



Made in America Applauds Trump for Stabilizing our Relationship with China, Mexico and Canada

It's been a tremendous week for the American economy and for entrepreneurs as a result of signed trade agreements with China, Mexico and Canada; most people want to see a quick end to the impeachment trial, concluding with an acquittal; it's time to give start-ups the resources they need not just after they are successful, but while they build their business; whether non-compete clauses are necessary to protect the intellectual property of business owners, or do they interfere with innovation; the net gain to the U.S. economy from the USMCA is \$300 billion in American exports to both Mexico and Canada; great optimism exists that the Phase I China agreement will finally address IP protection for U.S. technology in China; the China agreement essentially has tamped down the trade war between the U.S. and China and stabilized this relationship; we must honor the DNA inherent in American and Chinese citizens when negotiating trade agreements, 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 internationally and the Armed Forces Network).

Neal and Dr. Roffman began the show by condemning the fact that the impeachment trials overshadowed one of the most significant trade deals in history, with the U.S. reaching agreements with China, Mexico and Canada. Both Neal and Dr. Roffman predicted a quick resolution of the impeachment trials.

The first guest on Made in America was Ryan Khurana, Technology Policy Expert for the Toronto, Canada-based Institute for Advancing Prosperity, who applauded the rise in American entrepreneurship, despite the fact "entrepreneurship is increasingly rare because it's increasingly hard. Only a fraction of entrepreneurs create game-changing products that command large revenues."

Khurana noted that for the past 40 years, the government has used financial incentives, such as tax cuts, to reward innovators — once they're already successful. "Policymakers were convinced they'd boost growth by encouraging entrepreneurs to bear the risk of innovation with promise of handsome reward should they succeed. That didn't work, as 50% of startup ventures fail within the first five years. Instead, inequality rose as increasing entry barriers hindered would-be entrepreneurs' desire to risk financial insecurity. Since 1970 the focus was on only established, successful entrepreneurs, limiting resources for start-

ups still in their early stages," according to Khurana.

Neal applauded Khurana's contention that it's important to reinvest in teachers and support vocational education.

But both Neal and Dr. Roffman did not agree with Khurana's recommendation that non-compete clauses should be eliminated among business owners and employees.

"When you keep someone from sharing ideas, you suppress the knowledge that could spur innovation and impede the growth of an industry," proposed Khurana.

"As an owner of several businesses I consider it an investment in my workers to give them responsibility to succeed. But when they leave, that knowledge goes with them and could go to my competitor. I want to protect my IP so I do have employees sign non-compete agreements," according to Neal.

The next guest on Made in America was Matthew Margulies, vice president of China operations for the US-China Business Council (USCBC), who proposed that the difference in this Phase I agreement with China and past agreements is that this one covers IP protection and has enforcement clauses with penalties for non-compliance.

"This agreement also contains 57 provisions covering non-tariffs and regulatory requirements for imports. It also asks for an additional \$200 billion in exports, which is very ambitious since China may not be able to absorb that much demand," according to Margulies, who added that it also contains provisions for expanded American agricultural exports to China. He doesn't think a planned Phase II program will occur until after the 2020 election.

Neal is concerned that Phase II doesn't differentiate between finished goods and components. He also doesn't want the China deal to eclipse the recently ratified USMCA which represents \$300 billion in American exports to both Mexico and Canada.

Margulies would like to see Trump visit China to start ironing out Phase II but doesn't think that will occur until after 2020. It may be passed in bits and pieces.

Neal reminded listeners that China was once a closed country run by state-run bureaucrats, which impacted the quality of their goods and productivity. But after becoming a global power, their DNA looks a lot like American DNA.

"I still can't figure out how Tesla was able to come to an agreement with China to build cars

in China. They must have had some kind of agreement that protected their IP in a car-crazy market like China," 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.

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