



Made in America Panel Proposes that If America is to Prosper Voters Must Evaluate the Tax Reform Policies of this Year's Presidential Candidates

Host Neal Asbury, welcomed back co-host Dr. Rich Roffman to the nationally syndicated "Neal Asbury's Made in America" show on Radio America (aired by some 70 affiliates). Dr. Roffman has been engaged in launching his new magazine Cuba Trade, which recently led him to Arkansas to meet with Asa Hutchinson (R), the governor of Arkansas, which has strong ties to Cuba in rice and poultry exports.

While Dr. Roffman traveled to Arkansas, Neal traveled a lot further, flying to China to meet with the managers and employees of a manufacturing plant he owns there that employs 150 workers.

"While in China I was able to negotiate a corporate tax rate of 15 percent because my plant was deemed part of the tech sector. That's a rate that American companies would embrace in a heartbeat because it would immediately make them more competitive. Helping to make this happen is that 77 percent of China's political elite are trained as engineers who appreciate innovation. In the U.S. most law makers are lawyers. That's one reason why China is outperforming the U.S. on trade," proposed Neal.

The first guest on Made in America was Curtis Dubai, from The Heritage Foundation, who maintained that tax reform remains a central issue in Washington because of its overwhelming necessity.

"Tax reform is badly needed to revive the slow-growing economy and increase job creation and wages for American families. The current tax system is a large weight holding the economy back from growing as strongly as it could, thereby suppressing opportunity for Americans at all income levels. To free the economy to grow larger, tax reform must lower marginal tax rates for families, businesses, investors, and entrepreneurs. Lower rates would increase their incentives for working, saving, investing, and taking risks," suggested Dubai.

He added that tax reform would need to abandon worldwide taxation and move to a territorial system of taxing only businesses on the income they earn domestically. It also would need to allow businesses to fully deduct, or expense, the cost of capital when they make such purchases. If Congress constructed a plan that adhered to these principles, it could increase economic growth by as much as 15 percent over 10 years.

To achieve these aims, conservatives generally favor a system that eliminates multiple levels of taxation levied on saving and investment, which can be accomplished through a consumption tax.

Dubay noted that Republican presidential candidate Donald Trump has a tax reform plan too. His plan would reduce rates for families to the same levels as the House blueprint. The Trump plan also would reduce rates on saving and investing. It would lower the rate for businesses to 15 percent, although it remains unclear to which businesses the rate applies.

Meanwhile, he believes that Hillary Clinton's plan would hurt economic growth by reducing incentives for working, saving and investing, and taking risks. The death tax proposal would be particularly harmful. The confiscatory rate would strongly deter investment, reducing job creation and wage growth.

Neal finds the high estate tax particularly onerous since it would punish a generation of new wealthier minorities whose wealth would be eaten by taxes and not passed onto their family. This holds true, too, for family-owned farms.

Neal and Dr. Roffman returned to a discussion of Neal's trip to China, with Neal recalling how in the 1970s Southeast Asia was clamoring for U.S. goods, but gradually China usurped America's hold and now China's exports to Southeast Asia are skyrocketing.

"A communist nation has outsmarted American capitalism with its own version of wealth creation," noted Neal.

Dr. Roffman recounted that America has also fallen behind with its trade with Cuba, generating only \$189 million, a fraction of Cuba's \$2.2 billion trade level.

The next guest on Made in America was Charles Hugh Smith from PeakProsperity.com, who created the "Burrito Index" as a metaphor for measuring inflation.

"I can track the real-world inflation of the Burrito Index with great accuracy: the cost of a regular burrito from our local taco truck has gone up from \$2.50 in 2001 to \$5 in 2010 to \$6.50 in 2016. That's a 160% increase since 2001; 15 years in which the official inflation rate reports that what \$1 bought in 2001 can supposedly be bought with \$1.35 today. If the Burrito Index had tracked official inflation, the burrito at

our truck should cost \$3.38—up only 35% from 2001. Compare that to today's actual cost of \$6.50—almost double what it "should cost" according to official inflation calculations. Between 2010 and now, the Burrito Index has logged a 30% increase, more than triple the officially registered 10% drop in purchasing power over the same time," proposed Smith.

The discussion led to the realization that the consumer price index has no ties to the products consumers actually buy, so the CPI is contrived to make things look better than they actually are.

The final guest on Made in America was Howard Gold, founder of Golden Egg Investing, who proposed that both political candidates have talked a good game about job creation and the economy, but neither addresses the real problem. The U.S. job-creation machine—once the envy of the world—is broken, because American corporations cannot create steady, well-paying jobs here in the USA while also providing maximal returns to their investors, who are really in charge.

"Corporations' new, exclusive emphasis on shareholder value—enforced by executive-compensation packages in which equity comprised 62.2% of S&P 500 CEOs' total compensation in 2015, according to Equilar—has pushed top executives to replace humans with robots, send jobs overseas or bring in lower-paid immigrants to do them here, hire part-time or temporary workers (or glorified day laborers and Uber "contractors") instead of full-time ones, and lay off thousands of employees even when profits are soaring," according to Gold, who added that Ford got a bum rap when they were singled out for moving a plant to Mexico, which they had to do so they could increase their margins in the U.S. by building pricier models while moving cheaper models to Mexico where margins would be less.

Neal concluded the show by urging Americans to shift our culture to adopt a greater appreciation for vocational schools that prepare students for 21 century jobs.

Dr. Roffman added that this cultural change must include lowering taxes and reducing regulatory pressures so companies



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can hire. "And that means getting rid of the blatant cronyism that stymies job creation."

"Economic corruption has no place on America," concluded Neal.

Each week Neal Asbury' 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.nealasburysmadeinamerica.com>.



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