



## Geography and Economics Activity

### The U.S. and Canada: Partners in Trade

No country makes everything its citizens want. Instead, countries buy some products from other countries. They also sell products they make to other countries. This exchange of goods among nations is called *trade*.

**Imports** are goods that one country buys from another country. **Exports** are goods that one country sells to another country. For example, suppose your pencil was made in Canada. The pencil would be a U.S. *import* and a Canadian *export*.

The graph below shows the amount of U.S. imports and exports measured in billions of dollars. As you can see, the United States exchanges more goods with Canada than with any other nation.

A country seldom exports exactly the same amount as it imports. A nation has a **trade deficit** when it imports more than it exports. A nation has a **trade surplus**

when it exports more than it imports. Look at the bars for Canada in the graph. The import bar is higher than the export bar. This means that the United States imported more from Canada than it exported to Canada. As a result, the United States had a *trade deficit* with Canada that year.

You can calculate the amount of a trade deficit or surplus as shown below:

$$\text{exports} - \text{imports} = \text{trade deficit or surplus}$$

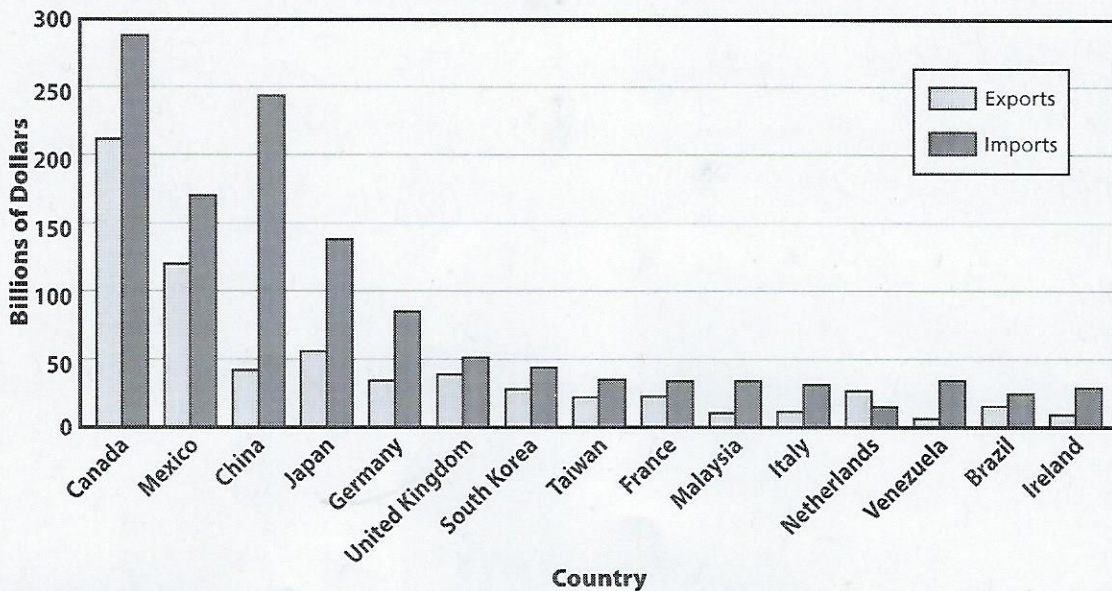
For example, in 2005, U.S. exports to Canada were \$211.3 billion. U.S. imports from Canada were \$287.9 billion.

$$\$211.3 - \$287.9 = -\$76.6 \text{ billion trade deficit}$$

A negative result means a trade deficit. A positive result means a trade surplus.

Copyright © by The McGraw-Hill Companies, Inc.

**Top 15 U.S. Trading Partners**



Source: U.S. Census Bureau, 2005.



# Geography and Economics Activity

continued

## Thinking Economically

**Directions:** Examine the bar graph on the previous page. Then answer the questions below.

1. **Analyzing Visuals** On the graph, how can you tell that the United States had a trade deficit with Canada?  
 \_\_\_\_\_  
 \_\_\_\_\_
  
2. **Analyzing Visuals** Find the Netherlands on the graph. Did the United States have a trade deficit or trade surplus with the Netherlands? How do you know?  
 \_\_\_\_\_  
 \_\_\_\_\_
  
3. **Analyzing Visuals** Find China on the graph. Examine the difference in height between the two bars. What does this difference represent?  
 \_\_\_\_\_  
 \_\_\_\_\_
  
4. **Calculating** In 2005 U.S. exports to Australia totaled \$15.8 billion. U.S. imports from Australia totaled \$7.3 billion. Calculate the trade surplus or deficit. Show your work. Was the result a surplus or deficit? How do you know?  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Directions:** Examine the table below. Then answer the questions that follow.

Top U.S. Trading Partners, 2005		
Rank	Country	Percent of total U.S. trade
1	Canada	19.4%
2	Mexico	11.3%
3	China	11.1%
4	Japan	7.5%
5	Germany	4.6%
6	All other countries	

Source: U.S. Census Bureau.

5. **Summarizing** What does the table show?  
 \_\_\_\_\_  
 \_\_\_\_\_
  
6. **Calculating** Write the percentage in the table for "All other countries." Hint: All percentages in the table should add up to 100 percent.
  
- ~~7. **GOING FURTHER** Use the graphing tool in your word processor to create a circle graph of the data in the table above. Do not show a legend. Instead, format your graph to label each slice with the country name and percentage, including "All other countries." Change the colors or patterns to make your graph unique. Share your graph with the class.~~

Copyright © by The McGraw-Hill Companies, Inc.