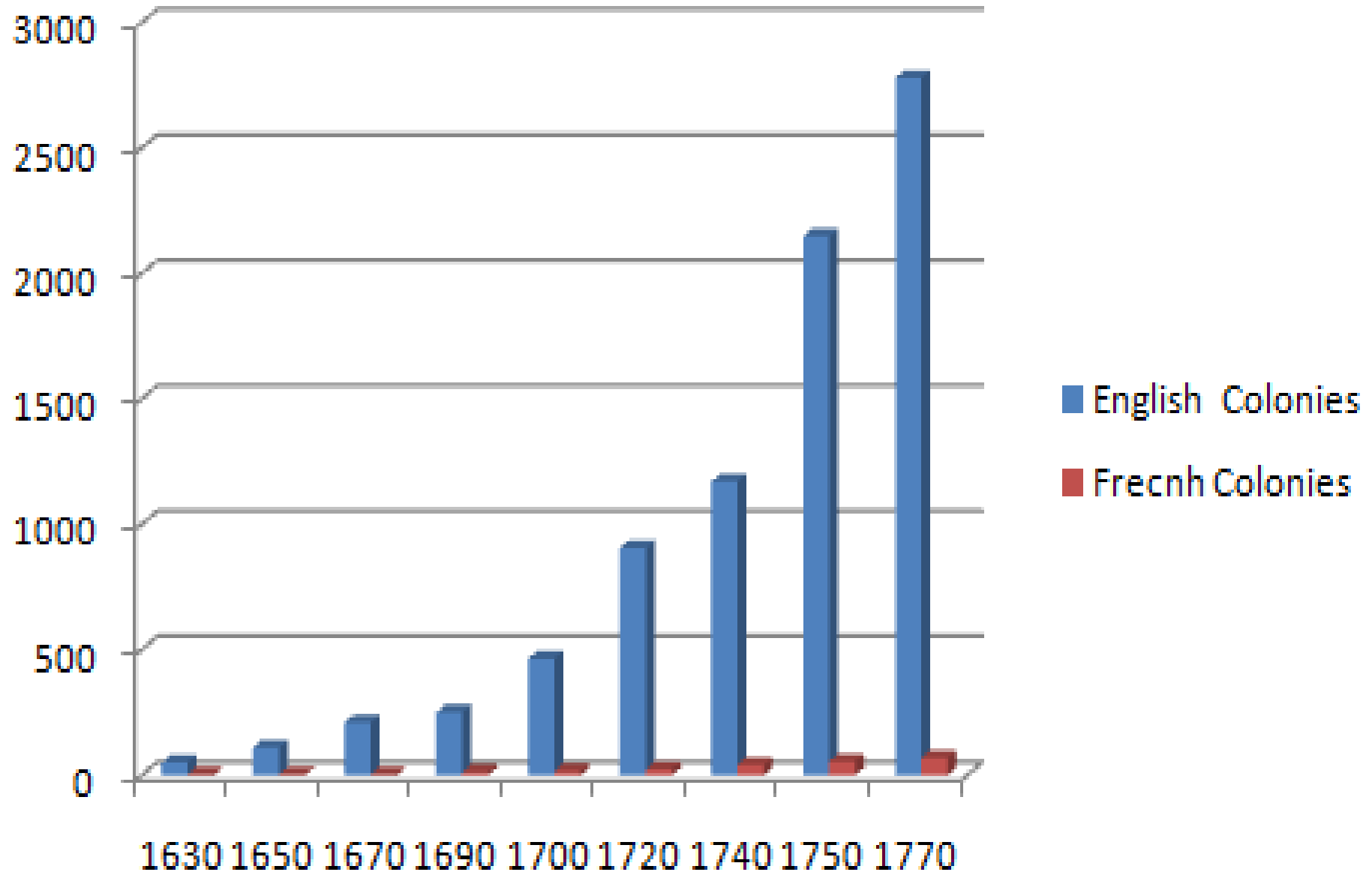
Between two enemies (Spanish & British)



Boundary between Mississippi River and 49th parallel uncertain due to misconception that source of Mississippi River lay further north



Loosing the Colony game to England



Great Britain - England

- **Expansion wars (1790-1815)**
- **Global Superpower (185-1915)**



British take almost all French Colonies by 1783





FRANCIS PARKMAN, HISTORIAN,
Died November 30, 1893.—(See Page 106.)

The growth of New England was a result of the aggregate efforts of a busy multitude, each in his narrow circle toiling for himself, to gather competence or wealth. The expansion of New France was the achievement of a gigantic ambition striving to grasp a continent. It was a vain attempt.

(Francis Parkman)

USA

- **Expansion wars (1783-1853)**
- **Global Superpower (1945-2008)**

The Indian tribes



Europeans arrive and split the lands



North America is split into four parts

1750

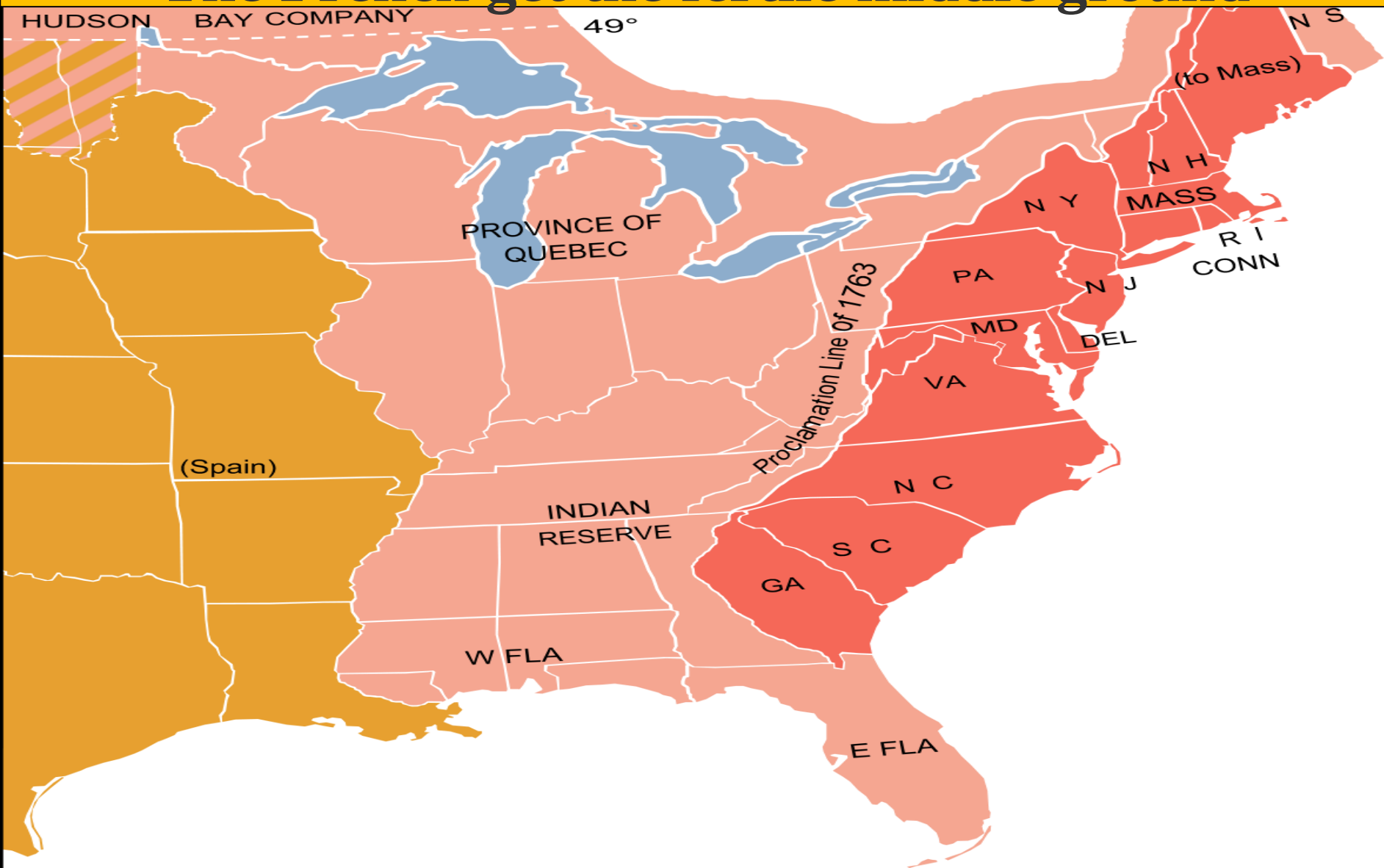
Great Britain
France
Spain



The British get the eastern part



The French get the fertile middle ground

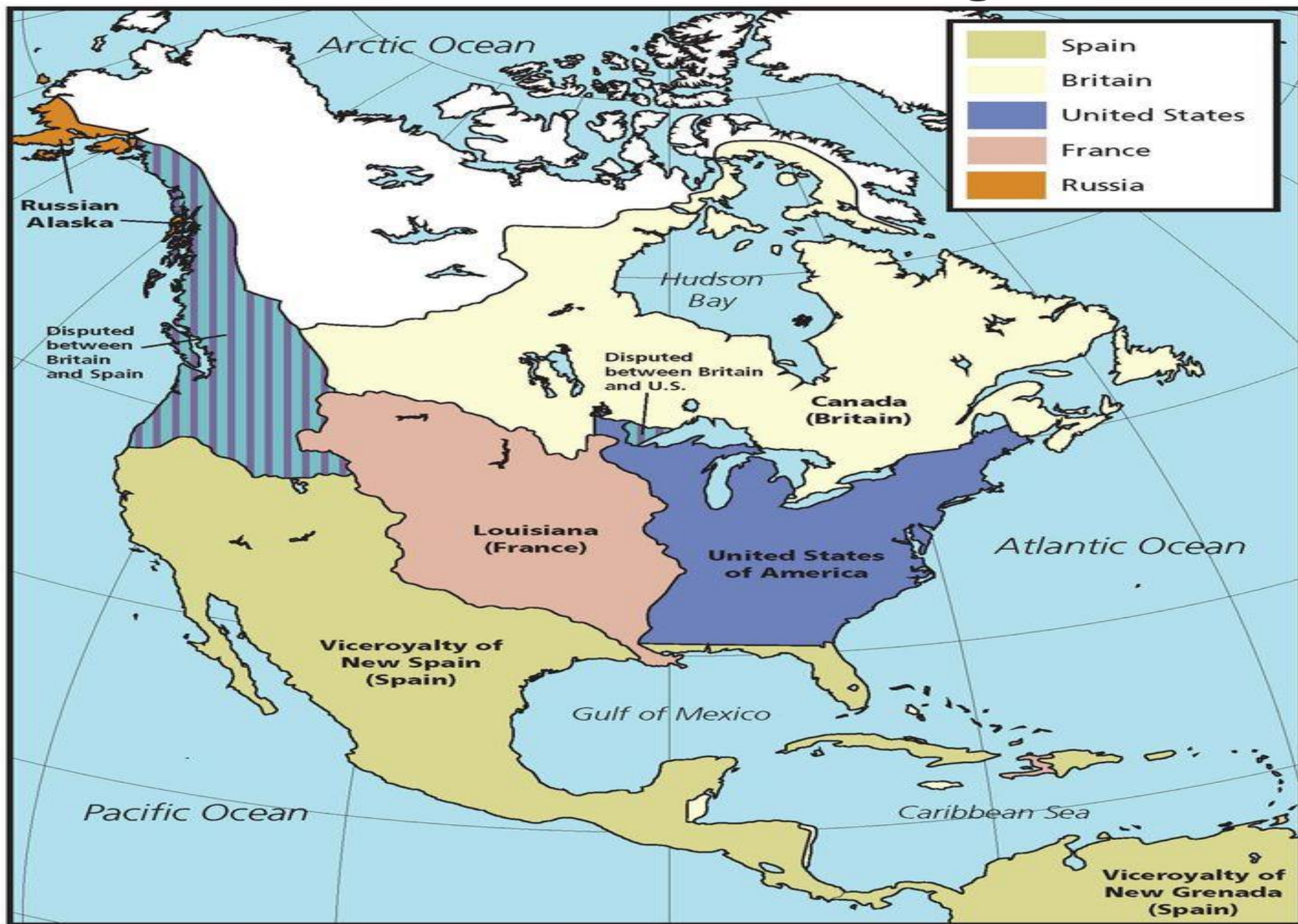


Boundary between Mississippi River and 49th parallel uncertain due to misconception that source of Mississippi River lay further north

The Spanish get the southern and western parts



The colonists beat first the English



USA is born & grows



1003 State of financial operations
1008 State of initial financial operations
17090 Date of last change within given time period
1800 Thermostatic controls in the District

Issued by 11-002-BBC.

Compiled by H. George Gish, Assistant Incorporated, 1960.
No. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828



Similarity between honeyguides and
philopatric terns is the only combination that
occurred through our 14 trials (see table 1).



*Originally reported by John Forster (1758, 1761);
redrawn by Gronowius (1867/72).
Redrawn (1867) by the redaction by Ernst Seidel (1878).
Revised and enlarged by Gronowius (1877-78).



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The above information is for informational purposes only.
 For more information, contact the State of New York
 Department of Environmental Conservation, Division of
 Fish and Wildlife, 615 State Street, Albany, NY 12247-0001.



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J. Mass Spectrom. 39, 1571–1576 (2004)
DOI: 10.1002/jms.1000

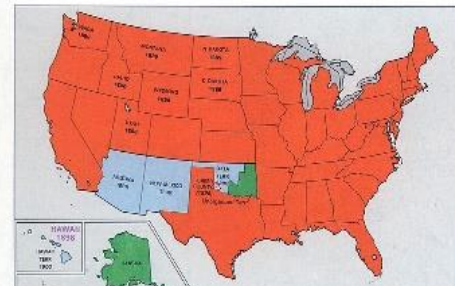


Fig. 1. Location of the study area in the north of Iran.



Approved for Distribution by the U.S. Army Medical Research and Development Command



830



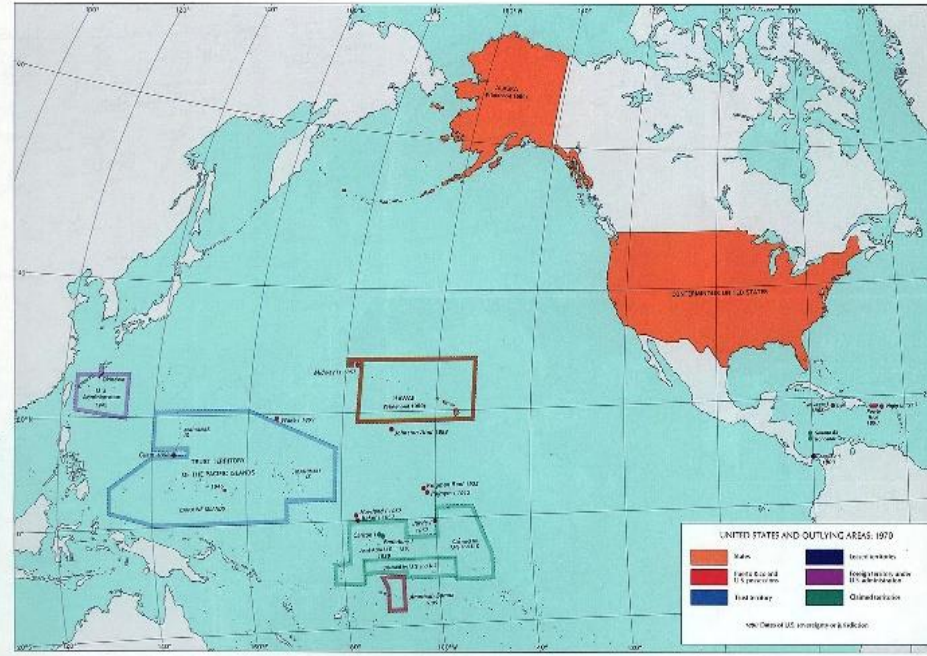
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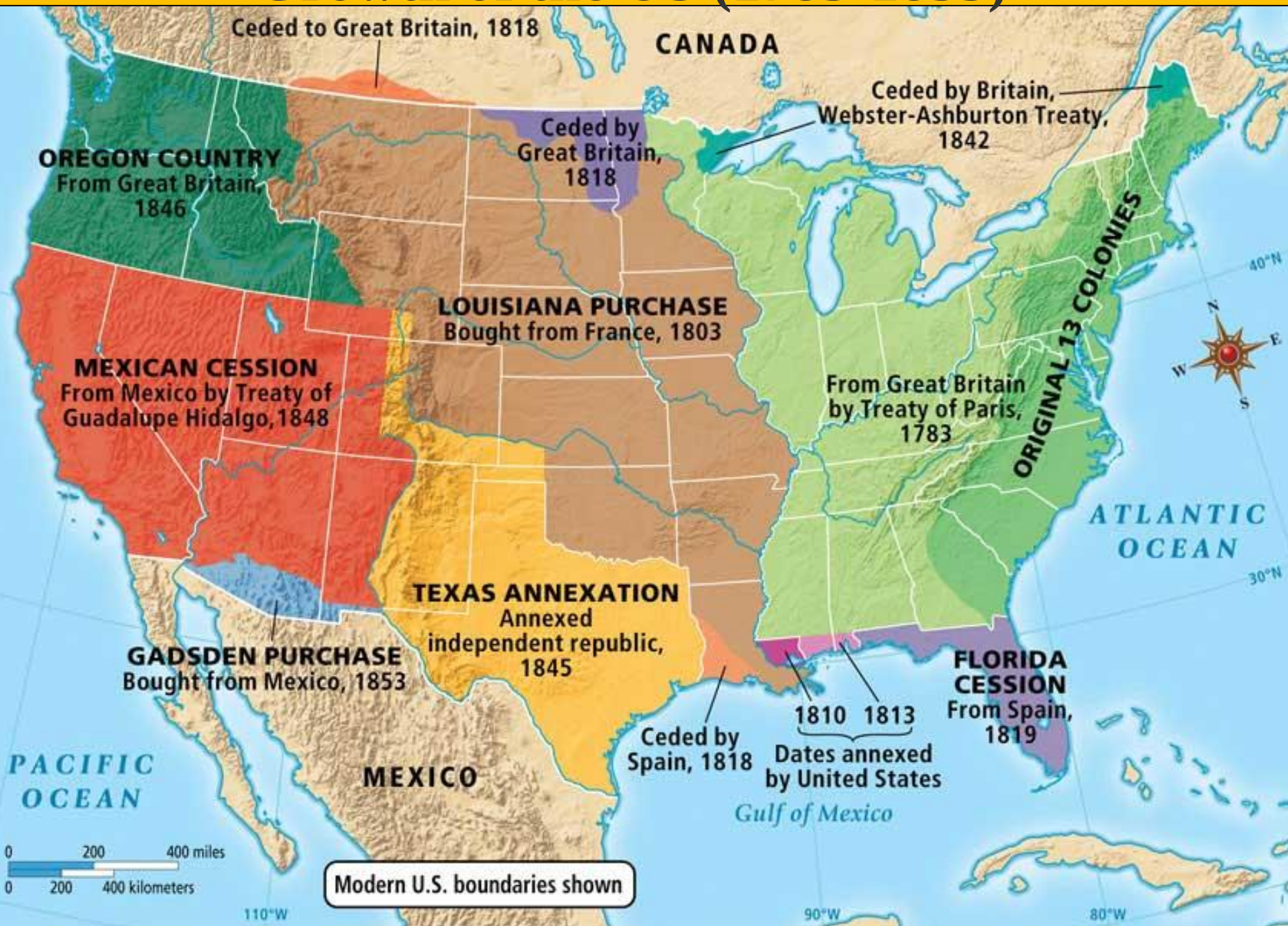
U.S. Coast Guard, subject to review by U.S. Coast Guard, 1980
U.S. Coast Guard, subject to review by U.S. Coast Guard, 1980
U.S. Coast Guard, subject to review by U.S. Coast Guard, 1980



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Growth of the US (1783-1853)



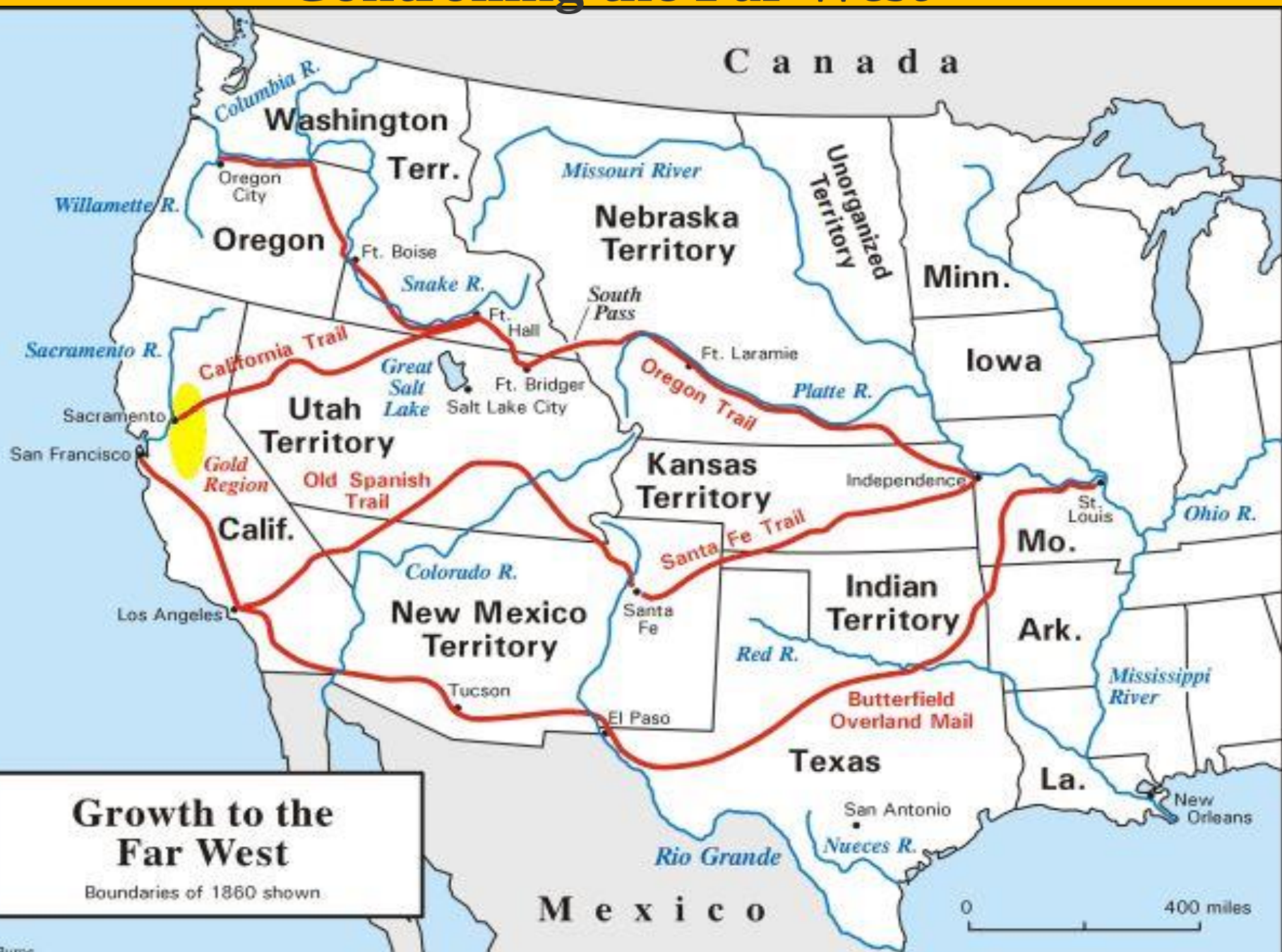
Expanding by Buyouts and War



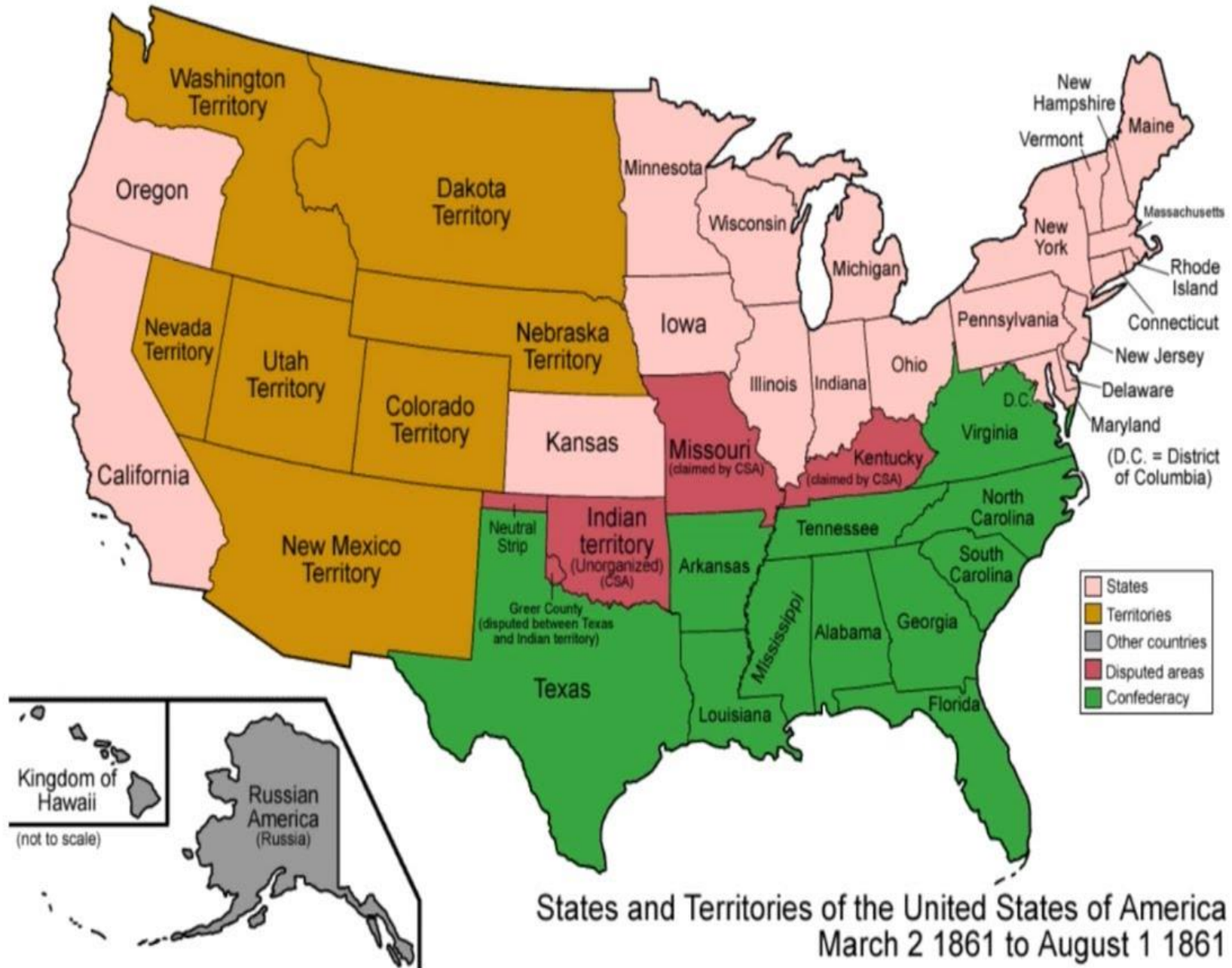
Connecting East & West



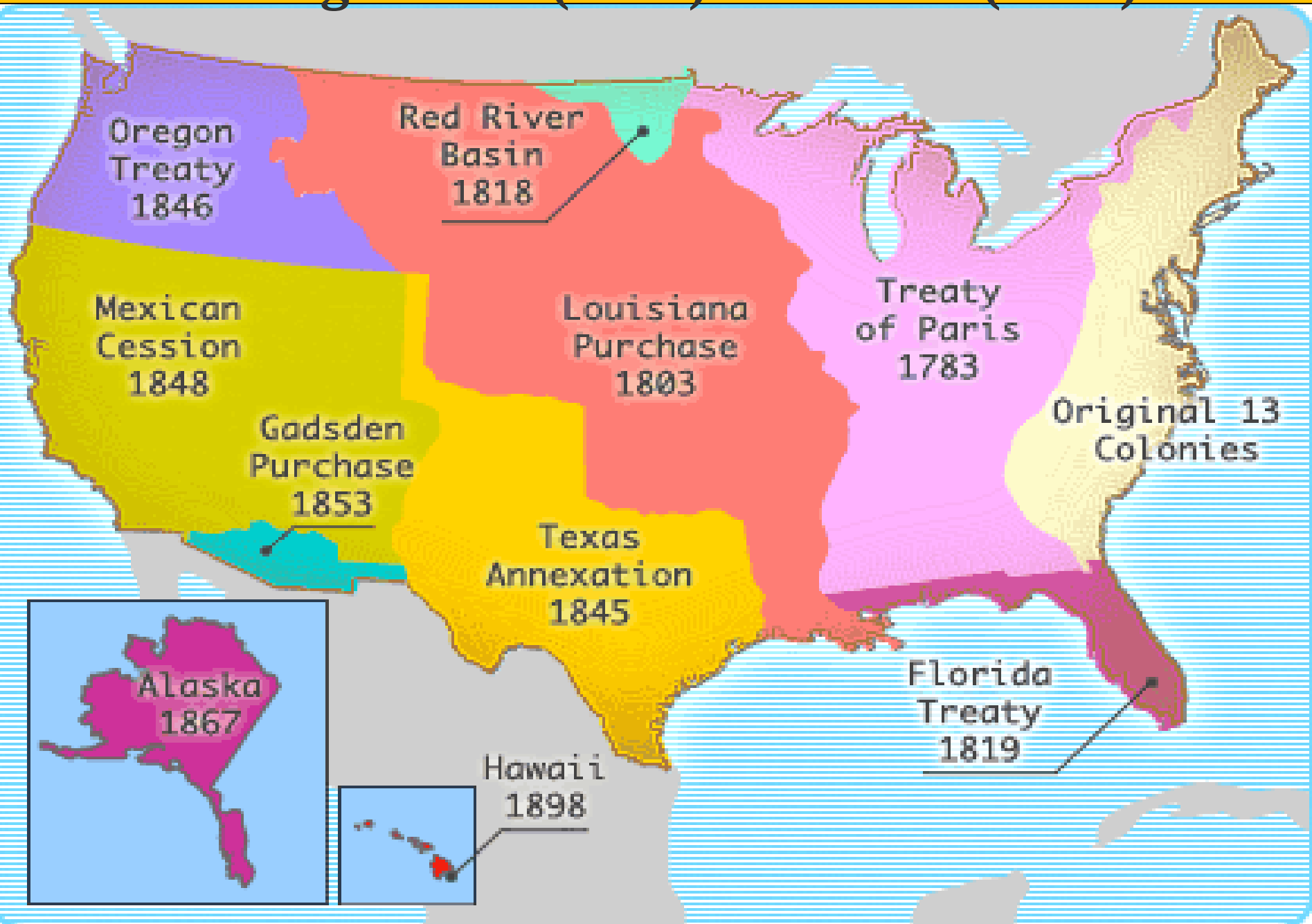
Controlling the Far West



Fighting an (American) Civil War (1860-1865)



Adding Alaska (1867) & Hawaii (1898)



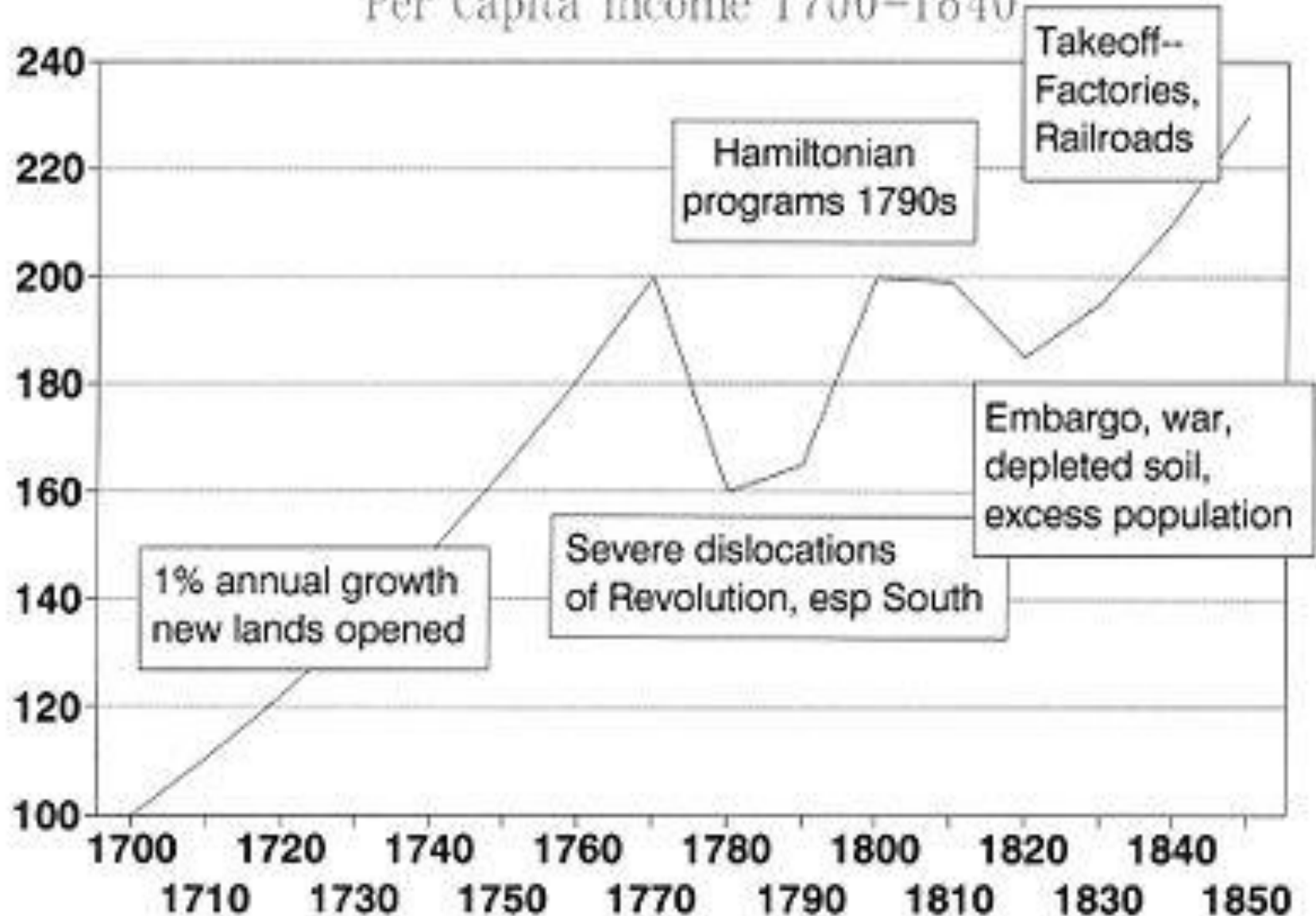
Building Strategic Infrastructure

Railroads of the Transcontinental Era 1865-1900



Offering prospects to more newcomers

Economic Growth in America
Per Capita Income 1700-1840



CHINA

- **The longest global superpower on the planet**
- **Modern Global Superpower (2008 - ????)**

History — Longest Superpower

- **Warring City States** (1500 BCE)
- **First Consolidation** — Chinese State (Han people) — Shang Dynasty
 - ✓ *Han People (Mandarin & Cantonese... Language)*
 - ✓ *Heartland (1 bn people – ½ of the USA 350 ml)*
 - ❖ *Building Long (Great) Wall (221-207 BCE – Qin Dynasty)*
 - ❖ *Building Grand Canal (605-609 CE)*
- **Battling Islam**
 - *Battle of Talas (10/7/751) maps from my book p.272*
- **Battling Mongols** - Mongol threat (1279 Kublai Khan)
 - *1st Foreign occupation (by Mongols 1279-1369 - Ming Dynasty)*
- **Battling Europeans**
 - *2nd foreign occupation (Europeans 18th-19th Century)*
- **Battling Japan**
 - *Struggle against Japan (20th Century)*
- **Communist governance**

Challenges that shaped the Chinese soul...

- **Stopping & Battling Islamic Expansion** (*8th & 13th Centuries*)
 - *Battle of Talas (10/7/751)*
- **Stopping Mongols' expansion & threat** (*13th & 14th Centuries*)
 - *1st Foreign Occupation (Mongols 1279-1368/9)-(Ming Dynasty)*
- **Battling Europeans** (*18th & 19th Centuries*)
 - *2nd Foreign Occupation (Europeans 1600-1900?)*
 - *Portuguese*
 - *Spanish*
 - *Dutch*
 - *English*
 - *Germans*
 - *Russians*
 - *Japanese (1932-1937)*
- **Battling Japan** (*19th & 20th Centuries*)
 - *3rd Foreign Occupation (1911-1945?)*
- **Incorporating & “Battling” Communism**
- **Battling Protectionism**

The European Imperialistic Challenge (19th Century)



The Japanese Challenge (20th Century)



FREE TRADE

Theories

**Free Trade Theories
coincide
with Global Power status**

**When a nation-country
becomes very strong with
global powers ...
...then promotes
FREE TRADE**

Free Trade (imposed) Theories - Timeline

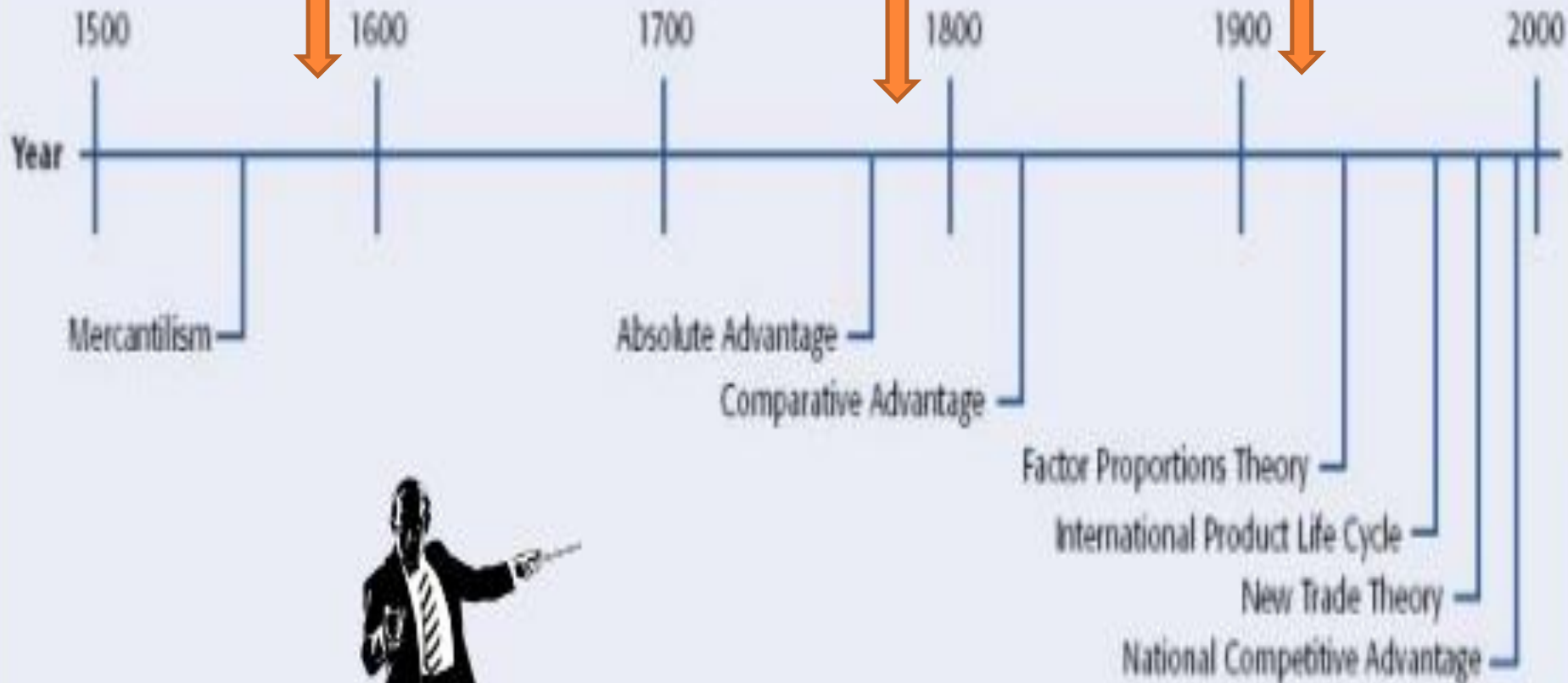
- Mercantilism
- Absolute Advantage (Adams Smith)
- Comparative Advantage (David Ricardo)
 - The Gains from Trade/Qualifications and Assumptions
 - Simple Extensions of the Ricardian Model
- Heckscher-Ohlin Theory
 - The Leontief Paradox
- The Product Life-Cycle Theory (Raymond Vernon)
 - Evaluating the Product Life-Cycle Theory
- New Trade Theory (1970's economists)
 - Increasing Product Variety and Reducing Costs
 - Economies of Scale, First-Mover Advantages and the Pattern of Trade
 - Implications of New Trade Theory
- National Competitive Advantage: Porter's Diamond
 - Factor Endowments
 - Demand Conditions
 - Related and Supporting Industries
 - Firm Strategy, Structure, and Rivalry
 - Evaluating Porter's Theory

Free Trade (imposed) Theories - Timeline

**French & English
Mercantilism**

**English Absolute &
Comparative
Advantage Theories**

**American Free
Trade Theories**



Mercantilism

- Thomas mun and others propagated this theory in U.K. between 16th & 17th century.
- Gold and silver were used as medium of exchange between countries.
- Gold and silver were the mainstays of national wealth.
- Country should always maintain trade surplus by exporting more than imported.
- Government should intervene to achieve trade surplus by imposing tariffs and quotas on imports and subsidizing the exports.

Absolute Advantage

- ... destroys the mercantilist idea since there are gains to be had by both countries party to an exchange
- ... questions the objective of national governments to acquire wealth through restrictive trade policies
- ... measures a nation's wealth by the living standards of its people

Comparative Advantage

- David Ricardo: *Principles of Political Economy* (1817)
 - Extends free trade argument
 - Efficiency of resource utilization leads to more productivity
 - Should import even if country is more efficient in the product's production than country from which it is buying.
- Produce and export those goods and services for which it is *relatively* more productive than other countries
- Import those goods and services for which other countries are *relatively* more productive than it is
- Makes better use of resources

American Trade Theories (beginning 20th Century)

- Specific Factor Model
- Factor Endowment Theory (H-O Model)
- Other New Classical Theories
- Leontief Paradox

Heckscher (1919)-Olin (1933) Theory

- Export goods that intensively use factor endowments which are locally abundant
 - Corollary: import goods made from locally scarce factors
 - Note: Factor endowments can be impacted by government policy - minimum wage
- Patterns of trade are determined by differences in factor endowments - not productivity
- Remember, focus on relative advantage, not absolute advantage

**Soon enough ...
we will see
Chinese Academics
to propose
FREE TRADE Theories
(Chinese induced & version)**

.....

**As the President of China
does every year
Lately...**

The Dilemma & Challenge
for other countries
Medium and Small powers....
(not strong export economies)
...to decide between

Autarky

or

Free Trade