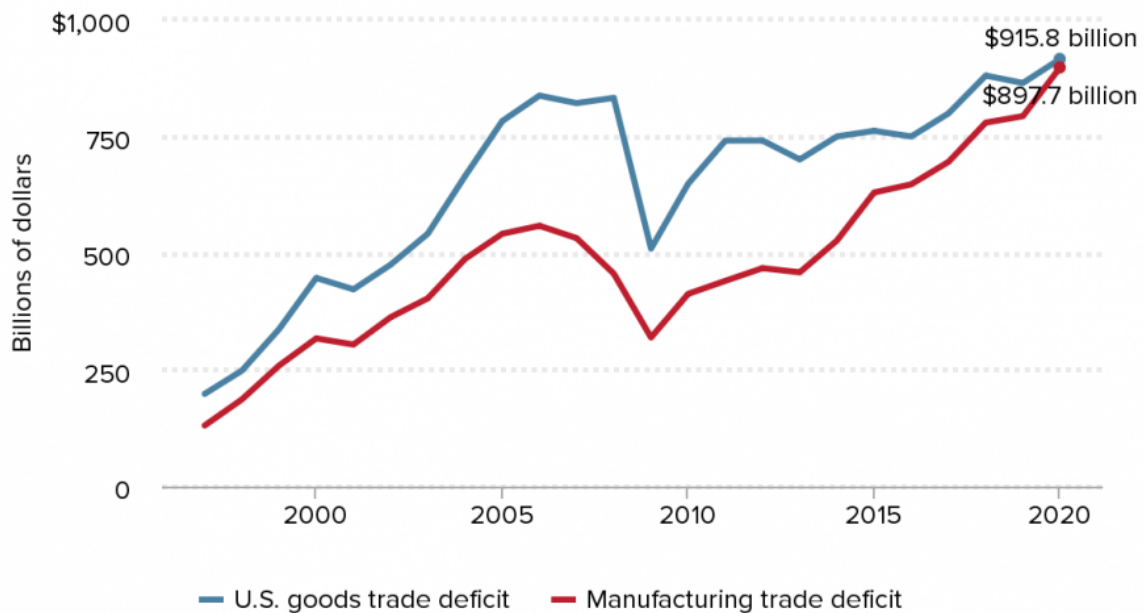


Graph Analysis

Tariffs are one tool countries use to regulate trade. Starting in 2017, new tariffs were implemented in order to reduce the US trade deficit. This was also an attempt to stop unfair trade practices and halt the theft of intellectual property.

Growing U.S. goods trade deficits, 1997–2020



Source: EPI analysis of Census Bureau and the USITC trade data.

Economic Policy Institute

<https://www.epi.org/blog/u-s-trade-deficit-hits-record-high-in-2020-biden-administration-must-prioritize-rebuilding-domestic-manufacturing/>

Based upon the looping card activity and the graph, answer these questions:

1. Who gets the revenue generated by the tariffs?
2. In general, why does a government impose tariffs?
3. Based upon the data in the chart, how effective were the new tariffs in lowering the trade deficit?
4. Is globalization or tariffs better for US economic growth? Explain.