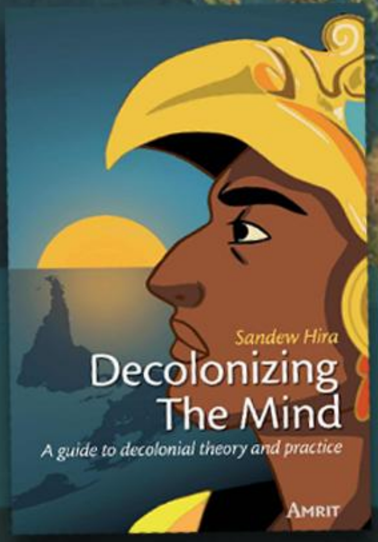
1 **World Affairs**

A decolonial analysis of current world affairs

The soap opera of president Trump: week 16

Decolonizing The Mind,
the final frontier of colonialism
with Sandew Hira



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14-04-2025

Topics

1. Iran-US talks
2. Dissent in Israel's army
3. Tariff war and China

Iran-US talks

- Foxnews: Trump team holds 'constructive' face-to-face nuclear talks with Iran. Trump demands face-to-face meetings
- Iran: indirect talks in constructive atmosphere. Iran is playing with Trump
- Trump: Israel will take lead in war. US is afraid of confrontation with Iran.

Dissent in IOF

After the protest in the Air Force and the Navy, another protest was published today by reservist officers in the 8200 intel unit (Central Collection Unit of the Intelligence Corps) active personnel, and retired officers, calling on the Israeli government to recover the captives and end the war in Gaza.

The protest letters, sent by the Zionist reservist soldiers serving the Air Force, Navy, and 8200 intel unit to call on the Israeli government to recover the captives and end the war in Gaza.

The IOF announced on Thursday that it will expel hundreds of Air Force reservists who signed an advertisement calling for an end to the war.

Trump’s tariffs

On April 2—a day he called "Liberation Day"—Trump signed an executive order imposing a minimum 10% tariff on all U.S imports effective April 5. Higher tariffs on imports from 57 countries, ranging from 11% to 50%, were scheduled to take effect on April 9 but were almost immediately suspended for 90 days for all countries except China. The 10% tariff remains in effect.

History of US trade deficit - 1

1971: The U.S. recorded its first **trade deficit in the 20th century** (**$1.3B**), partly due to rising oil imports and declining manufacturing competitiveness.

1980's: Strong dollar (due to high interest rates) made U.S. exports more expensive. **Japan & Germany** became major exporters of cars and electronics to the U.S. **Trade deficit ballooned**, peaking at **$152B (1987)** (~3% of GDP).

1991–2000: The deficit went to **380B (2000)**. **NAFTA (1994)**: Increased trade with Mexico and Canada but also accelerated offshoring. **China's Rise**: Began exporting cheap goods to the U.S. after joining the **WTO (2001)**. **Tech Boom**: Strong U.S. growth fueled demand for imports.

History of US trade deficit - 2

2001–2008: Trade deficit peaked at $761B (2006) (~5.5% of GDP). China became the largest source of the deficit, replacing Japan. Housing Boom: Americans borrowed heavily, importing more goods. 2008–2009 (Financial Crisis): Demand collapsed, shrinking the deficit to $384B (2009).

2021–2023 (Biden Era): Deficit surged to $1.18T (2022)—highest ever—due to post-pandemic demand and inflation.

2023–2024 Deficit fell to $773B (2023) as exports (especially energy) grew. Mexico surpassed China as the top U.S. trading partner in 2023.

Structural causes

Consumer Demand: The U.S. consumes more than it produces, driving imports.

Manufacturing Decline: Offshoring (especially to China) since the 1990s.

Energy Trade: The U.S. was a net oil importer until the **2010s shale boom**.

Strong Dollar: Makes U.S. exports more expensive abroad.

Mexico

There are over 20,000 U.S. companies with operations or subsidiaries in Mexico. These companies span various industries, including manufacturing, technology, automotive, retail, and services.

Mexico is a key destination for U.S. investment due to its proximity, trade agreements like the USMCA (United States-Mexico-Canada Agreement), and lower labor costs. Major U.S. corporations such as General Motors, Ford, Walmart, Coca-Cola, and Microsoft have significant operations in Mexico.

China white paper on US-China trade

Though the US imported far more from China ($440bn) than China imported from America ($145bn).

In 2024, US goods exports to China reached US$143.55 billion, representing a 648.4 percent increase from US$19.18 billion in 2001, which far exceeded its overall export growth of 183.1 percent during the same period.

China was the destination for 51.7 percent of US soybean exports, 29.7 percent of its cotton exports, 17.2 percent of its integrated circuit exports, 10.7 percent of its coal exports, 10.0 percent of its liquefied petroleum gas exports, 9.4 percent of its medical equipment exports, and 8.3 percent of its passenger motor vehicle exports.

Effect for the US companies

China-US economic and trade cooperation has facilitated the upgrading of American industries. Through cooperation with China, American multinational corporations have boosted their international competitiveness by integrating the strengths of resources from both countries. Apple designs and develops mobile phones in the US, assembles and manufactures them in China, and sells them in global markets. Tesla has established wholly-owned mega factories in China, expanded production capacity, and exported to global markets.

Effect for the US consumers

China-US economic and trade cooperation has brought tangible benefits to American consumers. The US has imported from China a large quantity of consumer goods, intermediate goods, and capital goods, which has supported the development of the supply and industrial chains of the US manufacturing industry, provided US consumers with more choices, lowered their cost of living, and increased the real purchasing power of the American people – especially the low and middle-income groups.

Inflation

The tariffs will weaken the US industrial base. The Trump administration intends that these tariffs will force the reshoring of the US manufacturing industry. In reality the tariffs will gradually affect the industrial chain and supply chain, aggravate the risk of supply chain disruption and industrial hollowing out, and add to problems hindering the development of manufacturing. The Peterson Institute for International Economics assesses that over 90 percent of the tariff costs will be borne by US importers, by downstream businesses, and ultimately, through higher prices, by the end consumers.

Why does Trump back down?

Because he fights a structural problem of the US economy with accidental measures based on arrogance and ignorance. We will see more of this

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