

tmta talk

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FROM **Rob's Roost** BY ROB DUMONT PRESIDENT & CEO

Solutions to Slow Growth: Develop Domestic Petroleum and Address Chinese Mercantilism to Create 5 Million Jobs

by: Peter Morici

The Commerce Department reported the May deficit on international trade in goods and services increased to \$50.2 billion up from \$43.6 billion when the economic recovery began.

The trade deficit, along with the credit and housing bubbles, were the principal causes of the Great Recession. A rising trade deficit again threatens to sink the recovery and push unemployment above 10 percent.

Most fundamentally, U.S. economic growth and jobs creation has slowed, because the demand for U.S. made goods and services is expanding too slowly. Supplying what Americans and global consumers buy is not the issue, but rather U.S. and export customers don't want enough of what Americans make. America needs to play its strengths—abundant domestic energy—and confront Chinese mercantilism that arbitrarily overprices U.S. goods at home and abroad.

Globalization does not have to mean a "new normal" of slow growth, high unemployment and dead end careers for young people. Globalization does not have to mean an end to American prosperity unless U.S. policy compels it.

At 4.0 percent of GDP, the trade deficit subtracts more from the demand for U.S.-made goods and services than President Obama's stimulus package added. The Obama stimulus was temporary and now dissipating, whereas the trade deficit is permanent and swollen again.

The high cost of imported oil and gasoline and subsidized manufactures from China account for nearly the entire deficit. During the recovery, both the costs of imported oil and Chinese imports have risen with consumer spending, and now these threaten to sink the recovery by year end.

Money spent on Middle East oil and Chinese coffee makers cannot be spent on U.S.-made goods and services, unless offset by exports.

When imports substantially exceed exports, Americans must consume much more than the incomes they earn producing goods and services, or the demand for what they make is inadequate to clear the shelves, inventories pile up, layoffs result, and the economy goes into recession.

To keep Chinese products artificially inexpensive on U.S. store shelves and discourage U.S. exports into the Middle Kingdom, China undervalues the yuan by 40 percent.

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tmta Calendar of Events July 2011

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TMTA Board of Directors
meets at TMTA offices

Visit www.thetmta.com for detailed,
up-to-date information.



Display found at Fox Hills Golf Club.
Proof 'Made in America' is catching on!!

UV Safety Month

July is UV Safety Month. Ultraviolet (UV) radiation is the main cause of skin cancer; and skin cancer, while largely preventable, is the most common form of cancer in the U.S. Each year, more than 68,000 Americans are diagnosed with melanoma, and another 48,000 are diagnosed with an early form of the disease that involves only the top layer of skin. More than 2 million people are treated for basal cell or squamous cell skin cancer each year.

The skin is actually a living organ of the human body. A medium sized woman has about 1-1/2 yards of skin covering her body. With an average weight of 7 pounds, it is the heaviest human organ; 2-3 times the average weight of the largest internal organ, the liver. Your skin is the first line of defense against threats to your body including disease, burns or injuries. It also regulates body temperature and stores water and fat.

The skin is made up of two parts:

Epidermis – The top layer of your skin made mostly of flat cells called squamous cells. Deeper below these cells are round cells called basal cells. Melanocytes are cells found scattered among the basal cells. They make the pigment found in skin. When skin is exposed to UV radiation, melanocytes make more pigment, causing the skin to darken, or tan.

Dermis – The layer of skin under the epidermis, it contains many types of cells and structures such as blood vessels, lymph vessels and glands.

Skin cancers are named for the type of cells that become malignant, the 3 most common types being: mela-

noma (melanocytes), basal cell, and squamous cell. Most skin cancers are caused by UV radiation (sun exposure) and are basal cell carcinomas.

To protect your skin from developing cancer, limit your time in the sun and stay away from sunlamps and tanning booths. The total amount of sun exposure over a lifetime is a risk factor for skin cancer. People who have at least one severe, blistering sunburn are at increased risk.

Use the following advice for sun exposure:

Avoid direct sun between the hours of 10 a.m. to 4 p.m. This is when the sun's rays are strongest. Seek shade if possible. Also protect yourself from the sun's rays reflected by sand, water, snow, ice and pavement. Remember the sun's rays can go through light clothes, car windows, and clouds. Check the UV Index when you are planning to spend time in the sun. The National Weather Service

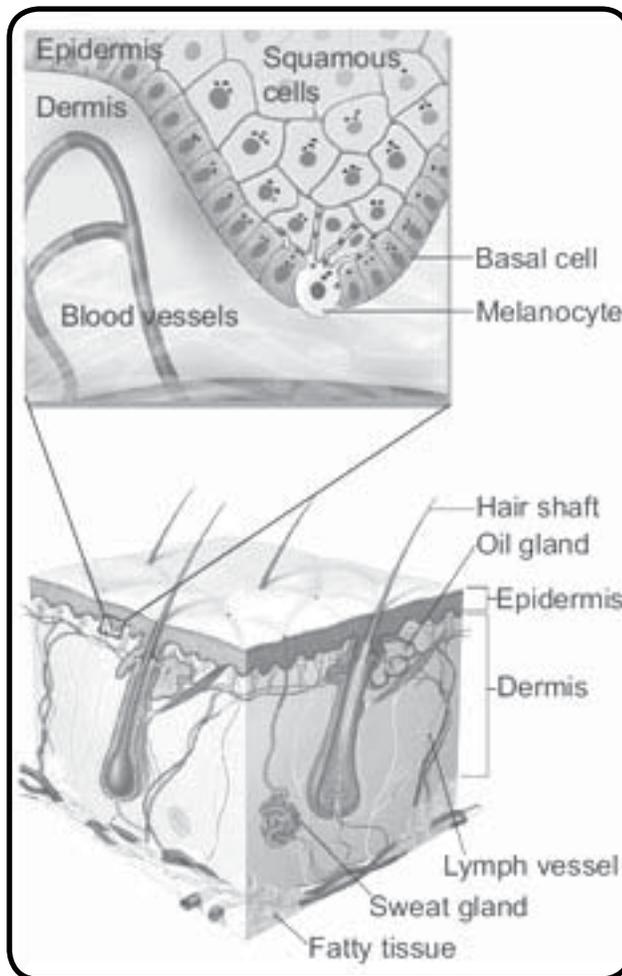
and the EPS issue daily UV Index figures (visit www.epa.gov/sunwise/uvindex.html).

Wear protective clothing such as a long-sleeved shirt, wide-brimmed hat, long pants, and sunglasses that absorb UV radiation. Tightly woven fabrics work best.

Generously apply sunscreen lotions about ½ hour before going out in the sun. Use lotions with a sun protection factor (SPF) of at least 15 that protects from both UVA and UVB rays. Reapply again every 2 hours (even if it is cloudy) or after swimming or sweating.

It is a good idea to regularly check your skin. The best time to perform the examination is after a shower. Make sure there is plenty of light and use both a full-length and a hand-held mirror.

By performing regular skin checks you will learn what is normal for you. Look for any change on your skin including new growth, a sore that doesn't heal or a change in an old growth. Tell your doctor right away if you see anything suspicious!



Small Business Tax Calculator

BCBS has partnered with H&R Block to launch a new tool for existing and potential small business group customers.

The small business tax credit calculator helps group customers with 25 or fewer full-time employees with average annual wages of less than \$50,000 estimate the tax credit they could receive under the Patient Protection and Affordable Care Act (PPACA).

The PPACA tax credit encourages small business employers to start offering or to continue offering group health benefits.

The tax calculator tool can be found at www.bcbsm.com/grow/taxcalculator.shtml. IRS Form 8941 (Credit for Small Employer Health Insurance Premiums) can be found at the IRS website at www.irs.gov or the TMTA website at www.thetmta.com under 'Company Forms & Information'.

(Rob's Roost continued from Page 1)

Beijing accomplishes this by printing yuan and selling those for dollars to augment the private supply of yuan and private demand for dollars. Annually, those purchases come to about \$450 billion, or about a 35 percent subsidy on China's exports of goods and services. That would surely cut the trade deficit with China by half and perhaps more.

Similarly the failure to develop U.S. oil and gas resources—and speed the deployment of natural gas use and more fuel efficient vehicles and home heating purposes—sends abroad dollars that do not return to purchase U.S. exports. Greater domestic production and conservation might not much lower the price of gasoline or heating oil, but it would keep more of the dollars spent on energy in the United States, creating jobs.

Excessive environmental regulation does not reduce risks to the oceans and atmosphere—lower U.S. production results in more imports and not less domestic consumption, it merely shifts production to developing countries where the risks can be managed less effectively. U.S. petroleum production could be easily raised by four million barrels a day, and better use of internal combustion engines, urban natural gas fleets, and substitution of domestic natural gas for heating oil could easily save another one or two million barrels a day. In combination that would cut U.S. oil imports in half.

Cutting the trade deficit in half over three years would in-

crease U.S. GDP by about \$500 billion dollars and create up to 5 million additional jobs. This would increase growth to 3.6 percent from the expected 2.5 percent, and lower the unemployment rate by three percentage points.

Absent some correction in the trade deficit, growth at 2.5 percent may prove too slow to be sustainable. Many companies will find they can boost productivity and slash payrolls to keep up with such slow growth, and undermine consumer confidence and send the economy into a negative spiral and recession.

Longer term, the combination of expensive oil imports and China's currency policies reduce U.S. growth by one percentage point a year. The U.S. economy would likely be \$1.5 trillion larger today, but for the trade deficits on oil and with Asia over the last 10 years.

Addressing the trade deficit will permit the United States to grow at 3.5 percent a year, instead of the 2.5 percent expected as the "new normal."

China has indicated it will not significantly revalue its currency. Gradual revaluation of the yuan helps little, because modernization and accompanying productivity improvements raise the intrinsic value of the currency at about the same pace. This is evidenced by the continuing pace of Beijing's purchases of dollars and other currency to keep the yuan at its target exchange rate.

China views its exchange rate policy as a tool of domestic development strategy but its policy has broad, aggressive and negative international consequences—it is choking growth and imposing high unemployment on the United States and other western countries.

Diplomacy has failed, and President Obama should impose a tax on dollar yuan conversions in an amount equal to the amount of China currency market intervention divided by its exports—about 35 percent. For imports, at least, that would offset China's subsidies that harm U.S. businesses and workers.

After diplomacy has failed for both Presidents Bush and Obama, failure to act amounts to no more than appeasement and wholesale neglect of the Administration's obligations to create a level playing field for U.S. workers.

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TMTA 76TH ANNUAL GOLF OUTING & DINNER HIGHLIGHTS



Networking...



Lowest score winners.



Please...Oh...Please...

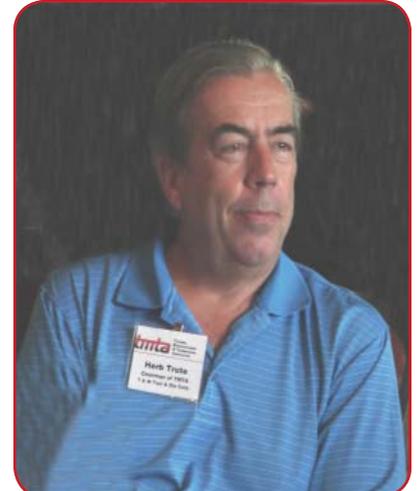




The rain fell...



And the winner is...



WE HOPE TO SEE YOU GOLFING NEXT YEAR!

Another Great TMTA Golf Outing!

The TMTA 76th Annual Golf Outing & Dinner was held at the Fox Hills Golf Club in Plymouth on June 23rd. Despite a little rain now and then, TMTA held a winning event enjoyed by both members and their guests.

Scott Dorn from **PNC Bank**, Phil Brisken from **Blue Cross Blue Shield of Michigan**, and Ron LeBlanc from **Knight Carbide** were the hole-in-one shoot-out participants trying for \$1 million, \$75,000, and a 2011 Chevrolet Camaro (in that order). Ray Ebbing from **Detroit Edge Tool Co.** had the longest drive on hole #8 and John Kyle from **Knight Carbide** had the longest drive on hole #17. The team with the lowest score (64) was from **Knight Carbide**. The team with the highest score was from **C. Patrick Advisors**.

The prize theme was again “Made in the USA.” We wish to thank Bob Easterbrook of **East-Lind Heat Treat** for his generous donation of a flat screen color television and **Jefferson Chevrolet** for their donation of a DVD player.

In case you missed the event, or were there and want to view all of our photos, go to our website at www.thetmta.com. (Mouse over the ‘Resources’ tab at the top of the page and click on ‘TMTA Archives.’)

TMTA wishes to thank all of the sponsors, volunteer workers, and most of all our attending members and their guests for making this a wonderful day of golf and fun for everyone.

We look forward to see *you* at next year’s outing!

IRS Announces Mid-Year Mileage Rate Increase

Bowing to pressure from Congress and recognizing that gas prices have increased, the Internal Revenue Service (IRS) has announced an increase in the optional standard mileage rates for the final six months of 2011.

The rate increases from 51 cents per mile to 55.5 cents per mile for all business miles driven from July 1, 2011 through December 31, 2011. The medical or moving expenses mileage rate increases from 19 cents per mile to 23.5 cents per mile for the same time frame. The chari-

table mileage rate is set by statute rather than the IRS and so it remains the same at 14 cents per mile.

While gasoline is a significant factor in the mileage figure, other items enter into the calculation of mileage rates, such as depreciation and insurance and other fixed and variable costs.

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
May	222.954	664.113	772.36*
Apr	221.743	660.503	768.16*
Mar	220.024	655.385	762.21*
Feb	217.535	647.969	753.58*
Jan 2011	216.400	644.591	749.65*
Dec	215.262	641.200	745.71*
Nov	214.750	639.673	743.94*
Oct	214.623	639.296	743.50*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
May	225.964	676.887	787.21*
Apr	224.906	673.717	783.52*
Mar	223.467	669.409	778.51*
Feb	221.309	662.943	770.99*
Jan 2011	220.223	659.692	767.21*
Dec	219.179	656.563	763.57*
Nov	218.803	655.438	762.26*
Oct	218.711	655.162	761.94*

Note: May 2011 CPI-W represents a 4.1% increase from one year ago; CPI-U a 3.6% increase.

* Base Year 1957-59 is no longer released. BLS has issued the following conversion factors from the 82-84 year:

CPI-W—.2886674 CPI-U—.2870447

2011 TMTA Board of Directors

The 2011 TMTA Board of Directors was announced at TMTA's Annual Meeting and Open House held in April at the Schoolcraft College VisTaTech Center. They are as follows:

- Chairman – Herbert Trute,
T&W Tool & Die Corp.;
- Vice Chairman – George Buhaj,
Avon Broach & Production Co.;
- Treasurer – Joseph Padula,
Vicount Industries;
- Secretary – Lucas Wright,
Hackett Brass Foundry;
- Directors – John Ebbing,
Detroit Edge Tool Co.;
Leroy LaJuenesse,
L & L Machine Tool, Inc.;
Sharon Medwid,
Three M Tool & Machine Inc.;
Michael Obloy,
Special Drill & Reamer Co.;
Robert Peuterbaugh,
JPT-Joint Production Technologies;
Ed Siciliano,
Circle Mold & Machine Co.;
Irvin Swider,
Future Products Tool Corporation;
Gary Theuerkorn,
Hillside Tool & Die Co.; and
Lisa Thomas,
Leonard Machine Tool Systems.

We wish to thank the departing Director, Bruce Cain, for his past service on the Board.

**For more information about
the TMTA, our advocacy, events,
benefits and membership, visit us at
www.thetmta.com.**

TMTA ENDORSED SERVICE PROVIDERS

Blue Cross Blue Shield/BCN

(Health insurance program)

TMTA contacts:

Dennis Campbell 248-488-0300

Elaine Burger-Laskosky 248-488-0300, ext. 1309

Encompass Energy Group

(Energy conservation program)

Provider contact:

Shel Rader 248-515-3217

Rick Wald 248-755-6523

Freedom One Financial Group

(401(k) Retirement program)

Provider contact:

John Young 248-620-8100

GlobalTranz — CarrierRate.com

(Freight discount program)

Provider contact:

Chad Hill 866-275-1407, ext. 130

John M. Packer & Associates

(Unemployment cost control program)

Provider contact:

Nathan Wiest 800-482-2971

Ralph C. Wilson Agency, Inc.

(Insurance management)

Provider contact for Benefits coverages:

Robert Farris 248-355-1414, ext. 109

Provider contact for P&C and WC coverages:

Jay Poplawski, 248-355-1414, ext. 158

Reliance Standard/Ameritas

(Life/Dental insurance programs)

TMTA contacts:

Dennis Campbell 248-488-0300

Stella Krupansky 248-488-0300, ext. 1310

SVS Vision

(Safety & Vision programs)

Provider contact:

Monica Dyja 800-611-3683 or www.svsvision.com

Schena Roofing & Sheet Metal Co., Inc.

(Commercial/industrial roofing contractor)

Provider contact:

586-949-4777

Staffworks Group

(Staffing needs)

Provider contact:

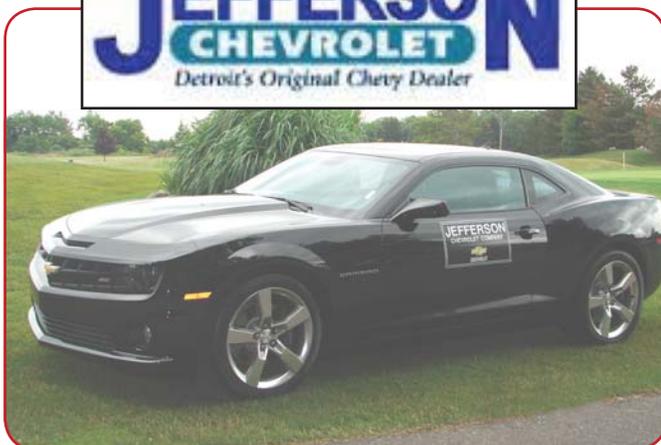
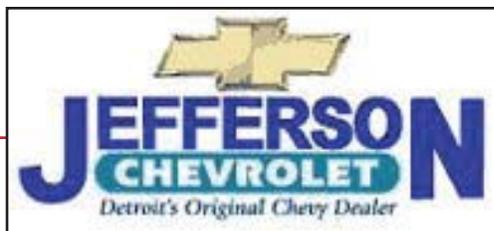
Bill Brann 877-304-9690

TMTA receives a benefit from some of its Endorsed Providers when you, as a member, patronize them. This is one way we are able to maintain the level of dues.

SPECIAL THANKS TO TMTA GOLF OUTING SPONSORS

TMTA wishes to give special recognition to those companies who sponsored our 76th Annual Golf Outing & Dinner. TMTA thanks our sponsors for supporting and standing behind the TMTA during these hard economic times. Your generous donations enable us to offer a premium event for all who attend.

Our sponsors are shown below and we hope that you will patronize them when you get the chance.



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