

An Interdependent World

Guide to Reading

Connection

In the previous section, you learned about the Clinton administration. In this section, you will discover how the world became increasingly interdependent.

Main Idea

- Regional trade agreements, such as the North American Free Trade Agreement (NAFTA), became common in an increasingly interdependent world. (p. 943)
- Concerns about nuclear proliferation and the environment led to efforts to reduce nuclear weapons and pollution. (p. 945)

Preview of Events



Content Vocabulary

trade deficit, euro, nuclear proliferation, global warming

Academic Vocabulary

currency, cite, phase

Terms to Identify

North American Free Trade Agreement, Kyoto Protocol

Reading Objectives

- **Explain** the development of regional economic blocs around the world.
- **Assess** environmental issues that have become important internationally.

Reading Strategy

Organizing Complete a graphic organizer like the one below to chart the major political and economic problems facing the world at the turn of the century.



The following are the main History–Social Science Standards covered in this section.

11.9.7 Examine relations between the United States and Mexico in the twentieth century, including key economic, political, immigration, and environmental issues.

11.11.5 Trace the impact of, need for, and controversies associated with environmental conservation, expansion of the national park system, and the development of environmental protection laws, with particular attention to the interaction between environmental protection advocates and property right advocates.

The Big Idea

International competition can lead to conflict and cooperation. Computer technology and the Internet played an important role in creating an interdependent world and a global economy. While the United States accumulated trade deficits, trade relations between countries became more important and trade agreements between countries more common. The United States entered into a major trade pact with Mexico and Canada and increased trade with China. Concerns about nuclear proliferation, ozone depletion, and global warming led to new legislation and international discussions.

The New Global Economy

Main Idea Regional trade agreements, such as the North American Free Trade Agreement (NAFTA), became common in an increasingly interdependent world.

Reading Connection Do you think tariffs directly affect you? Read on to learn about one alternative to tariffs.

In the latter part of the 1900s, American leaders became more concerned with many global issues. Economies around the world had become much more interdependent. Computer technology and the Internet played a big role in forging a global economy.

★ An American Story ★

It was an important breakthrough when President Clinton appointed Madeleine Albright in 1996 to be the first woman to serve as secretary of state. Born in Czechoslovakia, Albright immigrated to the United States as a young girl. She earned a Ph.D. in Russian studies from Columbia University. Her tough-talking approach as U.S. ambassador to the United Nations earned her the nation's top foreign policy job.

As secretary of state, Albright dealt with everything from peace negotiations in the Middle East to improving trade relations with China. She also championed women's rights in developing countries. Here, she expresses her views on women's rights:

“[Halting violence against women] is a goal of American foreign policy around the world, where abuses range from domestic violence . . . to forcing young girls into prostitution. Some say all this is cultural, and there's nothing we can do about it. I say it's criminal, and we each have a responsibility to stop it.”

—quoted in *Madeleine Albright and the New American Diplomacy*

Working on improved trade relations became an important task for Albright and other cabinet members. Selling American-made goods abroad had long been important to American prosperity. By the 1970s, however, serious **trade deficits** had mounted—Americans purchased more from foreign nations than American industry and agriculture sold abroad. The United States found it necessary to compete harder in

the global marketplace by streamlining industry, using new technology, and opening new markets.

From World War II to the present, Republican and Democratic administrations have both tried to lower barriers to international trade. They reasoned that the U.S. economy benefited from the sale of American exports, and that the purchase of imports would keep consumer prices, inflation, and interest rates low for Americans. Opponents warned that the global economy might cost the United States industrial jobs as manufacturing shifted to lesser-developed nations with few environmental regulations and cheap labor. By the 1990s, the debate between supporters of free trade and those who wanted to limit trade to protect industries had become an important part of American politics.

Regional Blocs One means of increasing international trade was to create regional trade pacts. In 1994 the **North American Free Trade Agreement** (NAFTA) joined Canada, the United States, and Mexico in a free-trade zone. With NAFTA in operation, exports of American goods to both Canada and Mexico rose dramatically. From 1993 to 2000, it is estimated that combined exports to those two countries rose from \$142 to \$290 billion, an increase of 104 percent.

Madeleine Albright ▼



One concern of many Americans was that industrial jobs would go to Mexico, where labor costs were lower. Although some jobs were lost to Mexico, unemployment rates in the United States fell during this period and wages rose. Many American businesses upgraded their technology, and workers shifted to more skilled jobs or to the service industry.

NAFTA faced competing regional trade blocs in Europe and Asia. In 1993 the European Union (EU) was created to promote economic and political cooperation among many European nations. The EU created a common bank and the **euro**, a common **currency** for member nations. The organization also removed trade barriers between its members and set policies on imports from nations outside the community.

EU rules tended to favor imports from the European nations' former colonies in Asia, Africa, and the Pacific over competing products from the United States. The EU also banned scientifically modified food, such as hormone-treated beef from the United States. American exporters argued that hormones were a safe way to accelerate livestock

growth rates and produce leaner meat. They protested that European fears lacked a scientific basis.

The Asia Pacific Economic Cooperation (APEC) was an attempt to create a Pacific trade community to rival the European Union. APEC represented the fastest-growing region in the world and controlled 47 percent of global trade in 2001. APEC began as a forum to promote economic cooperation and lower trade barriers, but major political differences kept its members from acting together.

The World Trade Organization Central to the effort to promote a global economy was the World Trade Organization (WTO). The WTO administered international trade agreements and helped settle trade disputes. American supporters of the WTO **cited** benefits for U.S. consumers, including cheaper imports, new markets, and copyright protection for the American entertainment industry. On the other hand, the United States had no veto power in the WTO and poorer nations could outvote it.

Picturing History

A Busy Border NAFTA greatly increased trade across the Texas-Mexico border (below). It also led to the building of foreign-owned factories, known as *maquiladoras*, in Mexico near the American border to take advantage of low Mexican wages. The *maquiladora* pictured at right is located in Tijuana. [How did NAFTA affect both the United States and Mexico?](#)



Griffiths Bell/CORBIS, (b)Pablo San Juan/CORBIS



NATIONAL
GEOGRAPHIC

MOMENT in HISTORY

TERRORISM IN THE HEARTLAND

A couple comforts each other after placing flowers on one of the 168 chairs that form part of the Oklahoma City National Memorial. The site was dedicated on April 19, 2000—five years to the day after Timothy McVeigh detonated a massive bomb outside the Alfred P. Murrah Federal Building in downtown Oklahoma City. Most of the 168 killed and hundreds injured were government employees, but 19 children attending a day-care facility in the building also died in the blast. A jury found McVeigh guilty, and he was executed in 2001.



Trade With China China played an increasingly important role in world trade. Its huge population offered vast potential as a market for American goods. Many Americans, however, had strong reservations about China's record on human rights, and they worried about its threats to invade Taiwan. These Americans were wary of negotiating a trade agreement with China. Despite these concerns, President Clinton argued that regularizing trade with China would help bring it into the world community.

After negotiating a new trade agreement, Clinton pressed Congress to grant China permanent normal trade relation status. Those opposing the bill were an unusual coalition. Labor unions were concerned that inexpensive Chinese goods would flood U.S. markets; conservatives objected to China's military ambitions; and environmentalists worried about pollution from Chinese factories. Despite their opposition, the bill passed in late 2000.

Reading Check **Explaining** Why was the European Union (EU) created in 1993?

Issues of Global Concern

Main Idea Concerns about nuclear proliferation and the environment led to efforts to reduce nuclear weapons and pollution.

Reading Connection Are there groups in your school or area working to improve the environment? Read on to learn about efforts to reduce damage to the environment.

Although the end of the Cold War had reduced the threat of nuclear war between the United States and the Soviet Union, it increased fears that nuclear weapons might fall into the wrong hands. Equally worrisome were efforts by several nations, including Pakistan, North Korea, and Iraq, to acquire nuclear weapons and long-range missiles. In the 1980s, nations also began to be concerned about the environment.

Nuclear Proliferation During the Cold War, only a few nations had possessed nuclear weapons, and they tried to restrict the spread of nuclear technology

to other countries. When Russia agreed to reduce its nuclear arsenal, concerns arose that some of its nuclear weapons or radioactive material could be lost, stolen, or sold on the black market. In response, the United States provided funds to Russia to assist in the reduction of its nuclear stockpile.

Other measures followed to reduce the threat of **nuclear proliferation**, or the spread of nuclear weapons to new nations. Congress passed legislation that cut aid and imposed sanctions on nations seeking to acquire nuclear weapons. In 1996 President Clinton also signed the Comprehensive Nuclear Test Ban Treaty, but the U.S. Senate refused to ratify it fearing it would limit American nuclear research.

Concern About Ozone In the 1980s, scientists discovered that chemicals called chlorofluorocarbons (CFCs) had the potential to deplete the earth’s atmosphere of ozone. Ozone is a gas in the atmosphere that protects life on Earth from the cancer-causing ultraviolet rays of the sun. At that time, CFCs were widely used in air conditioners and refrigerators. Many environmental activists began to push for a ban on CFC production. In the late 1980s, public awareness of the ozone issue increased dramatically when stories appeared documenting a large ozone “hole” over Antarctica. In 1987 the United States and 22 other nations agreed to **phase** out the production of CFCs and other chemicals that might be weakening the ozone layer.


Global Warming In the early 1990s, another global environmental issue developed when some scientists found evidence of **global warming**—an increase in average world temperatures over time. Such a rise in

temperature could eventually lead to more droughts and other forms of extreme weather. A furious debate is now underway among scientists over how to measure changes in the earth’s temperature and what the results mean.

Many experts believe carbon dioxide emissions from factories and power plants cause global warming, but others disagree. Some question whether global warming even exists. The issue is very controversial because the cost of controlling emissions would affect the global economy. Industries would have to pay the cost of further reducing emissions, and those costs would eventually be passed on to consumers. Developing nations trying to industrialize would be hurt the most, but economic growth in wealthier nations would be hurt, too.

Concern about global warming led to an international conference in Kyoto, Japan, in 1997. Thirty-eight nations and the EU signed the **Kyoto Protocol** promising to reduce emissions, but very few put it into effect. President Clinton did not submit the Kyoto Protocol to the Senate for ratification because most senators were opposed to it. In 2001 President George W. Bush withdrew the United States from the Kyoto Protocol, citing flaws in the treaty. As the 2000s began, Americans struggled to balance economic progress with environmental concerns.

 **Reading Check** **Identifying** What is the ozone layer, and why is it important?

HISTORY  **Study Central**
Online

For help with the concepts in this section of *American Vision: Modern Times* go to tav.mt.glencoe.com and click on **Study Central**.

SECTION 3 ASSESSMENT

Checking for Understanding

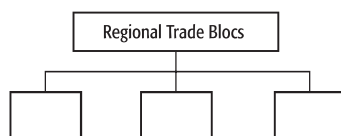
1. **Vocabulary** Define: trade deficit, euro, currency, cite, nuclear proliferation, phase, global warming.
2. **People and Terms** Identify: North American Free Trade Agreement, Kyoto Protocol.
3. **Describe** the international response to concerns about global warming.

Reviewing Big Ideas

4. **Explaining** Why was China an important factor in world trade?

Critical Thinking

5. **Analyzing** Do you think the new global economy has helped or hurt the United States?
6. **Organizing** Complete a graphic organizer similar to the one below by listing and describing the regional trade blocs that formed in the 1990s.



Analyzing Visuals

7. **Analyzing Photographs** Study the photograph on page 945 of the Oklahoma City National Memorial. What do the empty chairs represent? How has the memorial helped relatives of the victims?

Writing About History

8. **Expository Writing** Decide which issue of global concern today is the most serious. In an essay, explain why you think it is the most serious problem, and provide some possible solutions.

CA 11WA2.3a; 11WA2.3b