



The Neal Asbury Show

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Former U.S. Under Secretary of International Trade Christopher Padilla Predicts That Erecting Trade Barriers Will Forestall Economic Recovery



Appearing on the Neal Asbury Show, former U.S. Under Secretary of International Trade, Christopher Padilla reminded listeners that "openness is what we are as a country," and that by erecting trade barriers, it hurts consumers and retailers and will only prolong America's current economic distress. Instead, Congress needs to allocate more funds to support the Trade Promotion Authority where for every one dollar invested, it returns \$430 dollars.

"Adopting protectionist measures would be a catastrophic mistake for the U.S. Consumers need and deserve access to foreign imports and U.S. manufacturers need to be able to trade with other countries without debilitating tariffs. I think Obama is open to free trade, but he is facing political pressure from Congress, protectionists, and labor unions that seek to diminish foreign trade," said Padilla, who is currently Managing Director of C&M International, Ltd. He advises clients on international business, trade, and investment matters with a particular focus on Asia, Latin America, export controls, foreign direct investment reviews, and market access issues.

Padilla predicted that Congress will eventually ratify the pending Colombian Free Trade Agreement, but is alarmed that new benchmarks have been put in place which will continue to delay ratification of the Panama and South Korean Free Trade Agreements. He is concerned, like many exporters, that Free Trade Agreements are being held up by politics.

"If you want to stimulate the economy, take politics out of the equation, open up markets, and you'll see that the number of exports will explode, creating U.S. jobs and bringing in renewed financial resources for American companies to reinvest," said Padilla.

Padilla was joined on the Neal Asbury show by John Manzella, a strategic global analyst and world-recognized author and speaker on international trade and policy who joins the show each week with his perspective. Manzella is somewhat optimistic that Obama has put some muscle behind a new trade policy agenda, but that the current stimulus package puts trade in a supporting role, which will delay any kind of recovery.

"The focus of the stimulus package is on income transfer instead of economic growth. It's nice to want to support social programs, but you can't do that if you aren't creating jobs that will raise the tax revenue required to fund social programs. We can't afford to pit business against social interests," said Manzella. "Obama has an ambitious agenda, but he can't do everything at once. He needs to prioritize the programs that will lift America out of its current economic mess in the short term," he added.

To help frame current perceptions that banks aren't interested in lending, John Asbury joined the show (no relationship to Neal Asbury), who leads the Business Banking line of business for Regions Financial Corporation, a top U.S. bank-holding company headquartered in Birmingham, Alabama, with \$144 billion in assets, operating over 2,000 branches in 16 states.

"People ask us all the time what's happening with the Troubled Assets Relief

Program (TARP) money, which is supposed to stimulate more bank lending. I tell them that these funds are mingled with the rest of the bank's assets and are being used in loans, but we don't put TARP money in one pile and other funds in another. It's as if you went to a dinner party and asked the host couple, which one of them paid for the roast and which one paid for the dessert; it came out of the same monies," said Asbury.

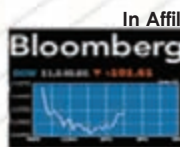
He predicts that banks will return to the kind of "Main Street banking" prevalent during the 1950s, and will reflect three basic attributes: 1) Banks are a safe harbor for deposits; 2) Banks are a responsible provider of credit (risk management); 3) Banks are trustworthy advisers.

"Let's face it, banks make loans and take deposits. We are open for business and are anxious to make loans, but we can't create demand in an economic climate where companies are holding off making capital investments or reinvesting in equipment and resources. We're ready to lend when companies are ready to invest in their future," concluded Asbury.

The Neal Asbury Show tackles key trade issues every Friday from 5:00 PM until 6:00 PM on WZAB-AM 880. The show is streamed live on line at WWW.880THEBIZ.COM, which is affiliated with Bloomberg Radio and CNBC.



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