

Summary: Partners Around the World

United States Allies

The United States has many allies. The United States forms alliances, or agreements, with other countries. Allies help defend each other. The United States also has alliances for trading and sharing scientific research. Alliances are formed by making treaties. The North Atlantic Treaty Organization, NATO, was formed in 1949 between the United States and our European allies. NATO countries agree to defend each other from attack. The North American Free Trade Agreement, or NAFTA, is a trade alliance. It lets Mexico, Canada, and the United States buy and sell goods to each other without paying fees or taxes. The United States also has allies on other continents. Many of our allies believe in a free enterprise system. The United States also trades with countries that do not believe in free enterprise.

Trading Partners

Trade alliances help connect countries through communication and transportation links. These links let goods, services, and information move freely. When businesses sell their goods to people in other countries they can sell more, so trade grows. International trade is the buying and selling of goods between countries. It is an important part of our economy. U.S. businesses sell goods and services worth hundreds of billions of dollars to other countries every year. U.S. consumers also buy hundreds of billions of dollars in imports or goods that come from other countries. Some imported goods cost less than goods made in the United States. People buy cars, clothing, and television sets from other countries. Many people worry that free trade hurts American workers. They think we need laws to protect jobs and the environment. Some countries pass laws to add extra cost to imports. The United States has rules to protect some industries, but also supports free trade. Canada and Mexico are our biggest trading partners. We also trade with China, Japan, South Korea, and nations in Europe. Many European nations formed the European Union trade alliance.



Before You Read

Find and underline each vocabulary word.

ally *noun*, a country or group that joins with another country or group for a common purpose

alliance *noun*, an agreement between allies to seek a common goal

treaty *noun*, an official document that defines an agreement between nations

free enterprise *noun*, a system that lets people control their businesses and decide what goods to buy

import *noun*, a product brought in from another country



After You Read

REVIEW **Why does the United States form alliances?** Highlight the sentences that tell you the answer.

REVIEW **Why is international trade important to the United States?** Underline the sentence that tells why selling to people in other countries makes trade grow.