

CHAPTER 26

Section 2

GEOGRAPHY APPLICATION: MOVEMENT

The U.S. Trade in Goods

Directions: Read the paragraphs below and study the map carefully. Then answer the questions that follow.

The United States is rich in resources and industrial output. However, no nation is self-sufficient—that is, able to provide for all of its material and industrial needs. The United States therefore trades with other nations for various foods, manufactured goods, and natural resources.

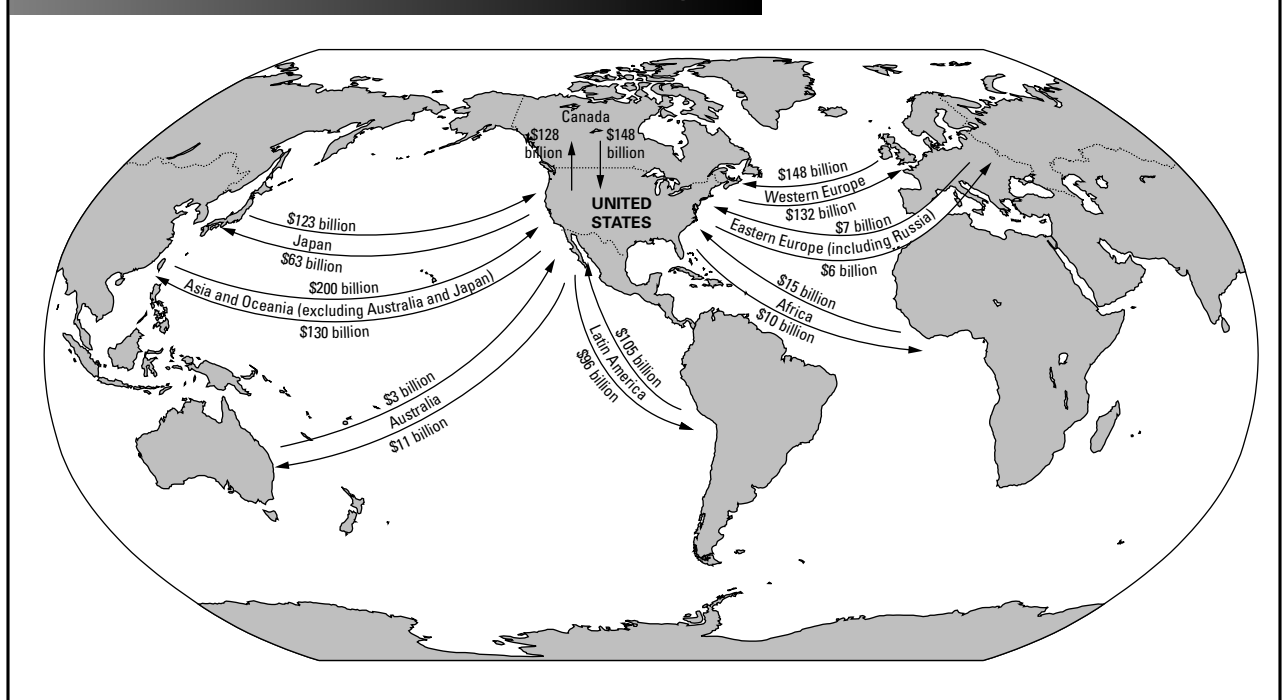
The United States is a world leader in foreign trade, selling to and buying from practically every other country. U.S. companies are part of an increasingly competitive and complex struggle to find international markets for goods. Major U.S. exports include office machines, road vehicles, transport equipment, electrical machinery, general industrial machinery, and various manufactured articles. The United States, on the other hand, imports large quantities of road vehicles, electrical machinery, petroleum, clothing, office machines, and telecommunications equipment.

Ideally, a country should maintain a favorable

balance in its foreign trade—that is, export as much as or more than it imports—in order to be economically sound. From around 1900 to the early 1980s, the United States sold more to the rest of the world than it bought, creating a surplus in the balance of payments. Since then, however, the opposite has become true: the United States now imports more than it exports, and this causes a deficit in the balance of payments. In 1995, for example, the United States imported \$749 billion in goods, but it exported only \$576 billion.

Some countries, such as Japan, achieve a favorable balance of trade mainly through protectionism—holding down imports by means of tariffs and quotas. Therefore, in the late 1990s, the United States sought to make competition in international trade more fair by asking Japan and other countries to modify their barriers on imports.

The Flow of Goods to and from the United States, 1995



Interpreting Text and Visuals

1. In 1995, how many dollars' worth of goods did the United States export to Canada? to Africa? _____

2. With which part of the world did the United States have a trade surplus? _____

With which part was the U.S. trade most nearly in balance? _____

3. With which part of the world did the United States have a nearly 2-to-1 trade deficit? _____

With which area was the U.S. deficit the greatest in terms of dollars? _____

4. On the map, the Middle East is included under "Asia and Oceania." What single commodity—item of trade—do you think accounted for a large share of Asia and Oceania's \$200 billion in exports to the United States?

5. In 1995, U.S. trade with Mexico amounted to \$46 billion in exports and \$62 billion in imports. Would the United States still have had a trade deficit with Latin America without Mexico's totals?

6. In recent years, many U.S. politicians have called for protectionist policies—quotas and tariffs—to reduce the flow of imports into the United States. Do you think such protectionism is an advisable way of improving the U.S. balance of trade? Why or why not?

