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## Made in America Panel Concerned that a Democratic House May Derail New United States, Mexico and Canada Trade Agreement

The impact of a Democratic House; concern about the Florida governor's race; the ongoing uncertainty among American small businesses created by a fractured U.S. trade policy; the promise of a bipartisan agreement on infrastructure funding; the chances of getting the United States, Mexico and Canada trade agreement signed; and whether the U.S. can make progress with China on a trade deal, were among the topics tackled by host Neal Asbury, co-host Dr. Rich Roffman, 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).

Neal and Dr. Roffman weighed in on the "suicide" for Florida business if the socialist, Democratic gubernatorial candidate, Andrew Gillum, defeats Republican Ron DeSantis.

"Florida has been a magnet for entrepreneurs due to its pro-business approach and low taxes. Reversing this trend with a socialist governor would be a disaster," according to Neal.

Dr. Roffman agreed, adding that raising the corporate tax rate to 40 percent, as proposed by Gillum, would be a business killer, and would destroy 25 years of entrepreneurial success.

The first guest on Made in America was Karen Kerrigan, President and CEO of the Small Business and Entrepreneurship Council, who echoed the vitality of the Florida market, which has ranked in the top 5 of the Small Business and Entrepreneurship Council Index over the past 23 years. She is concerned that China can ship its products to the U.S. at a fraction of the rate that U.S. shippers pay just to send something across state lines.

"China is the world's second largest economy. But 144 years ago, at the time the Universal Postal Union was created – which determines what the world's 192 postal services can charge for shipping – China was considered a third-world country. Yet as China prospered, the Union continued to give China preferential treatment, and an unfair economic advantage. In 1969 the more developed members of the Union agreed to a discounted shipping fee for poorer nations for packages weighing less than 4.4 pounds. That's why today it costs less to ship a package from Beijing to the U.S. than a package from Maryland to be shipped to neighboring New Jersey," revealed Kerrigan.

Neal, a manufacturer and exporter, has chafed under the unfair advantage afforded China.

"U.S. administrations have been talking about this for years, but Trump has finally addressed

this. Right now China is an export powerhouse whose businesses ship \$354 billion worth of goods worldwide, with much of it coming to the U.S. Meantime the U.S. Postal Service loses an estimated \$300 million per year delivering international items at below cost rates. Trump has convened a committee to study this and make recommendations, especially since it allows China to continue to steal American intellectual property," maintained Kerrigan.

Neal and Dr. Roffman segued to a discussion of the ramifications when Democrats control the House under Nancy Pelosi's leadership.

"If you can believe Nancy Pelosi, I'm encouraged that she's put a priority on infrastructure funding, which would gain bipartisan support. We have to do something to address our crumbling infrastructure, which is critical to trade, and gives us an advantage over China, where the infrastructure is a disaster," according to Neal.

Dr. Roffman hopes that the administration will turn to P3 funding – a Private/ Public Partnership – that takes the pressure off taxpayer funding.

Another outcome of the election is that Ohio elected a pro-business governor, while pro-business governor Scott Walker, lost his election in Wisconsin. And California's movie stars, who stumped for Democrats nationwide, were largely ineffective, as was former president Obama.

The next guest on Made in America was Dan Griswold, from the Mercatus Center, where he is Senior Research Fellow and Co-Director of Trade and Immigration, who believes it's unlikely that the mid-term election results will moderate President Trump's trade agenda, which is becoming increasingly controversial.

Neal is concerned that the United States, Mexico and Canada trade agreement has not been signed, and many people don't think it's appreciably better than the NAFTA agreement it replaces.

"The new agreement does address digital trade and intellectual property, which is a good thing. But the agreement ultimately will raise prices for cars and other products, and punishes U.S. consumers and businesses. The problem is that while the agreement is unsigned, it is causing uncertainties among American businesses; and uncertainty is not good for small businesses. But passing the agreement could be problematic since the House and Senate must grant fast-track authority so that the president can ratify trade agreements," according to Griswold.

Neal reminded listeners that Nancy Pelosi

failed to grant President Bush fast-track authority, which put trade agreements on hold with Panama, South Korea and Colombia.

"The United States, Mexico and Canada trade agreements are crucial for all three countries because it sets zero tariffs on most goods exchanged between the countries. But there may be pushback from some Democrats, labor unions and environmentalists," noted Griswold.

Neal is bullish on the trade agreement because it puts China on notice since the agreement stipulates that Canada and Mexico cannot sign trade agreements with "non-market" countries, which is aimed squarely at China. Any such agreement must be approved by the U.S.

"I have a factory in China and I trade with China, so I want any trade agreement to benefit both countries without giving one country an advantage. We are each other's most important market, so it's a win-win when we have fair trade. We must keep in mind that 50 percent of all imports to the U.S. are components and raw materials that are used to manufacture U.S. goods, so a reliable supply chain is critical," proposed Neal.

"We have lots of issues with China, but blanket tariffs will not work. We need to enter into diplomacy with China or the tariff war will escalate and it will hurt both countries," concluded Griswold.

Dr. Roffman agreed, and reminded listeners that no trade agreement has been finalized, so everybody should "calm down."

"We have to steer clear of the uncertainty that could reverse our soaring economy," proposed 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.nealasburysmadeinamerica.com>.



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