

Trade Barrier Choices

Compare ways governments limit imports.

SS6E2.b "Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargos."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline each sentence that tells what a trade barrier does. Circle the words or phrases that show how tariffs, quotas, and embargos are different.

Three Limits on Trade

- ① Trade lets countries exchange goods they do not produce easily at home. Colombia grows coffee, and Canadian stores sell coffee imported from Colombia. A government can slow that trade with a tariff, which is a tax on an imported good. If Canada added a tariff to Colombian coffee, the importer would pay the tax. The company might raise the coffee's store price, buy less coffee, or accept a smaller profit. The coffee could still enter Canada.
- ② A quota limits the amount of a good that may enter during a set time. Imagine that a country allows 10,000 cases of orange juice from Brazil in one year. Importers may bring in juice until they reach that limit. Unlike a tariff, a quota does not add a tax to every case. After the limit is reached, more Brazilian juice cannot enter that year. Less imported juice may leave buyers with fewer choices and may raise prices.
- ③ An embargo is a much stronger barrier. It stops nearly all trade, or trade in certain goods, with a particular country. The United States has maintained an embargo on Cuba for decades, although some limited trade is allowed under U.S. rules. The embargo affects goods moving between the United States and Cuba, while Canada can trade with Cuba. Like tariffs and quotas, embargos limit trade. Unlike the other two, an embargo can cut off trade rather than tax it or set an amount.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 How would a tariff on Colombian coffee change trade between Colombia and Canada, and why could the coffee still enter Canada?

2 Compare a tariff and a quota. State one way they are alike and one way they are different.

3 Why is an embargo usually more restrictive than a tariff or a quota?

4 Compare the likely effects on buyers of a tariff on coffee and a quota on orange juice.

3 YOUR TURN _____ Your own words

Invent a country that wants to slow solar panel imports from Chile but still allow some panels to enter. Write exactly three sentences: choose a tariff, quota, or embargo, explain how it would affect the imports, and contrast it with one other barrier.

PART 1 • READ AND MARK

Underline each sentence that tells what a trade barrier does. Circle the words or phrases that show how tariffs, quotas, and embargos are different. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	How would a tariff on Colombian coffee change trade between Colombia and Canada, and why could the coffee still enter Canada?	The importer would pay a tax, which could raise the store price or reduce imports. The coffee could still enter because a tariff taxes imports instead of blocking them.
2	Compare a tariff and a quota. State one way they are alike and one way they are different.	Both limit trade or imports. A tariff adds a tax to an imported good, while a quota limits how much of a good may enter during a set time.
3	Why is an embargo usually more restrictive than a tariff or a quota?	An embargo can stop nearly all trade, or trade in certain goods, with a country. A tariff allows imports with a tax, and a quota allows imports up to a limit.
4	Compare the likely effects on buyers of a tariff on coffee and a quota on orange juice.	A coffee tariff could raise the coffee's store price, but coffee could still enter Canada. An orange juice quota could leave buyers with fewer choices and may raise prices after the limit is reached.

PART 3 • YOUR TURN (SAMPLE ANSWER)

The Republic of Coastland should use a quota of 5,000 solar panels from Chile because a quota limits the number that can enter. Some panels could still enter until the limit is reached. A tariff would tax every panel instead, while an embargo would block nearly all trade with Chile.

Accept accurate comparisons that identify tariffs as taxes, quotas as limits on amount, and embargos as broad restrictions on trade with a country. For the open response, accept any barrier choice if the explanation and contrast are accurate and the response has exactly three sentences.