

STUPID OR EVIL? IT'S DEFINITELY NOT LIBERATION

[NB: check the byline, thanks. /~Rayne]

I don't have the words for Donald Trump's
liberation-by-massive-tax-increase yesterday.
I'll let an academic handle it:

The one problem with France 24's
video above is that it repeats
Trump's bullshit, even though it
offers a rebuttal to the tariffs
themselves.

The "economically illiterate" bullshit it
repeated was the percentage Trump claimed other
countries assessed the US. The numbers are
skewed.

One potential source for the inaccuracy: AI.
Krishnan Rohit queried several AI platforms and
received a freakishly uniform response which may
explain Trump's numbers.

rohit 🌐 @rishnanrohit

This might be the first large-scale application of AI technology to geopolitics. 40, 03 high, Gemini 2.5 pro, Claude 3.7, Grok all give the same answer to the question on how to impose tariffs easily.

What would be an easy way to calculate the tariffs that should be imposed on other countries so that the US is in an even playing field when it comes to trade deficit? Set minimum at 10%.

Reasoned about trade tariffs and deficits for 10 seconds. $\Delta \text{Trade Deficit} = \text{Trade Deficit} - \text{Total Imports}$ A straightforward if naive method is to set the tariff rate for each trading partner equal to the percentage share of the trade deficit relative to that country's total imports where no less than 10% is the minimum.

Tariff Rate (%) = $\max(10, (\text{Trade Deficit} / \text{Total Imports}) \times 100)$

For example, if the US runs a \$20 billion deficit on \$100 billion worth of imports from a country, the calculated rate is $(20/100) \times 100 = 20\%$. If the deficit was only \$5 billion, it could impose a 10% floor.

This method ignores the intricate dynamics of international trade such as currency fluctuations, export subsidies, and supply chain nuances but it provides a blunt, proportional rule to "level the playing field." One might implement it in Python like so:

```
python
def calculate_tariff_rate(trade_deficit, total_imports):
    """Calculate a tariff rate based on the trade deficit as a percentage of total imports, with a 10% floor and 40% cap.
    Args:
        trade_deficit (float): The trade deficit in billions of dollars.
        total_imports (float): Total imports from the country in billions of dollars.
    Returns:
        float: The calculated tariff rate percentage, capped between 10% and 40%."
    """
    # Calculate the percentage share of the deficit
    ratio = (trade_deficit / total_imports) * 100
    # Apply the 10% floor and 40% cap
    tariff_rate = max(10, min(40, ratio))
    return tariff_rate

# Example usage
def main():
    trade_deficit = 20  # $20 billion deficit
    total_imports = 100  # $100 billion in imports
    tariff_rate = calculate_tariff_rate(trade_deficit, total_imports)
    print(f"Calculated Tariff Rate: {tariff_rate}%")

if __name__ == "__main__":
    main()
```

Under this approach is correct $\Delta \text{Trade Deficit} = \text{Trade Deficit} - \text{Total Imports}$ would be an easy way to calculate the tariffs that should be imposed on other countries so that the US is in an even playing field when it comes to trade deficit? Set minimum at 10%.

To calculate the tariff that could theoretically level the playing field for trade deficit, I'll employ a straightforward approach based on the trade imbalance percentage:

- Calculate the bilateral trade deficit with each trading partner: $\text{Trade Deficit} = \text{US Imports from Country} - \text{Exports to Country}$
- Express this as a percentage of total bilateral trade: $\text{Deficit Percentage} = (\text{Trade Deficit} / \text{Total Bilateral Trade}) \times 100$
- Apply a tariff rate that inversely offsets this percentage, with your minimum 10% floor: $\text{Tariff Rate} = \max(\text{Deficit Percentage}, 10\%)$

This creates a proportional response where countries with large trade imbalances with the US would face higher tariffs. For example:

- If Country A has a 20% trade surplus with the US (meaning the US has a 20% deficit), apply a 20% tariff.
- If Country B has a 10% trade surplus with the US, apply the minimum 10% tariff.

This method is relatively simple to calculate and directly ties tariff levels to trade imbalances. However, I should note that accurately generalizing across all trade relationships where demand inelasticity affects trade practices, and tariffs can have complex economic consequences including increased monetary prices and potential retaliation.

Would you like me to elaborate on any part of this approach or discuss potential limitations to make it more sophisticated?

Resolved 2.5 Pro Experiment 02-05

Explore instructions

Thoughts

Generate ideas related to: **What would be an easy way to calculate the tariffs that should be imposed on other countries so that the US is in an even playing field when it comes to trade deficit? Set minimum at 10%.**

Okay, I'll break down the idea of using tariffs to achieve an "even playing field" without actually imposing a US trade deficit.

While the goal of balancing trade is understandable, relying on "tariffs" to "calculate tariffs" to achieve this is somewhat circular, and most economists would argue it's not the best or most effective for several reasons. Instead, let's outline a slightly different conceptual approach, based on the numbers, ignoring the real-world complexities and consequences.

Simplified (and Problematic) Calculation Steps

- Identify the Bilateral Deficit:** Calculate the trade deficit the US has with a specific country (Country X): $\text{Bilateral Deficit} = \text{Imports from Country X} - \text{Exports to Country X}$
- Target Reduction:** The goal is to reduce exports from Country X by an amount that would offset the deficit. In the presence of a deficit, so that the net effect would be a zero-sum game (Imports from Country X = Exports to Country X).
- Calculate Required Tariff (Simplifying Assumptions):**
 - If you assume, very simplistically, that a tariff directly offsets the value of exports by a corresponding percentage (which it doesn't), the required tariff, you would find: $\text{Required Tariff (\%)} = (\text{Bilateral Deficit} / \text{Imports from Country X}) \times 100$

This means a 30.3% tariff on Chinese goods could be proposed to offset the imbalance, aiming to reduce imports and encourage domestic production or exports.

Extending to Other Countries

To provide a broader view, here's a table of the US trading partners with the largest trade deficits from The Ministry of Finance's annual calculations (assuming a scaling factor of 50 for consistency):

Country	Deficit (\$B)	Total (\$B)	Deficit %	Calculated Tariff %
China	290	600	50.0%	25.1%
Mexico	172	340	50.6%	20.2%
Vietnam	123	246	50.0%	25.0%
Indonesia	87	174	50.0%	22.9%
Germany	85	170	50.0%	20.0%

Apr 3, 2025 · 12:14 AM UTC

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The rest of the thread can be found [here](#).

Somebody with more smarts about large language models (LLMs) and AI will have to validate this, but it sure looks fishy. Given Team Trump's predilection for appointing/hiring individuals based on ideology and affinity with Trump, it's not impossible AI was relied on during the tariff formulation and rollout process, versus the expertise and experience of qualified individuals.

Whatever the case, Trump just rolled out a massive tax increase on the American public. Oddly, CNN conveyed this succinctly in spite of its bent toward pro-Trump rhetoric:

Trump side says tariffs will raise \$6 trillion, which would be largest tax hike in US history | CNN Business

Chris Isidore

7–9 minutes

CNN —

White House aide Peter Navarro said Sunday that he expects President Donald Trump's tariffs to bring in \$6 trillion in revenue in the next decade, which could amount to the largest tax hike in US history.

Even when adjusting for inflation, that amount would be triple the tax increase put in place in 1942 to pay the cost of fighting World War II.

Navarro, Trump's senior counselor for trade and manufacturing, insists it's not a tax increase but a tax cut — echoing the Trump administration's repeated belief that tariffs will be paid not by American consumers but by businesses in other countries or the countries themselves.

Note the rollout using one of the stupidest Trump appointees across either of Trump's terms — Peter Navarro. He'd parrot bullshit all day if a mic is shoved in his face.

Also note the phrase "repeated belief," not a fact but a belief. Team Trump expects the public take what they are saying on faith and not on the basis of past experience.

And then the outright lies CNN's Chris Isidore points out in that bit emphasized with a red underline: tariffs are NOT paid abroad but here in the US by the importer. The tariffs are added to the cost of goods sold, thereby increasing the likelihood prices to consumers will be higher very soon.

Another academic explains how tariffs — taxes on buyers of imported goods work. See Richard Wolff's explanation at 5:17 to 6:20 in this video:

Tariffs on imported goods = taxes on us.

You like coffee and tea? It's going to be more

expensive, especially since we don't grow tea here and our coffee industry is minuscule, consisting of Kona coffee beans. Even fabric for clothing made in the US will be more expensive because we don't have a fabric industry here in the US any longer at any serious scale; it would take years to re-establish manufacturing here.

Re-establishing industries to replace products now so much more expensive will be challenging given the cost of materials and the competition for labor both to build facilities and staff them after completion.

It'll take much longer than the 10 years over which this massive tax increase is supposed to generate \$6 trillion dollars in revenue – that's about \$1800 per American citizen, \$150 more a month.

This country has made this same stupid choice before, so stupid it became part of a movie's economics teacher's schtick:

What does uber conservative Ben Stein think about this iteration of voodoo economics rising from the grave, wearing orange foundation and a straw-like hairdo, stomping about as if credibly alive? What does he think about Trump kicking off an unnecessary recession and possibly a depression with his irrational import duties?

This entire mess represents two facets of Trump his base haven't accepted or ignored. He's the kind of guy who likes to destroy stuff but can't successfully build a better version afterward, as if he's permanently stuck in the demolition phase of construction.

He's also a plain old fashioned mafioso. All of this is a form of shakedown, borne by the American public as well as global trading partners. You know he'd lift tariffs on any

country that offered him vigorish of some form.
Quid pro quos are his thing.

He's a made man – which may explain why tiny islands with US bases on them being assessed tariffs, but Russia isn't.

Are we really supposed to believe that because trade with Russia is so low that Russia should escape tariffs altogether, while our most valuable trade partners haven't?