

Trade Stops

Compare how governments limit trade in Latin America, Canada, and beyond.

SS6E5.b "Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargoes."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline each sentence that tells what a trade barrier does. Write 1, 2, or 3 beside details about tariffs, quotas, and embargoes so you can compare their effects.

Three Ways to Limit Trade

- ① Trade barriers are government rules that limit trade with other countries. A tariff is a tax on goods brought into a country. For example, if Canada placed a tariff on coffee imported from Colombia, the importer would pay an extra tax. The seller might raise the coffee's price to cover that cost. A tariff does not stop the coffee from entering Canada. It changes the price, so shoppers may buy less imported coffee or choose coffee from another source.
- ② A quota limits the amount of a product that may enter a country during a set time. Imagine that Peru allows only a certain number of foreign-made shoes to enter during one year. After that amount arrives, more shoes cannot legally enter until the next period. A quota can make imported goods harder to find, which may raise their price. Unlike a tariff, a quota is not a tax. Both barriers can protect local producers by reducing competition from imports.
- ③ An embargo is a much stronger barrier. It blocks trade with a particular country, often for political reasons. The United States has long maintained an embargo that restricts most trade with Cuba, although some items, including certain food and medical products, may be allowed under licenses. An embargo affects many kinds of goods instead of one product or amount. Like tariffs and quotas, it reduces trade. However, a tariff adds a cost, a quota sets a limit, and an embargo broadly blocks trade.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 Compare a tariff and a quota. What does each one do to imported goods?

2 What is one way that tariffs and quotas are alike?

3 Why can an embargo affect trade more broadly than a quota?

4 How might the result of a tariff on imported coffee differ from the result after a quota on shoes has been reached?

3 YOUR TURN _____ Your own words

Imagine Mexico wants to support its local bicycle makers while trading with Country X. Write four sentences that explain how Mexico could use a tariff, a quota, and an embargo, then state one way all three barriers are alike.

PART 1 • READ AND MARK

Underline each sentence that tells what a trade barrier does. Write 1, 2, or 3 beside details about tariffs, quotas, and embargoes so you can compare their effects. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	Compare a tariff and a quota. What does each one do to imported goods?	A tariff adds a tax that can raise the price of imports. A quota limits how much of an imported product may enter during a set time.
2	What is one way that tariffs and quotas are alike?	Both can reduce competition from imports and protect local producers.
3	Why can an embargo affect trade more broadly than a quota?	An embargo blocks trade with a particular country and can affect many kinds of goods. A quota limits only the amount of one product during a set time.
4	How might the result of a tariff on imported coffee differ from the result after a quota on shoes has been reached?	The coffee can still enter Canada, but its price may rise because of the tariff. After the shoe quota is reached, more shoes cannot legally enter until the next period.

PART 3 • YOUR TURN (SAMPLE ANSWER)

Mexico places a tariff on bicycles imported from Country X, so each bicycle costs more. Mexico could set a quota that allows only 5,000 bicycles from Country X each year. Mexico could impose an embargo that blocks most trade with Country X, including bicycles. All three barriers would reduce imported bicycles and may help Mexican bicycle makers.

Accept equivalent comparisons that accurately distinguish a tariff as a tax, a quota as a limit on quantity, and an embargo as a broad block on trade with a country. For the open response, accept any logical hypothetical example that includes all three barriers and one accurate similarity.