

# Virginia & US Government

## (High School Government & Economics)

**Learning in Place, Phase II**

**April 6-10, 20-24**



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**Name:** \_\_\_\_\_

**School:** \_\_\_\_\_

**Teacher:** \_\_\_\_\_

## Government (VAUS GOVT) Learning in Place, Phase II

**April 6-10**

✓	Task	Text	Write
	Describe the level of economic freedom in a market or command economy.	Passage 1	<p>1. You are now forming your own country, and you have to pick the type of economic system (market or command) you would like your country to have. Depending upon which economic system you choose, the government should fit that type of economic system.</p> <p style="padding-left: 40px;">a. If you choose a market economy, then you will need to choose three of the economic freedoms from the list and explain why they are the most important to maintain that economy.</p> <p style="padding-left: 40px;">b. If you choose a command economy, then you will need to choose three of the economic freedoms from the list and explain why they need to be eliminated or limited to maintain that economy.</p> <p>Make sure that you explain the type of governmental system your country has as part of your answer. The answer should be in paragraph format and at least 7 sentences in length.</p>
	Why did Bill Clinton sign NAFTA?	Passage 2	<p>2. <b>As you read:</b> Make a list of reasons President Bill Clinton decided to sign the North American Free Trade Agreement.</p>
	What is the World Trade Organization and why is the US a member?	Passage 3	<p>3. <b>As you read:</b> Underline the roles of the World Trade Organization (WTO)</p> <p>4. <b>After you read:</b> The United States is a founding member of the WTO. Based on the reading, why do you think this is so and why would the United States want to maintain its commitment to the WTO? Write a paragraph to support your answers.</p>

**April 20-24**

✓	Task	Text	Write
	What are the costs and benefits of international free trade for the United States?	Task 4, Documents A-C	<p>1. Analyze Documents A-C and answer the accompanying questions. Then, construct a claim that responds to the Driving Historical Question. Cite at least 3 pieces of evidence from the documents to support your claim and provide your reasoning for how each piece of evidence supports your claim.</p>
	How is the coronavirus likely impacting the U.S. economy?	Passage 5	<p>2. Give examples of how you see the effects of the global pandemic, coronavirus, on the U.S. economy. What evidence do you see that the chief of the WTO may be correct? Interview a family member and/or friend and ask how he or she sees or feels the impact of the coronavirus on the economy. The interview may be face-to-face (in practicing with social distancing), over the phone, or online. Write a summary of your findings. The summary should be at least 1 page, if typed (12-point font, double-spaced) or 2 pages, if handwritten (single-spaced)</p>

## Passage 1

### Economic freedoms:

- ability to earn money
- right to purchase property
- right to spend incomes on goods and services
- right to choose occupations or change jobs
- right to make choices about where and how much to save
- right to start new businesses and decide what to produce.

## Passage 2

### President Bill Clinton's Remarks upon signing NAFTA

I believe that NAFTA will create a million jobs in the first five years of its impact. And I believe that that is many more jobs than will be lost, as inevitably some will be as always happens when you open up the mix to a new range of competition. NAFTA will generate these jobs by fostering an export boom to Mexico...

So when people say that this trade agreement is just about how to move jobs to Mexico so nobody can make a living, how do they explain the fact that Mexicans keep buying more products made in America every year? Go out and tell the American people that. Mexican citizens with lower incomes spend more money—real dollars, not percentage of their income—more money on American products than Germans, Japanese, Canadians. That is a fact. And there will be more if they have more money to spend...

Businesses do not choose to locate based solely on wages. If they did, Haiti and Bangladesh would have the largest number of manufacturing jobs in the world. Businesses do choose to locate based on the skills and productivity of the workforce, the attitude of the government, the roads and railroads to deliver products, the availability of a market close enough to make the transportation costs meaningful, the communications networks necessary to support the enterprise. That is our strength, and it will continue to be our strength. As it becomes Mexico's strength and they generate more jobs, they will have higher incomes and they will buy more American products.

In a few moments, I will sign side agreements to NAFTA that will make it harder than it is today for businesses to relocate solely because of very low wages or lax environmental rules. The environmental agreement will, for the first time ever, apply trade sanctions

against any of the countries that fails to enforce its own environmental laws. This ground-breaking agreement is one of the reasons why major environmental groups are supporting NAFTA.

The second agreement ensures the Mexico enforces its laws in areas that include worker health and safety, child labor and the minimum wage. And as the benefits of economic growth are spread in Mexico to working people, what will happen? They'll have more disposable income to buy more American products and there will be less illegal immigration because more Mexicans will be able to support their children by staying home. This is a very important thing.

This agreement will create jobs, thanks to trade with our neighbors. That's reason enough to support it. But I must close with a couple of other points. NAFTA is essential to our long-term ability to compete with Asia and Europe. Across the globe our competitors are consolidating, creating huge trading blocks. This pact will create a free trade zone stretching from the Arctic to the tropics, the largest in the world—a \$6.5 billion market, with 370 million people. It will help our businesses to be both more efficient and to better compete with our rivals in other parts of the world.

This is also essential to our leadership in this hemisphere and the world. Having won the Cold War, we face the more subtle challenge of consolidating the victory of democracy and opportunity and freedom.

(NAFTA side agreements are signed.) (Applause.)

## Passage 3

### What is the World Trade Organization?

There are a number of ways of looking at the WTO. It's an organization for liberalizing trade. It's a forum for governments to negotiate trade agreements. It's a place for them to settle trade disputes. It operates a system of trade rules. (But it's not Superman, just in case anyone thought it could solve — or cause — all the world's problems!)

Above all, it's a negotiating forum... Essentially, the WTO is a place where member governments go, to try to sort out the trade problems they face with each other. The first step is to talk. The WTO was born out of negotiations, and everything the WTO does is the result of negotiations. The bulk of the WTO's current work comes from the 1986-94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT). The WTO is currently the host to new negotiations, under the "Doha Development Agenda" launched in 2001.

Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to liberalize trade. But the WTO is not just about liberalizing trade, and in some circumstances its rules support maintaining trade barriers — for example to protect consumers or prevent the spread of disease.

It's a set of rules... At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. These documents provide the legal ground-rules for international commerce. They are essentially contracts, binding governments to keep their

trade policies within agreed limits. Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters, and importers conduct their business, while allowing governments to meet social and environmental objectives.

The system's overriding purpose is to help trade flow as freely as possible — so long as there are no undesirable side-effects — because this is important for economic development and well-being. That partly means removing obstacles. It also means ensuring that individuals, companies and governments know what the trade rules are around the world, and giving them the confidence that there will be no sudden changes of policy. In other words, the rules have to be “transparent” and predictable.

And it helps to settle disputes... This is a third important side to the WTO's work. Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO system, often need interpreting. The most harmonious way to settle these differences is through some neutral procedure based on an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.

## Task 4

**Task:** Use the documents to address the following question:

***Driving Historical Question: What are the costs and benefits of international free trade for the United States?***

**Part A.** Closely read Documents A, B, and C and determine what is important by answering the accompanying question(s).

### **Document A**

The North American Free Trade Agreement, or NAFTA, is a three-country agreement negotiated by the governments of Canada, Mexico, and the United States that entered into force in January 1994. NAFTA's terms, which were implemented gradually through January 2008, eliminated most tariffs on products traded between the three countries. Modification of the countries' trade in agriculture, textiles, and automobile manufacturing was a major focus. The deal also sought to protect intellectual property, establish dispute resolution process, and, through side agreements, implement labor and environmental safeguards.

NAFTA fundamentally reshaped North American economic relations, driving unprecedented integration between Canada's and the United States' developed economies and Mexico's developing one. It encouraged regional trade to more than triple, and cross-border investment between the three countries also grew significantly.

*Written by James McBride and Mohammed Aly Sergie for the Council on Foreign Relations, 2018*

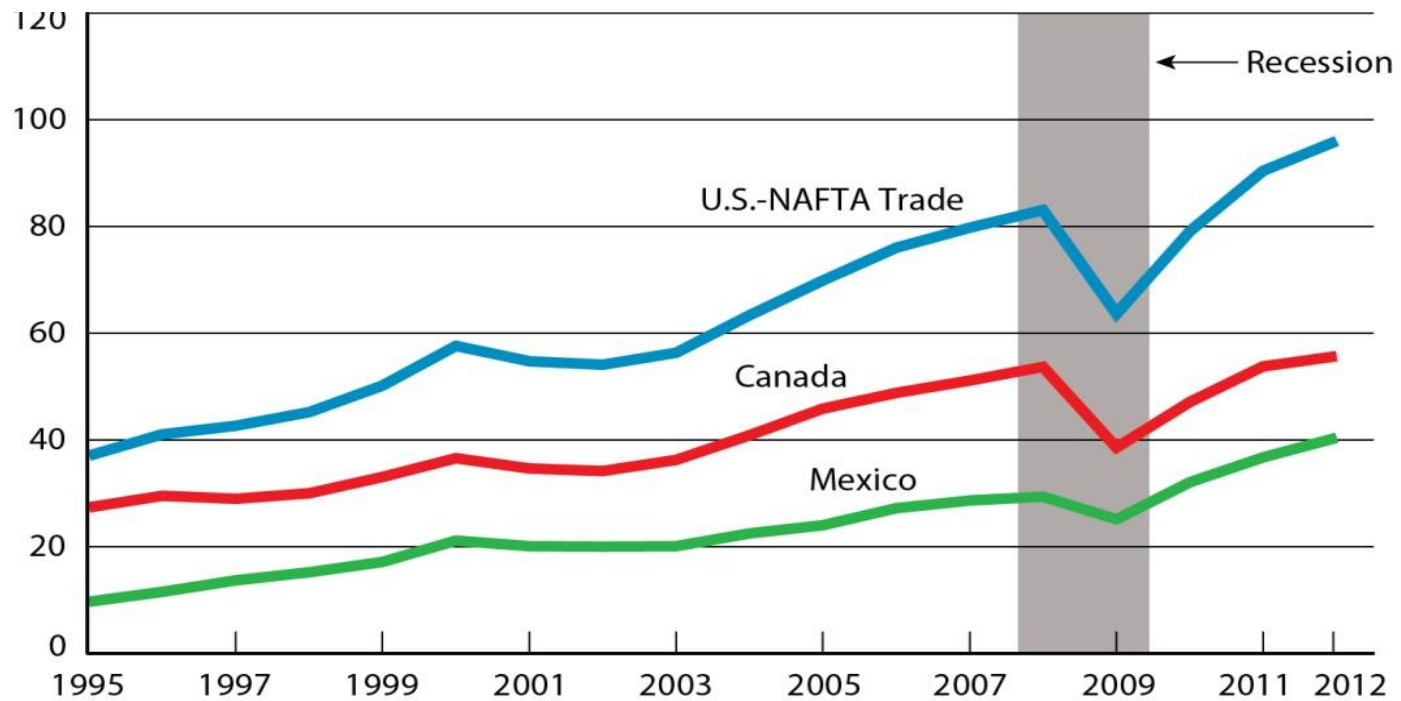
Based on Document A, discuss two ways the United States' economy benefited from NAFTA.

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### Document B

Trade Profits in Billions of Dollars



Based on Document B, discuss how NAFTA has impacted the financial gains of North American countries since its implementation.

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Document C



Based on Document C, discuss two negative impacts of free trade agreements as depicted by the artist.

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Part B.

- Write a claim that answers the Driving Historical Question.
- Support your claim with evidence from **all 3** documents. These are facts that support your claim.
- In complete sentences, provide your reasoning/argument for why the evidence supports your claim.

**Driving Historical Question: What are the costs and benefits of international free trade for the United States?**

## Passage 5

### Coronavirus downturn will be worse than 2008, WTO says

GENEVA (Reuters) - The World Trade Organization's chief said on Wednesday that projections show the economic downturn and job losses caused by the coronavirus pandemic would be worse than the 2008 recession.

"This pandemic will inevitably have an enormous impact on the economy..." director-general Roberto Azevedo said in a video message filmed from his home and posted on the website of the body that creates rules for global commerce.

"Recent projections predict an economic downturn and job losses that are worse than the global financial crisis a dozen years ago," he added. He said concrete forecasts were not yet available, but the WTO's in-house economists expected "a very sharp decline in trade."

However, he said countries could take important steps to limit immediate economic damage and lay the foundations for a long-term recovery, urging them to work together.

"Coordinating efforts will increase our collective recession-fighting power," he added.

Azevedo praised stimulus measures taken by governments as "positive," without naming countries, and also urged WTO members to be transparent and share information. The body has called off face-to-face meetings at its Geneva headquarters since reporting a coronavirus case earlier this month and also scrapped its major biennial meeting, due to be held in Kazakhstan in June, due to the outbreak.