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Made in America Panel Maintains that America is in the Midst of Trade Reform as Government Finally Seeks to Reduce Taxes and Regulations

Host Neal Asbury, together with co-host Dr. Rich Roffman, opened their nationally syndicated "Neal Asbury's Made in America" show on Radio America (aired by almost 100 affiliates) by recognizing that under the Trump administration, trade and tax reform are linked as one. It stems, in part, due to confusion about terms like "free trade."

The first guest on Made in America was Ryan Ellis, from the Conservative Reform Network, who is working to reverse the current trade policy that forces exporters to pay taxes in foreign countries, and then pay taxes in the U.S. on the income that they make.

"What we'd like to see is adopting the Border Adjustment System that imposes a 20 percent tax tariff on imported goods, while reducing corporate taxes to 20 percent from 35 percent. This is a response to the current system whereby most countries pay almost no taxes on their exports into the U.S. We think that Congress will take this up in spring or summer, and it will come to the floor for a vote in fall," noted Ellis.

Neal was concerned that when a 20 percent tax is imposed on imports --mostly on lower cost goods-- it will force consumers who can least afford the added cost to pay higher prices.

A point of contention revolved around Ellis' prediction that trade would be enhanced if the dollar strengthened by 25 percent.

Neal noted that the dollar is already at a record high, which is adding to the current trade imbalance.

Ellis maintained that the passage of the Border Adjustment System depends on Trump's ability to focus on the issue and get the House and Senate to back the legislation.

Continuing the discussion about trade, Neal suggested that the discussion on Capitol Hill is really about trade reform, including the Border Adjustment System.

Trade needs to be addressed quickly since the U.S. trade deficit is now at its highest level in four years. Yet, at the very time that trade should be emphasized, the public has applauded the end of TPP and the proposed renegotiation of NAFTA -- both of which will only embolden our foreign competitors.

This has not stopped consumers from expressing a renewed sense of confidence in the economy.

Dr. Roffman suggested that as the public has gotten better educated about the

value of trade, they are losing trust in our current trade agreements.

Neal traced our current trade deficit to factors that include limited access to foreign markets, discrimination against American products, and the perception among foreign governments that when the U.S. makes threats, it's just bluster, with no teeth behind it.

The result, according to Dr. Roffman, is that the U.S. has a \$347 billion trade deficit with China.

"We need to stop worrying about currency manipulation and more time getting China to buy more U.S. products," according to Neal.

The next guest on Made in America was Red Jahncke of the Townsend Group International, who proposed that Chinese import competition has had a "strongly negative" impact on U.S. innovation, as measured by patents produced. This conclusion is devastating, since innovation is the lifeblood of progress.

Neal agreed, suggesting that trade should be driven by innovation, which creates higher paid jobs.

Jahncke proposed that while this should be the case, in many cases, trade is driven by cheap labor.

"One issue that impacts U.S. innovation is that R&D and manufacturing are co-dependent and that, when they are separated with manufacturing offshored while R&D remains a U.S. headquarters function, necessary close coordination is lost. What is missing is process innovation that creates the highest quality products at the lowest costs," maintained Jahncke.

Dr. Roffman agreed, adding "that when it comes to trade, we need less regulation. We don't just need more trade, we need better trade. Better deals. The government must encourage U.S. manufacturers, which will spur trade and innovation. This encouragement was missing during the entire Obama administration."

Jahncke suggested that we should stop worrying about Chinese money manipulation, which has greatly subsided. Instead, we should be looking at the number of Chinese billionaires who have been transferring vast sums of money out of China to the U.S. because they don't trust the Chinese dictatorship which could grab the money back at any time. They are also worried about intellectual property rights.

Neal returned to the topic of tax reform,

which had built momentum under George W. Bush but ultimately failed to pass Congress. It should be a national priority.

Neal and Dr. Roffman both believed that Andy Puzder, the CEO of the company that owns the Hardees and Carl's Jr. fast food chains, was railroaded out of his nomination as Secretary of Labor.

"Yes, he had some issues relating to hiring domestic help without Green cards and an accusation of violence from his ex-wife (which was rescinded), but the truth is that labor unions ganged up on him since he was considered a threat on wages," concluded Dr. Roffman.

Each week Neal Asbury's Made in America provides Neal's insights into the week's top news stories and their impact on the worlds of entrepreneurship, small business ownership and the overall economy. Neal's analysis, together with co-host Dr. Richard Roffman, a veteran 30-year publisher with extensive domestic and international experience, takes a non-biased approach based on real life experience in business as an American manufacturer and exporter. Made in America airs nationally each Saturday from 7-8:00 PM on Radio America. Link to Made in America at <http://www.nealasalburysmadeinamerica.com>.



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