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Summary Article: **protection**
From *The Columbia Encyclopedia*

practice of regulating imports and exports with the purpose of shielding domestic industries from foreign competition. To accomplish that end, certain imports may be excluded entirely, import quotas may be established, or bounties paid on certain exports. One method is to impose duties on imports (see tariff), increasing the price of the imported article, and making it less attractive to the consumer than the cheaper, domestically produced article. In the 20th cent. Britain used a system of protection known first as imperial preference and later as Commonwealth preference, designed to promote close economic relations between Britain and former colonial dependencies. The United States, however, followed the policy of protecting “infant industries” from the beginning of its national history. Since bounties on exports are forbidden by the Constitution, the protective tariff was the chief instrument of such policy. A brief attempt was made in 1913 to lower duties, but after World War I tariff rates were raised to the highest point in U.S. history. Although American industries had grown to a position of great strength, it was still held that they needed protection from the cheaper labor and lower costs of production in many foreign countries.

To promote freer trade during the Great Depression, President Franklin Delano Roosevelt received authorization in 1934 to negotiate reciprocal trade agreements, reducing tariff rates on a far-reaching basis through the use of the most-favored-nation clause. After World War II, the United States played a leading role in the formation (1948) of the General Agreement on Tariffs and Trade (GATT) and in negotiating the several rounds of multilateral tariff reductions, most recently (1986) the Uruguay round, which led to the formation of the World Trade Organization. Other important steps in the movement toward freer trade and away from protection include the formation of the European Economic Community (or Common Market; now part of European Union) in 1957 and the European Free Trade Association in 1959. In 1992, the United States, Canada, and Mexico negotiated the North American Free Trade Agreement (NAFTA), which created the world's largest trading zone.

Although the United States is no longer a high-tariff nation, it still has a number of restrictive import quotas that provide a definite limit on the quantity of a given commodity that can be imported from another nation. Japan, one of the world's major industrial nations, also has many import quotas. Such quotas, in addition to being more certain methods of protection than tariffs, can also be used to favor certain nations over others.

See Corden, W. M. , *Protection, Growth and Trade* (1985);
Bhagwati, J. N. , *Protectionism* (1988).

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protection. (2018). In P. Lagasse, & Columbia University, *The Columbia encyclopedia* (8th ed.). New York, NY: Columbia University Press. Retrieved from <https://search.credoreference.com/content/topic/protection>



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