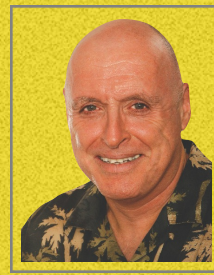


THE EXTRA POINT

BY JERRY ROBERTS



1741 Don't Pay Tariffs on Your Happiness

Donald Trump revealed the next step in his plan for tariffs yesterday, and the media and social media went unhinged again. Haters are gonna hate, so I've decided to just let them go. There is nothing, other than Trump leaving office, that will make them happy. If you're not a hater, but you are concerned about America and how these tariffs will impact us, hopefully what I have to offer today will give you some light to move forward with. I'm Jerry Roberts, and that's next on The Extra Point.

Tariffs have been with us for about 5,000 years. From what I could find, the earliest example was in Mesopotamia around 3000 BC. The Roman Empire had them, too.

In general, tariffs are used to protect a nation's industries, promote fair competition, and maybe even its national security. These fees are subject to renegotiation when imbalances exist between two countries.

President Trump's position is that existing trade agreements are not in balance, and this has cost America trillions of dollars in the last few decades. He wants to change that.

With the national debt at almost \$37 trillion, trade imbalances simply can't continue. Government overspending can't, in general. Ray Dalio, a widely respected investment leader, came out with a report that \$43-44T is the point of no return. Unlike his predecessors, Trump is doing something to try to turn things around.

Haters aside, if you are worried that America is going to be ruined by these new tariffs, I think you can relax. Markets always adjust.

Trump's plan is based on a reciprocal tariff structure. In the chart he used, he's imposing rates at roughly 50% of the tariffs the U.S. must pay. The UK, Singapore, China, and maybe a couple of others were at 10%, which is the same we pay in their countries.

Of course, there is another way. If foreign

leaders don't like the tariffs, then they should just do away with theirs and America can match. Then there would be no tariffs anywhere, and the dream of completely free global trade would be reality. How many countries will go for that? Few, if any.

Instead, they scream foul, the Democrats do likewise, and the liberal media pushes fear, trying to undermine the effort. Nobody talks about what will happen if significant changes don't take place.

It's childish. The American market is the most sought after in the world. These people can rattle their economic swords all they want. At the end of the day, they want Americans buying their products. Thus, they will look to renegotiate.

Trump has already received over a \$1T in investment commitments (maybe \$2T by now) from companies that want to beat tariffs. The competitors of those companies will likely fall in line as well. That's a win for America in terms of manufacturing jobs.

All this said, what if Trump fails, there is a global tariff war, the American economy tanks, and there is general malaise and hopelessness this time next year?

Then it's probable that the Republicans will lose control of Congress in the mid-term elections, and Trump will become a lame duck president for the last two years of his term. That's the gamble. Do nothing and watch us inch closer to economic disaster and the unthinkable prospects of United States bankruptcy, or try to turn things around in the face of constant opposition.

So, again, if you're not a Trump hater and you just want some stability in your life, and hope that one day our nation is in a better financial condition, then relax and watch it play out. That's what I'm doing.

(Con't.)

We've been headed down the wrong road for a long, long time. Politicians have been ignoring trade imbalances and government bloat forever. Eventually, bills come due.

All anybody should want is a solution, and I don't much care who comes up with it. If Democrats have a better idea than tariffs, then let's hear it.

In the meantime, I plan to control the things I can control, and believe that nations will do what nations have always done — they find a way to do business with each other.

I'm not going to let the media or social media put a tariff on my happiness and confidence.

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

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