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## Made in America Panel Wary that Tariff Battles will Result in Higher Prices for American Consumers

The potential harm in not including Canada in a new NAFTA agreement; the uncertainty created by Trump's trade doctrine; the unintended consequences of the minimum wage; and whether one-on-one trade agreements should take the place of multi-country global agreements; were among the topics tackled by host Neal Asbury and a panel of experts on the nationally syndicated "Neal Asbury's Made in America" show on Radio America (aired by almost 100 affiliates and by the Armed Forces Network). Co-host Dr. Rich Roffman was unavailable for this week's show.

Neal is concerned that our trade relationship with China, Mexico, Canada and the European Union remains unsettled, which could result in higher manufacturing costs and U.S. consumer prices. The only silver lining is that the stock market seems to be resilient to the ongoing trade wars.

The first guest on Made in America was Vance Ginn, Director of the Center for Economic Prosperity and senior economist at the Texas Public Policy Foundation, who reminded listeners that tariffs are really added taxes, which hurt American businesses which have to pass on higher costs to customers and consumers.

Ginn does not believe that Trump's doctrine of negotiating trade agreements unilaterally one-on-one with countries is workable, instead of negotiating multi-country trade agreements like TPP.

"We should be expanding free trade by reentering negotiations of the Trans-Pacific Partnership with countries that represent 40 percent of global economic output. That would help pressure China to liberalize trade and support greater American prosperity," noted Ginn, who added that although TPP was flawed, it should not have been eliminated, since a renegotiated TPP could have helped put pressure on China to reduce its IP theft.

Neal and Vance Ginn agreed that Canada is too important a trading partner not to renegotiate the current trade agreement. NOTE: this show aired prior to the expectation that Canada would rejoin Mexico as part of the new trade agreement with the United States renamed USMCA -- The United States, Mexico and Canada Agreement.

"Canada is almost at the same level as China when it comes to a trading partner. More than 75 percent of Canadian exports go to America and represents \$582 billion in products traded. While it's good that we cut a new deal with Mexico, the deal isn't perfect since it really punishes American auto manufacturers, who are having to raise consumer prices to absorb the new tariff costs," proposed Ginn.

Neal concurred, looking at the impact of tariffs on auto manufacturers as part of a wider issue that comes with escalating sanctions.

"Meanwhile, our negotiations with China are at a standstill. Trump went after China in his U.N. address, which didn't do anybody any good. You have to keep in mind that Chinese leader Li Keqiang is very popular in China, and if it looks like America is pushing him around, it will backfire on the U.S.," according to Neal.

Ginn agreed and added that he hopes that negotiations with the European Union are fruitful.

The next guest on Made in America was Jon Miltimore, Managing Editor of FEE.org (Foundation for Economic Education), who maintains that the minimum wage is the Jason Vorhees of economics. "It just won't die. No matter how many jobs the minimum wage destroys, no matter how many times you debunk it, it always comes back to wreak more havoc."

As a sign of changing times, Neal and Miltimore referenced a 1987 New York Times editorial that suggested that the right minimum wage should be 0.0. And that the world was headed for a global freeze. Today, the Times is an advocate for a minimal wage and is a proponent of the global warming theory.

"The minimum wage is popular with most people, but not economists, who understand that raising the minimum wage has consequences, such as job loss and a reduction in worker hours. Venezuela raised their minimum wage by 3,500 percent, which saw 40 percent of retailers close up," according to Miltimore.

Neal wondered that instead the federal government controlling wages, individual states should make that decision.

Miltimore thinks this a viable option, but states will discover that it will do more harm than good.

The final guest on Made in America was Jim Kennedy, from the Kennedy Institute for Public Policy Research, who maintained that in his address to the U.N., Trump is the first president since Ronald Reagan to tell the U.N. that our country will no longer tolerate the tyrants and dictators whose nations make up much of the U.N.'s General Assembly.

"Trump has been tough on the U.N., so it's not surprising that his speech wasn't exactly greeted with politeness. When he began his speech boasting of his administration many undoubted accomplishments, the assembled "diplomats" laughed. Most, it appeared, laughed with the president and not at him as many in the media proclaimed. But he made his point when

he proclaimed the U.S. will honor every nation to pursue its own customs, beliefs and traditions, and the United States will not tell you how to live or work or worship. 'We only ask that you honor our sovereignty in return.' "Sovereignty." What a fabulously old-fashioned, yet beautiful, term, one that has fallen into both disuse and disrepute in the Age of Globalism. We're glad Trump used it, since it's one of the many things that the socialist advocates of globalism would like to erase," proposed Kennedy.

Neal is having a hard time trying to understand Trump's global doctrine. While he likes his additions to the economy, his trade policy is disrupting global supply chains, which adds uncertainty to business planning. Neal also questions Trump's emphasis on initiating one-on-one trade deals, instead of multi-lateral agreements which would include smaller countries that support the U.S. and currently are not included in some trade agreements.

Kennedy is cautious that America doesn't fuel a trade war, and hopes that Trump's advisers can steer the negotiations in the right direction. A trade war would only cause costs to rise for American manufacturers, which they would have to pass onto American consumers.

"The key is that Trump restore certainty to our trade policy so that manufacturers can have confidence in the viability of their supply chain and plan accordingly," concluded Neal.

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.nealasburysmadeinamerica.com>.



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