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April 2025 Newsletter



America's Misunderstood Trade Deficit

By [Mike Smiszek](#), Senior Trade Advisor,
Braumiller Consulting Group

Several fundamental conditions are widely presumed necessary for a country to enjoy the benefits of global trade. One condition is that import activity ought not exceed export activity.¹ Put more simply, we must sell more than we buy. On its face this seems reasonable. It seems

logical that a trade deficit (that is, selling less than we buy) is a drain on our economy. Indeed, every month the news media feed us the bad news about the negative “balance of trade” data reported by the Commerce Department. For much of our history, the U.S. experienced annual trade surpluses. But this hasn’t been the case in recent decades, as the U.S. is now entering its *sixth consecutive decade of annual trade deficits*—

meaning that every year since 1975, covering the span of nine republican and democratic presidencies, we've imported more than we've exported.

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All Is Fair in Love and War, But Apparently Not Trade Closing the Gap on Global Trade Deficits with the U.S. (A monumental task for a variety of reasons)

By **Bob Brewer**, Braumiller Law Group

So, here we are post Liberation Day and investors have been liberated from over \$6 trillion dollars U.S. just in the last week. These “reciprocal” tariffs were supposedly aimed at balancing trade with other countries, some of which have higher tariff rates on US exports than the US imposes on imports from those nations, but apparently there was a formula used that colored outside the lines of actual trade data. I took a stab at some real data at the close of fiscal 2024, and the United States had trade deficits with 101 countries. Go USA!!! The top 15 countries with the largest trade deficit with the U.S. in order are: China: \$279.4 billion, Mexico: \$152.4 billion, Vietnam: \$104.6 billion, Germany: \$83.0 billion, Japan: \$71.2 billion, Canada: \$67.9 billion, Ireland: \$65.3 billion, South Korea: \$51.4 billion, Taiwan: \$48.0 billion, Italy: \$44.0 billion, India: \$43.7 billion, Thailand: \$40.7 billion, Malaysia: \$26.7 billion, and Switzerland: \$24.3 billion.



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Security for New Bitcoin Strategic Reserve

By **James R. Holbein**, Of Counsel, and **Justin Holbein**, CEO,
Web3 Consulting LLC

New Bitcoin Strategic Reserve: On March 7, 2025, the White House hosted a Digital Assets Summit to celebrate the creation of a Bitcoin Strategic Reserve and a Digital Assets Stockpile by an Executive Order titled, “Establishment of the Strategic Bitcoin Reserve and United States Digital Asset Stockpile”. (<https://www.whitehouse.gov/presidential-actions/2025/03/establishment-of-the-strategic-bitcoin-reserve-and-united-states-digital-asset-stockpile/>) The Executive Order recognizes that “The Bitcoin protocol permanently caps the total supply of bitcoin (BTC) at 21 million coins, and has never been hacked. As a result of its scarcity and security, Bitcoin is often referred to as “digital gold”. Because there is

a fixed supply of BTC, there is a strategic advantage to being among the first nations to create a strategic bitcoin reserve.”

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Lessons from the Smoot–Hawley Tariff Act of 1930

By Mike Smiszek, Senior Trade Advisor, Braumiller Consulting Group

The various tariffs that President Trump has imposed since retaking office are based on delegated authority found in several existing statutes.^[1] But a century ago, tariffs were primarily the purview of Congress. One of the most controversial manifestations of U.S. tariff legislation (and of American legislation in general) was the *Smoot–Hawley Tariff Act of 1930*,^[2] signed into law by President Hoover shortly after the United States—and the world—fell into the black hole of the Great Depression. Just as a black hole swallows all matter, including light, the Great Depression swallowed the global economy, and didn’t allow a glimpse of any light at the end of that dark tunnel for all of the 1930s.



^[1] For example: *Trade Expansion Act of 1962*, *Trade Act of 1974*, and *International Emergency Economic Powers Act* (IEEPA, 1977).

^[2] Although controversial, the *Smoot–Hawley Tariff Act of 1930* (or simply the *Tariff Act of 1930*, when it was published on June 16 in *The United States Daily* (Vol. V., No. 89, Section II), which was the forerunner of the *Federal Register*), Pub. L. 71–361, 46 Stat. 590, as amended many times over the years, is, ironically, the legislative bedrock of the current CBP regulations and tariff rates. Because of the *Reciprocal Trade Agreements Act of 1934*, *Smoot–Hawley* bears the distinction of being the last major *legislated* influence on tariff policy. Referring to the law as *Smoot–Hawley* is technically incorrect; because revenue-related legislation must originate in the House rather than the Senate, *Hawley–Smoot* is the more appropriate name. But *Smoot–Hawley* is the more common designation.

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I Attended Liberation Day and All I Got Was These Lousy Tariffs Is This Liberation? Liberation Day Hangover

By Victoria Holmes, Braumiller Law Group



Liberation Day passed with the promised reciprocal tariffs touted by the Trump administration. The president, surrounded by workers in the Rose Garden on April 2, executed a number of tariffs promising to Make America Wealthy Again. How did they calculate these tariffs? Well, there's speculation. The Cato Institute, a libertarian think tank, [claims](#) "that the rate calculation is barely more sophisticated than dividing the bilateral trade deficit between the United States and each trading partner by the quantity of goods imported into the United States, and then (*completely at random*) further dividing it by 2." The White House did respond that there was much more to these calculations, but no serious economist would pass these tariffs as a legitimate tactic for making America wealthy, so we can view their argument without giving it much weight. Also, for some reason, we're at a trade war

[with penguins.](#)

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2025 Trade Policy Agenda Provides Rationale for Trump Tariff Actions

By [James R. Holbein](#), Of Counsel, Braumiller Law Group PLLC

On March 3, 2025, the Office of the United States Trade Representative (USTR) released the *2025 Trade Policy Agenda and 2024 Annual Report by the United States Trade Representative of the President of the United States on the Trade Agreements Program (U.S. Trade Representative Announces 2025 Trade Policy Agenda | United States Trade Representative*, hereinafter "Agenda"). The report outlines the rationale of the Trump Administration for its trade policy goals and actions. It complements and expands on the *America First Trade Policy* Executive Order ([America First Trade Policy – The White House](#)) issued on January 20, 2025, President Trump's first day in office for his second term.



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Sheinbaum's Response to Trump's Tariffs and the Origin of the Goods

By [Brenda Cordova](#), Braumiller Law Group Mexico Legal Counsel

On April 3, 2025, during the presidential daily morning briefing, Mexico's President Claudia Sheinbaum responded to

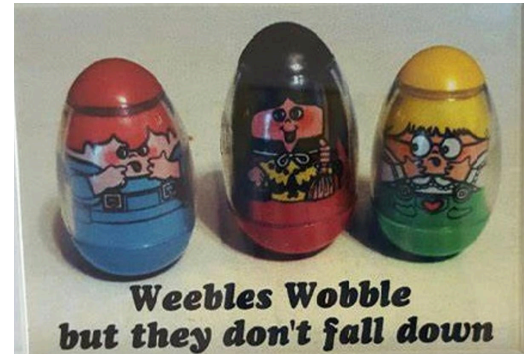
the import tariffs announced the day before by President Trump, which targeted several countries. She emphasized that, of all the nations affected by these new duties, Mexico was the least impacted. She attributed this to the strong bilateral relationship between Mexico and the United States. She also reiterated that, since Mexico does not impose tariffs on U.S. goods, it is unfair for the U.S. to impose tariffs on Mexican products.

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Chaebols May Wobble but They Don't Fall Down How Samsung Became 23% of South Korea's GDP

By Bob Brewer, Braumiller Law Group

Chaebols are large, family-owned business conglomerates that play a significant role in South Korea's economy. Some of the most well-known chaebols include Samsung Group, which is the largest chaebol, known for its electronics, semiconductors, and various other industries. SK Group: A major player in energy, chemicals, and telecommunications. Hyundai Motor Group: Famous for its automotive manufacturing, including Hyundai, Genesis, and Kia brands. LG Corporation: Involved in electronics, chemicals, and telecommunications. Lotte Corporation: Engaged in retail, tourism, and food industries. POSCO: One of the world's largest steel manufacturers. Hanwha Group: Diversified into chemicals, defense, and financial services. GS Group: Active in energy, retail, and construction. Hyosung Group: Known for its textiles, chemicals, and industrial machinery, and Hanjin Group: Which operates in transportation and logistics, including Korean Air.



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Options to the Panama Canal Perhaps? The U.S. Suggests Taking Back Ownership, as China is Prepared to Bypass

By Bob Brewer, Braumiller Law Group

Prior to the origination of the plans for the Panama Canal vessels of trade had few options of getting goods from Europe and Asia to N. America. One was to sail around the southern tip of South America (Cape Horn) adding months to the journey if they were lucky enough to make it through what is known as one of the most

hazardous shipping routes in the world, where it's estimated that over 800 ships have been lost over the last couple of centuries of trade. Another was the unloading of goods on one side of coastline and taking land routes across the Isthmus of Panama to re-load on the other side which was time consuming and expensive given the lack of modern infrastructure at the time.

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How the Trump Administration Pushed China Deeper into Latin America

By Victoria Holmes, Braumiller Law Group

Donald Trump's first term in office pursued an aggressive foreign policy toward China, imposing tariffs, restricting technology transfers, and accusing Beijing of unfair trade practices. However, one unintended consequence of this hardline approach has been China's accelerated expansion into Latin America—a region traditionally within the U.S. sphere of influence. Now, three months into Trump's second administration, the trend continues for Beijing to grow as the US weakens its trade relations.



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USMCA – We Have Some Good News and Some Terrible News

By Bruce Leeds, Senior Counsel, Braumiller Law Group

As is well known the US has imposed duties of 25% on imports from Canada and Mexico. This means that those imports will take the regular duty plus 25%. For example, a switchgear assembly classified under 8537.10.91 made in Canada or Mexico will take a duty of 2.7% plus the special tariff of 25%

for a total rate of 27.7% of the value.

But wait – what about imports from Canada and Mexico that are eligible for duty free treatment under the US-Mexico-Canada (USMCA) free trade agreement? There is the good news. Eligible imports under the

USMCA take no duty. Thus, in the example above the switchgear assembly would be totally duty free if it qualified for USMCA.

So – why not claim USMCA benefits for imports from Canada and Mexico instead of paying the 25%?

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Surviving the 2025 Tariff Wave: A Strategic Guide for U.S. Importers

By **James R. Holbein**, Of Counsel

The first quarter of 2025 has reshaped the U.S. trade landscape with a flurry of executive actions by the Trump administration, introducing a new wave of tariffs on imports from almost all U.S. trading partners. The Trump Administration has also levied broad duties on imports from Canada, Mexico, and China, on the basis of emergency powers of the Executive Branch, citing national security, border control, and illicit drug interdiction.

These moves, often issued with little notice and implemented rapidly, have thrust U.S. importers into uncharted territory. The legal mechanisms used—including the International Emergency Economic Powers Act (IEEPA), Section 232 of the Trade Expansion Act of 1962, and Section 301 Trade Act of 1974 — have broad implications for compliance, contract performance, profit margins, and supply chain stability.



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Nasbite International Annual Conference
April 8th - 10th, Robert Stein, VP of Braumiller Consulting will be speaking at the event
Information: Keynote Highlights

Bruce Leeds, Senior Counsel will conduct a webinar on Revisiting USMCA, May 8th
Details: <https://www.braumille.com/events/revisiting-the-usmca/>

[rlaw.com/events/revisiting-the-usmca/](https://www.braumille.com/events/revisiting-the-usmca/)

Adrienne Braumiller, Brenda Cordova, and Robert Stein will be speaking at the upcoming ICPA Conference in Toronto, June 1st - 3rd. Details: <https://web.cvent.com/event/b7d24aa5-bd48-44b1-8138-59dc139da68f/summary>

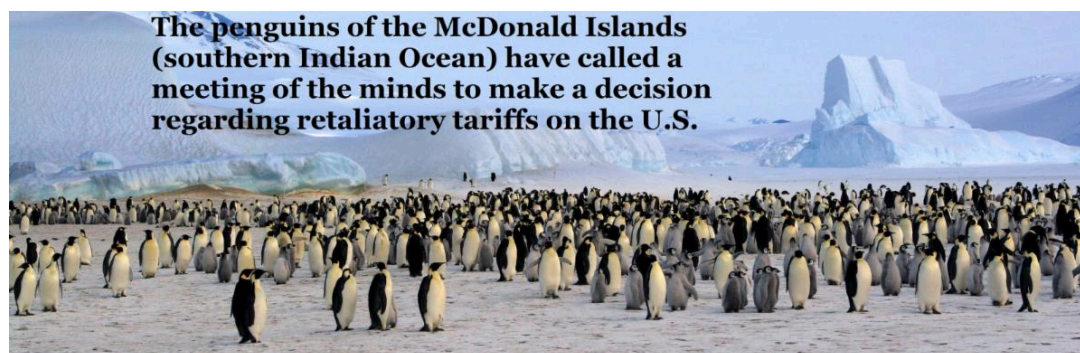
Look for us monthly throughout 2025 in the Tuesday Trade Talks with ICPA



If you are so inclined and have a moment, or two, or ten, check out our podcasts and videos regarding all things in International Trade Compliance

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