International products. this downward trend led the gdp

International TradeInternational trade or world trade affects the entire American economy. The early industrial years of American the economy was based entirely on the exporting goods to other countries, and these exports created the revenue need to sustain the country. America would export more products than it needed this created a surplus in the GDP. This began to change in the 1930's when the trade began to change and the country began to import more products. This downward trend led the GDP its lowest point in history. In today's world trade market America's import percentage is somewhere in the mid-60%. The balance of trade in America today is running in a deficit.

The U. S. government has created trade agreements the various countries that allow free trade between these countries. This means there are no tariffs, fees or taxes applied toward the good being imported or exported between the countries in the agreement.

These countries include Mexico and Canada that create the North American Free Trade Agreement (NAFTA), and Israel. These agreements are not limited to free trade, but other countries such as Jamaica, that need assistance in order to grow economically American has lessened the amount of tariffs need to import good into America. International trade provides resources that the U. S.

does not produce enough of to sustain the country. One of the major imports needed in the U. S. today is oil. This is one of the reasons America has a free trade agreement with Israel. This allows oil to be imported without tariffs.

Other products such as cars imported from Japan create import taxes that the government spends on the U. S.

economy. Additionally, the U. S.

has imposed restrictions on foreign countries to reduce the flood of goods into the market place. These items include textiles imported from countries that produce these items a much cheaper cost. This decreased cost comes from lower wages paid to workers and lesser working conditions.

The restrictions also keep unsafe or inferior products out of the market place. The U. S. has also imposed restrictions against countries not only for economic reasons but also for national security or humanitarian reasons. International trade is necessary for the U. S.

to have a stable and profitable market place.