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Made in America Panel Continues to be Concerned over the Worsening of the China-America Relationship

The implosion of GM after setting the standard for auto manufacturing worldwide; the ongoing impact of the China-U.S. tariff war and our flawed relationship; the possibility of forming a bloc with other nations participating in WTO to put pressure on China to change their trade restrictions; whether the U.S. should re-engage with TPP; and the revelation that Alibaba founder Jack Ma is a loyal communist, 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 began the show by marveling about the Mars landing and what it says about America's technological superiority. They were stunned by the photos from Mars, and facetiously wondered why they didn't see Matt Damon or Elon Musk in the Martian landscape.

The discussion turned to another example of U.S. technology – the muscle cars produced by General Motors, which defined American auto manufacturing worldwide. Neal and Dr. Roffman were not completely complimentary to GM, conjuring up the disastrous Volt model, which was subsidized by the government.

The first guest on Made in America was Ryan Young, from the Competitive Enterprise Institute, who proposed that General Motors may be doing okay in the short term, but over the long term, there is cause to worry about GM's future.

"When General Motors announced that it will be laying off 14,700 workers, closing five factories, and discontinuing several car models, it caused some soul-searching in the midst of a boom economy. While they are taking a \$1 billion hit, it really only translates into the salaries of 24,000 employees over the course of two years. One thing hitting GM is that people aren't buying sedans, so that GM is closing sedan plants and instead investing in SUV plants," according to Young.

Dr. Roffman referred to the ill-fated government stimulus plan that saw the government actually playing a role in the firing of a car manufacturer CEO.

"When the government offers financial help, say NO! Trump started off trying to help the American car industry, but actually wound up hurting them through tariffs. I don't think either China's Xi or Trump know how to end this dispute, but they both need to save face," according to Young.

Neal noted that GM cars are sold throughout China and are in great demand, but putting a 25% tariff on Chinese-made cars is laughable since China sells almost no cars in the U.S. "But there's a black cloud hanging over the economy and it won't be resolved until China and America can come up with some kind of agreement."

"We see that the fed's inflation rate was near neutral, but the stock market is still tanking. Some of the cause can be attributed to Trump's statements, which can roil the market," according to Dr. Roffman.

Neal added that this type of uncertainty keeps entrepreneurs from taking risks.

The next guest on Made in America was Clark Packard, from the R Street Institute, who hopes that China's Xi and Trump can make progress on trade talks during the G-20 in Argentina, but recognizes that the American-Chinese relationship is deeply flawed.

"There's nothing wrong with the U.S. standing firm on negotiations with China but there's a better way to do it. We need a more thoughtful approach," suggested Packard.

Neal noted that many past presidents vowed to keep China in check, but none of them succeeded. "But Trump is doing what his administration promised."

Dr. Roffman agreed, proposing that China cannot continue to take advantage of the U.S.

"Trump has played hard ball with China from the beginning, and even sent Pence with a firm message for China to stop their behavior. The key to putting pressure on China is have WTO participant countries unite in one bloc to force China to conform to accepted standards of trade," according to Packard.

Neal was skeptical, given the WTO's history of being a dysfunctional organization. And suggested that if Japan and Europe would participate that might carry the heft required to force China's hand.

Packard also wants to see America rejoin TPP and while Trump has shown disdain for the agreement, he has sent signals that he may take another look at TPP. Packard would like to see a 5-10 year plan to make TPP happen.

The conversation turned to the fact that Alibaba founder, Jack Ma, admitted to being a member of the Chinese communist party, which surprised Neal and Dr. Roffman since Ma is the ultimate capitalist.

With tongue in cheek, Dr. Roffman suggested that China and the U.S. hold a coalition meeting

with key countries at a Four Seasons resort, and then stick China with the bill.

Neal and Dr. Roffman were also surprised that Amazon accounts for 50 percent of all online sales, although Amazon's employees are very unhappy with their long hours and low pay.

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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