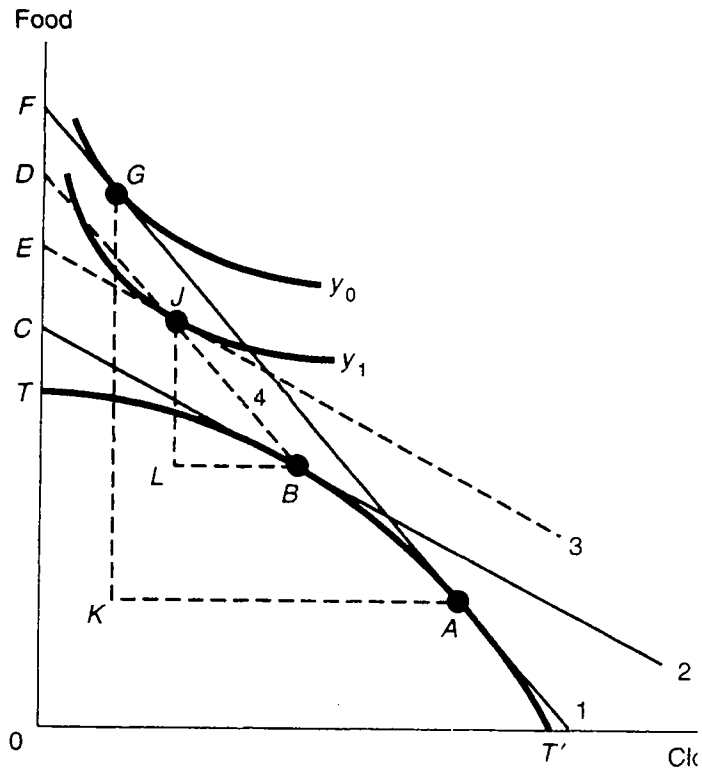Figure 10.4
The Effect of a Tariff on Imports
A tariff raises the domestic relative price of food (shown by lines 2 and 3) above the fixed world price (shown by lines 1 and 4). Domestic production of food rises from *A* to *B*. Domestic consumption of food falls from *G* to *J*. The trade triangle shrinks from *GKA* to *JLB*.