The Tariff Choice

Weighing the reasons for trade barriers and free trade

SS24.E.11c "Analyze why countries sometimes impose trade barriers and sometimes engage in free trade."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two reasons Maris might use a trade barrier, circle two reasons it might keep trade open, and number two costs its leaders must weigh.

Solar Panels at the Port

1. At the docks of fictional Maris, imported solar panels arrive at prices local manufacturers struggle to match. Maris can place a tariff, a tax on imported panels, to raise their price. Factory owners argue that this would give local plants time to expand and train workers. Officials also worry that relying on a single foreign supplier for most panels could leave Maris short if shipping stops. A tariff might encourage domestic production, but it cannot guarantee that factories will grow. If the tariff raises prices, households and businesses planning rooftop projects may delay buying panels.

2. Installers in Maris make the opposite case. They want low-cost imported panels so they can offer more affordable projects and hire more crews. Without a tariff, buyers can choose among foreign and domestic products, and local firms can focus on services they do well, such as installation and repair. Foreign countries might also keep their markets open to products Maris exports. Yet open trade is not a promise of equal gains: local panel factories could lose sales and jobs, while a supply disruption abroad could still stall projects at home.

3. Now imagine a foreign government pays its panel makers large subsidies, allowing them to sell unusually cheaply in Maris. Officials might investigate and impose a targeted trade barrier if they find that subsidized imports are harming local producers. But a broad tariff on every imported panel would also raise costs for installers, even those buying from other countries. Trading partners could answer with tariffs on Maris exports. Leaders therefore weigh evidence about subsidies, factory capacity, project costs, and export risks. They may favor freer trade when reliable suppliers and affordable panels matter more than the protection a barrier would provide.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why might Maris place a tariff on panels even before investigating foreign subsidies? Explain two reasons.

2. Why do installers favor keeping panel imports tariff-free, and how could that choice affect their hiring?

3. Why could a broad tariff benefit local panel factories but hurt installation businesses?

4. If an investigation finds that subsidized imports harm local producers, why might leaders choose a targeted barrier instead of a broad tariff? What trade risk would remain?

3 YOUR TURN

Your own words

A country imports most of its medical gloves, but local factories could make them at a higher price. In four to five sentences, recommend either a temporary import barrier or continued free trade, give one reason for each option, identify who bears a cost under your choice, and name one condition that would make you reconsider.

ANSWER KEY

The Tariff Choice

GRADE 12 · SS24.E.11c

PART 1 · READ AND MARK

Underline two reasons Maris might use a trade barrier, circle two reasons it might keep trade open, and number two costs its leaders must weigh. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why might Maris place a tariff on panels even before investigating foreign subsidies? Explain two reasons.	**A tariff could give local factories room to expand and train workers. It might also reduce reliance on one foreign supplier if domestic production grows.**
2	Why do installers favor keeping panel imports tariff-free, and how could that choice affect their hiring?	**Lower-cost panels could make projects more affordable, allowing installers to take on more work and hire more crews.**
3	Why could a broad tariff benefit local panel factories but hurt installation businesses?	**Raising imported panels' prices could help local factories compete, but it could also raise installers' costs and cause customers to delay projects.**
4	If an investigation finds that subsidized imports harm local producers, why might leaders choose a targeted barrier instead of a broad tariff? What trade risk would remain?	**A targeted barrier could address the harmful imports without raising the price of panels from every country. Trading partners might still respond with tariffs on Maris exports.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would keep glove imports tariff-free because hospitals need affordable supplies. A temporary barrier could help domestic factories expand and reduce reliance on foreign shipments. Under my choice, local glove makers may lose sales to lower-priced imports. I would monitor whether hospitals have suppliers in several countries rather than just one. If repeated shipping disruptions threatened patient care, I would reconsider limited, temporary protection for domestic production.

Accept either recommendation in Part 3 if the response explains a reason for both choices, identifies a plausible cost of the recommended choice, and gives a condition that could change the decision.