

Ron Eidshaug

Vice President, Congressional and Public  
Affairs, U.S. Chamber of Commerce

John Murphy

SVP International Policy  
U.S. Chamber of Commerce



U.S. Chamber of Commerce

## Vistage Research

---

2020 Update on Taxes, Trade and Tariffs  
January 14, 2020

Joe Galvin

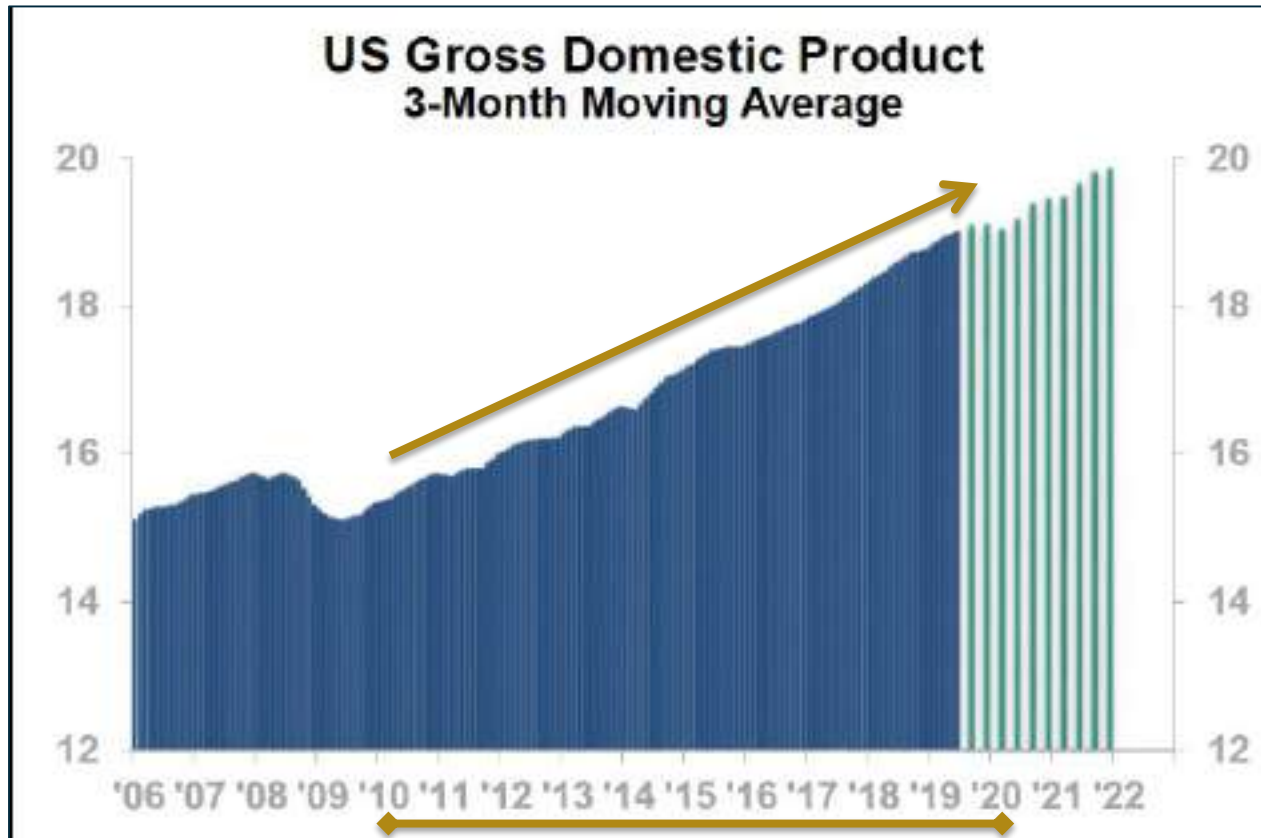
Chief Research Officer

@joegalvin



# 2020: Dawn of a New Decade

---



*Chart courtesy of ITR Economics*



**U.S. Chamber of Commerce**

**VISTAGE**

# Q4 2019 Vistage CEO Confidence Index

**VISTAGE** | Quarterly CEO Confidence Index | Q4 2019 | December 2-9, 2019 | N=1,604

**Optimism recovers midyear losses.**

Continued volatility during the third quarter cooled the index from the 2018 quarter to another low at the same level as at the beginning of 2018. The Vistage CEO Confidence Index fell to 85.0 in Q3 2019, down from the 2018 quarter and down from the 2017 quarter. The index fell from 91.5 in Q2 2019 to 88.4 in Q3 2019, and the lowest point of 85.0 in Q4 2019. The index recovered to 91.5 in Q4 2019. The index fell from 91.5 in Q2 2019 to 88.4 in Q3 2019, and the lowest point of 85.0 in Q4 2019. The index recovered to 91.5 in Q4 2019.

The 2019's rise in confidence was not unexpected, as the index had been on a downward trend for most of the year. The index's recovery was driven by a combination of factors, including the index's recovery from a low point in Q3 2019, and the fact that the index had been on a downward trend for most of the year. The index's recovery was driven by a combination of factors, including the index's recovery from a low point in Q3 2019, and the fact that the index had been on a downward trend for most of the year.

The Q4 2019 change in CEO Confidence Index was 3.1% (year-over-year change in Q4).

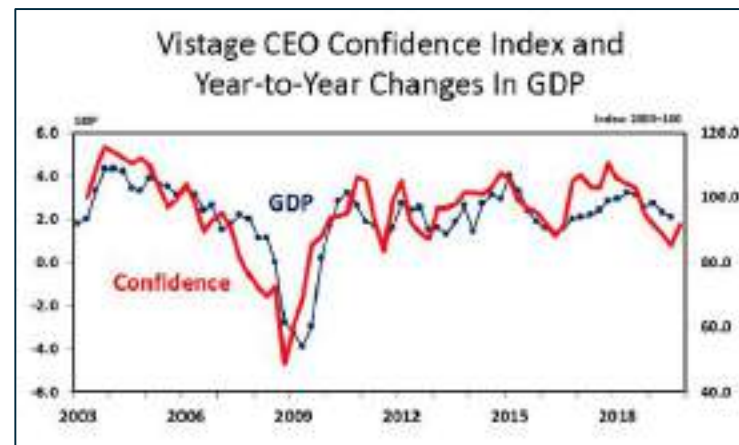
Source: The Vistage CEO Confidence Index tracks a group composition with year-over-year change in real GDP published by the U.S. Bureau of Economic Analysis. The corresponding index for the period of the index is published by the U.S. Bureau of Economic Analysis.

—Analysis provided by U.S. Research & Analytics, University of Michigan

For more Confidence Index results, visit [vistage.com/confidence](http://vistage.com/confidence).



December 2-9, 2019  
N=1,604



U.S. Chamber of Commerce

VISTAGE

# U.S. Chamber of Commerce and Vistage - 2019

**Policy Risk Factors for Small and Midsize Businesses**

- Analysis and impact of midterm elections  
...change of control?
- Taxes, trade and tariffs  
...what happens next?
- Healthcare  
...is there a solution in our future?
- Inflation, debt risk and debt ceiling  
...access to capital?
- Key insights for 2019  
...how to plan for the year ahead?



U.S. Chamber of Commerce

VISTAGE

December 2018

**Accelerate**  
Leadership Performance Results

**Confidence with Caution: *Confusion***

Confusion creates Uncertainty

- Taxes**  
House divided  
SALT - State and local taxes  
Regulations
- Trade**  
USMCA - NAFTA 2.0  
China - TPP  
Brexit - Europe
- Tariffs**  
China: on or off?  
European goods - 15%
- Infrastructure**  
Something we can all agree on!



Vistage - U.S. Chamber of Commerce  
Policy briefing, Washington D.C.  
June 25, 2019

VISTAGE

© 2019 Vistage Worldwide, Inc. All rights reserved.

June 2019



U.S. Chamber of Commerce

VISTAGE

# 2020 Update: Taxes, Trade and Tariffs

---

## A View from the Hill: Ron Eidshaug

*Election year*

*2020 Legislative Agenda*

*2020 Messages*

*2019 Accomplishments*



**Ron Eidshaug**

Vice President,  
Congressional and Public Affairs  
U.S. Chamber of Commerce

## Trade and Tariffs: John Murphy

*Trade and the economy*

*Tariffs on steel and aluminum*

*Tariffs on autos and auto parts*

*USMCA: The case for approval*

*U.S. – China Trade negotiations*



**John Murphy**

Sr. Vice President,  
International Policy



**U.S. Chamber of Commerce**

**VISTAGE**

# A View from the Hill

---



**Ron Eidshaug**  
Vice President  
Congressional & Public Affairs  
U.S. Chamber of Commerce  
[@RonAtTheChamber](#)

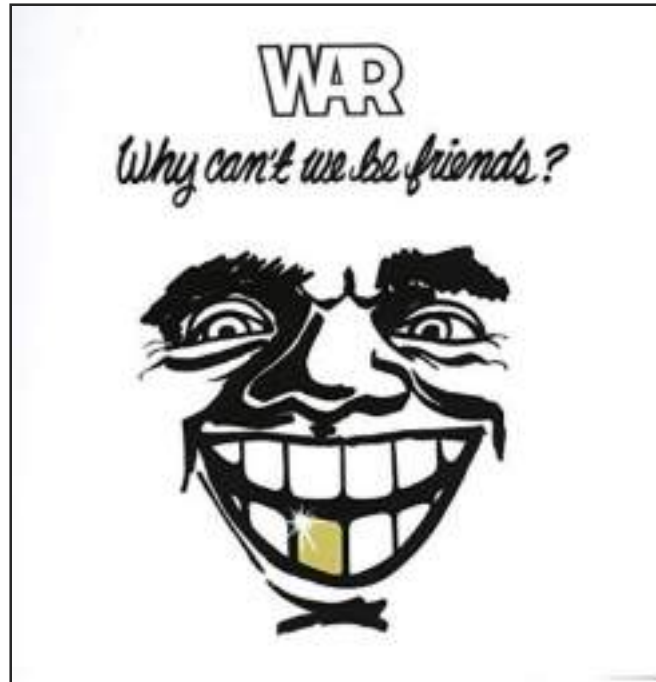


**U.S. Chamber of Commerce**

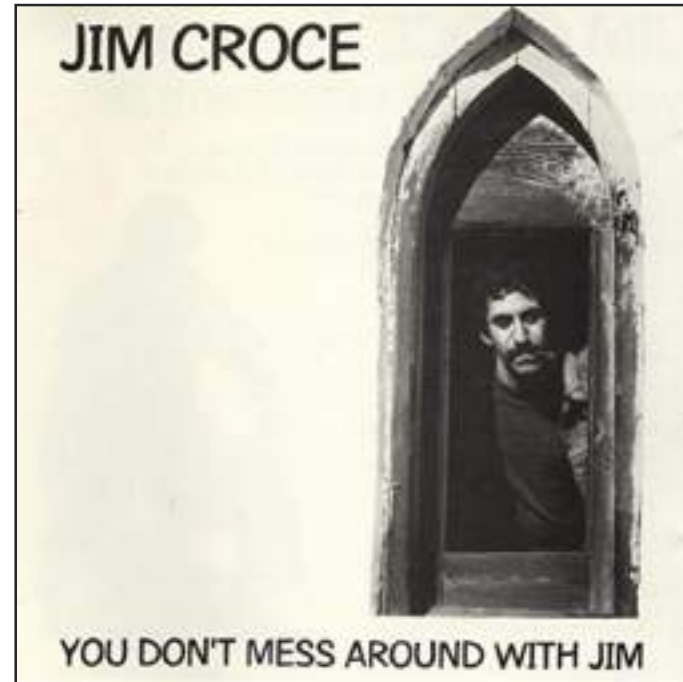
**VISTAGE**

# A View from the Hill

---



50%



22%

Gallup, September 2018



U.S. Chamber of Commerce

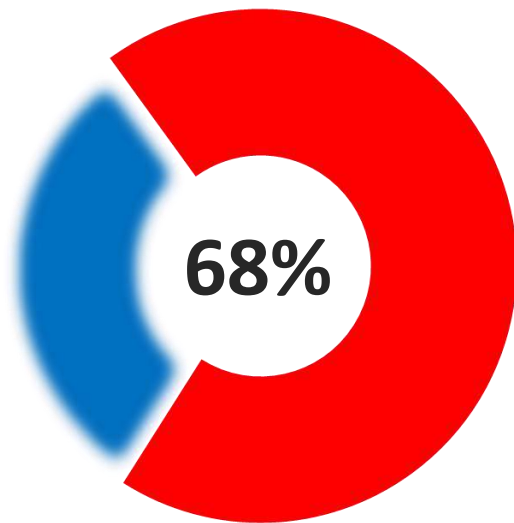
**VISTAGE**

# A View from the Hill

---

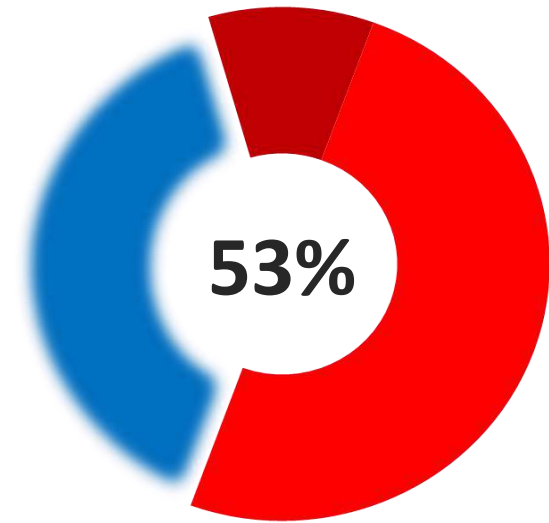


## Disapproval



Congress

Gallup, December 2-15



POTUS

FiveThirtyEight Jan 13



U.S. Chamber of Commerce

VISTAGE



# A View from the Hill

---



47%

Remove



U.S. Chamber of Commerce

**VISTAGE**

# A View from the Hill

---



82%

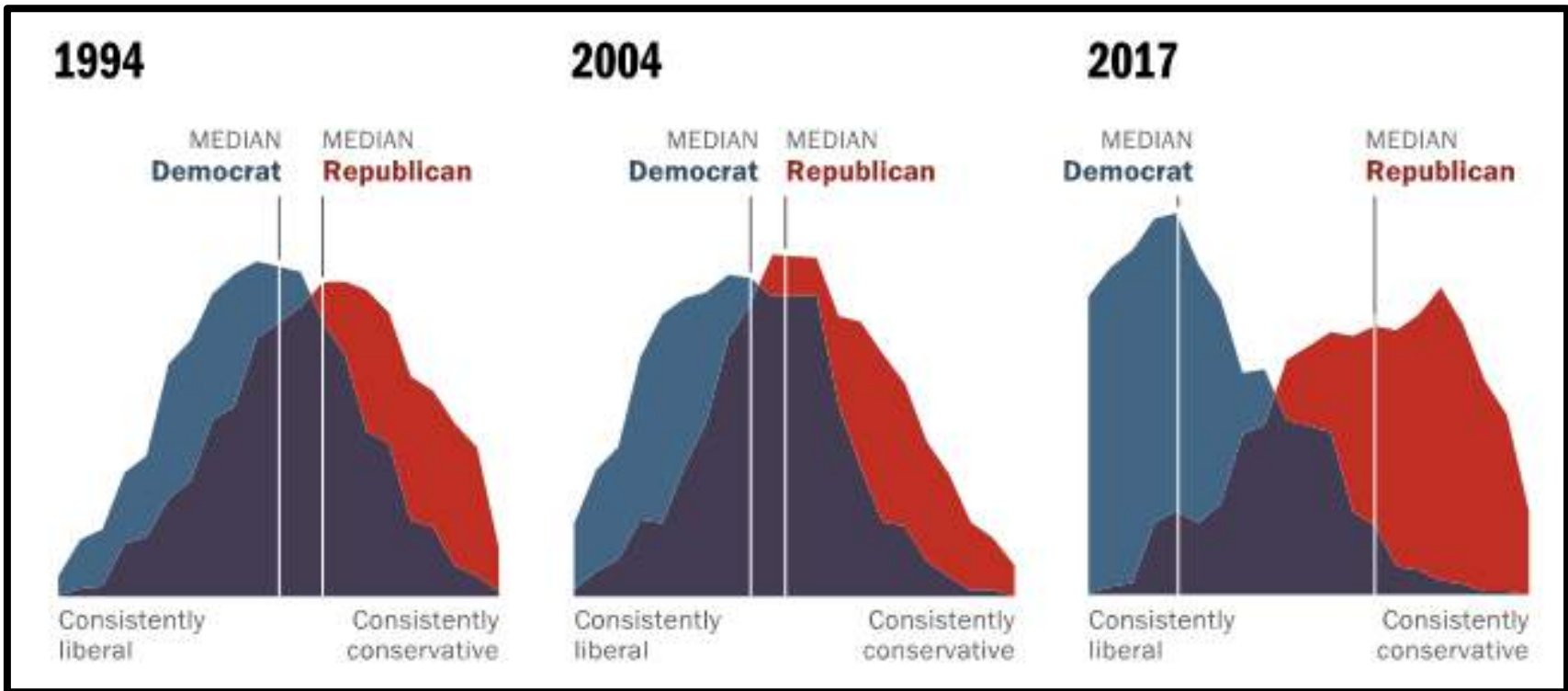
10%



**U.S. Chamber of Commerce**

**VISTAGE**

# A View from the Hill



U.S. Chamber of Commerce

VISTAGE

# A View from the Hill

---



U.S. Chamber of Commerce

VISTAGE

# A View from the Hill

---



35

D:12

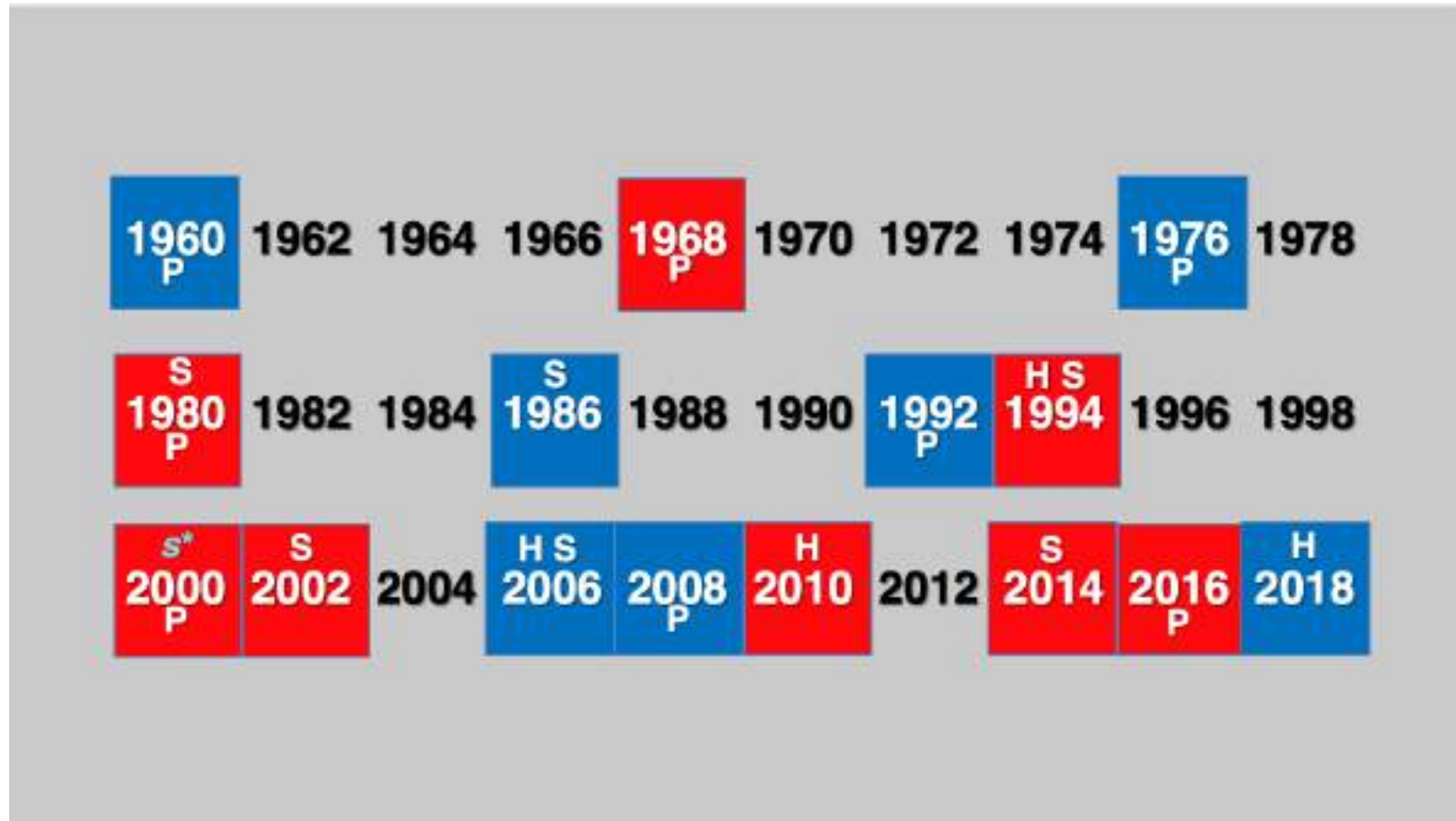
R:23



**U.S. Chamber of Commerce**

**VISTAGE**

# A View from the Hill



# A View from the Hill

---



“I’ve got a pen and  
I’ve got a phone”



Anything you can do,  
I can do better:

*Net Neutrality, Clean Power Plan,  
Fiduciary, Persuader, Fracking*



**U.S. Chamber of Commerce**

**VISTAGE**

# A View from the Hill

---



## 2020 Agenda

- Approps
- Defense Authorization
- Education
- WRDA





# A View from the Hill



### SENATE and HOUSE VOTES

81th Congress

ISSUED BY CONGRESS OF THE UNITED STATES  
WASHINGTON, DC

**HOUSEMENT CONGRESS** (S. 200) as reported to the House by the Committee on the Judiciary, and as amended by the House on July 1, 1909.

**SECTION 1.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 2.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 3.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 4.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 5.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 6.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 7.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 8.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 9.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

**SECTION 10.** That the Secretary of the Interior be and he is authorized to make an appropriation of one million dollars to be used for the purpose of carrying out the provisions of the Act of July 1, 1909, in relation to the management of the public lands.

YEARS	1880	1881	1882	1883	1884	1885	1886	1887	1888	1889	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909
Alabama																														
Arizona																														
Arkansas																														
California																														
Colorado																														
Connecticut																														
Delaware																														
Florida																														
Georgia																														
Idaho																														
Illinois																														
Indiana																														
Iowa																														
Kansas																														
Kentucky																														
Louisiana																														
Maine																														
Madison																														
Massachusetts																														
Michigan																														
Minnesota																														
Mississippi																														
Missouri																														
Montana																														
Nebraska																														
Nevada																														
New Hampshire																														
New Jersey																														
New Mexico																														
New York																														
North Carolina																														
North Dakota																														
Ohio																														
Oklahoma																														
Oregon																														
Pennsylvania																														
Rhode Island																														
South Carolina																														
South Dakota																														
Tennessee																														
Texas																														
Vermont																														
Virginia																														
Washington																														
West Virginia																														
Wisconsin																														
Wyoming																														

## How They Voted 2016

The Chamber tracks members of Congress for key legislative votes, and uses an 11-point scale to evaluate their record. How They Voted tracks members of the Congress and identifies legislative "key votes" your U.S. House or Senate member has voted on. Created by the Chamber's Center for Legislative Action, which is the oldest and largest non-partisan legislative research organization in the U.S.

MEMBER		ANNUAL SCORE	LEGISLATIVE SCORE
Lita Markowski	SENATE - RI	88%	91%
Daniel Sullivan	SENATE - RI	86%	86%
Don Young	HOUSE - AK, DC	100%	78%
Richard Shelby	SENATE - KY	83%	74%
Jeff Sessions	SENATE - AL	67%	76%
Buddy Myers	HOUSE - AL, T	100%	87%

**FILTERS**

SEARCH MEMBERS:

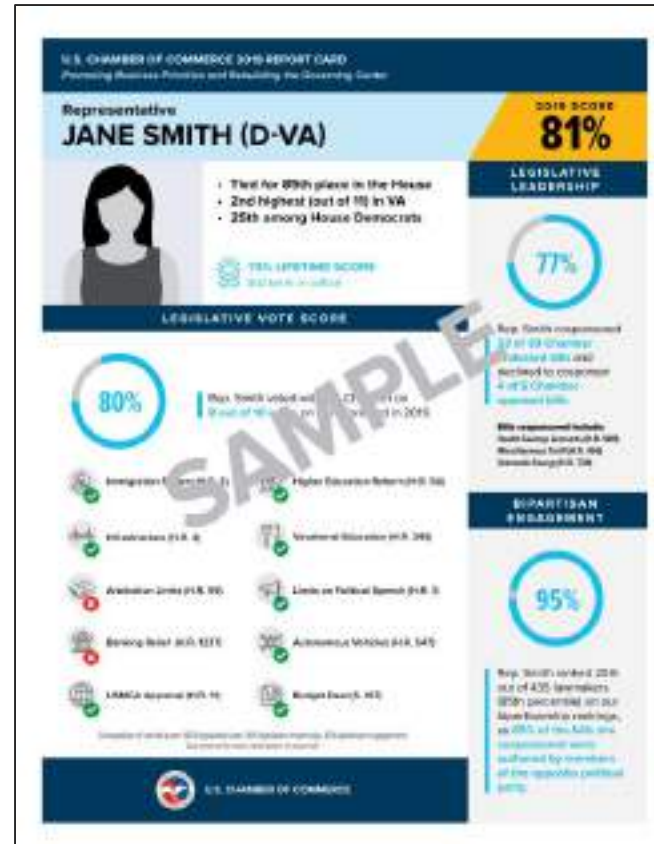
STATE: **All States**

PARTY:  Democrat  Republican  Independent  Other

# A View from the Hill



- Leadership
- Bipartisanship



U.S. Chamber of Commerce

VISTAGE

# A View from the Hill

---



## 2020 Messages

- Green New Deal
- Minimum Wage
- Medicare for All
- PRO Act
- Prescription Drugs



U.S. Chamber of Commerce

**VISTAGE**

# A View from the Hill

---



## Socialism

25%

1942

43%

2019



U.S. Chamber of Commerce

VISTAGE

# A View from the Hill

---



## 2019 Accomplishments

- Export Import Bank – seven years
- Terrorism Risk Insurance
- Retirement Security
- Obamacare Taxes (HIT & Medical Device)
- USMCA



**U.S. Chamber of Commerce**

**VISTAGE**

# A View from the Hill



## Majority Want Free Market to Lead on Many Fronts

Would you prefer to have the free market or the government be primarily responsible for what happens in each of the following areas?

	Free market	Government	Net "free market"
	%	%	pct. pts.
Technological innovation	75	19	+56
The distribution of wealth	68	28	+40
The economy overall	62	33	+29
Wages	62	35	+27
Higher education	56	41	+15
Healthcare	53	44	+9
Protecting consumers' privacy online	40	57	-17
Environmental protection	30	66	-36

GALLUP, APRIL 17-30, 2019.



**U.S. Chamber of Commerce**

**VISTAGE**

# 2020 Update: Taxes, Trade and Tariffs

---

## A View from the Hill: Ron Eidshaug

*Election year*

*2020 Legislative Agenda*

*2020 Messages*

*2019 Accomplishments*



**Ron Eidshaug**

Vice President,  
Congressional and Public Affairs  
U.S. Chamber of Commerce

## Trade and Tariffs: John Murphy

*Trade and the economy*

*Tariffs on steel and aluminum*

*Tariffs on autos and auto parts*

*USMCA: The case for approval*

*U.S. – China Trade negotiations*



**John Murphy**

Sr. Vice President,  
International Policy



**U.S. Chamber of Commerce**

**VISTAGE**

# Trade and the Economy

---



U.S. Chamber of Commerce

© 2020 Vistage Worldwide, Inc. All rights reserved

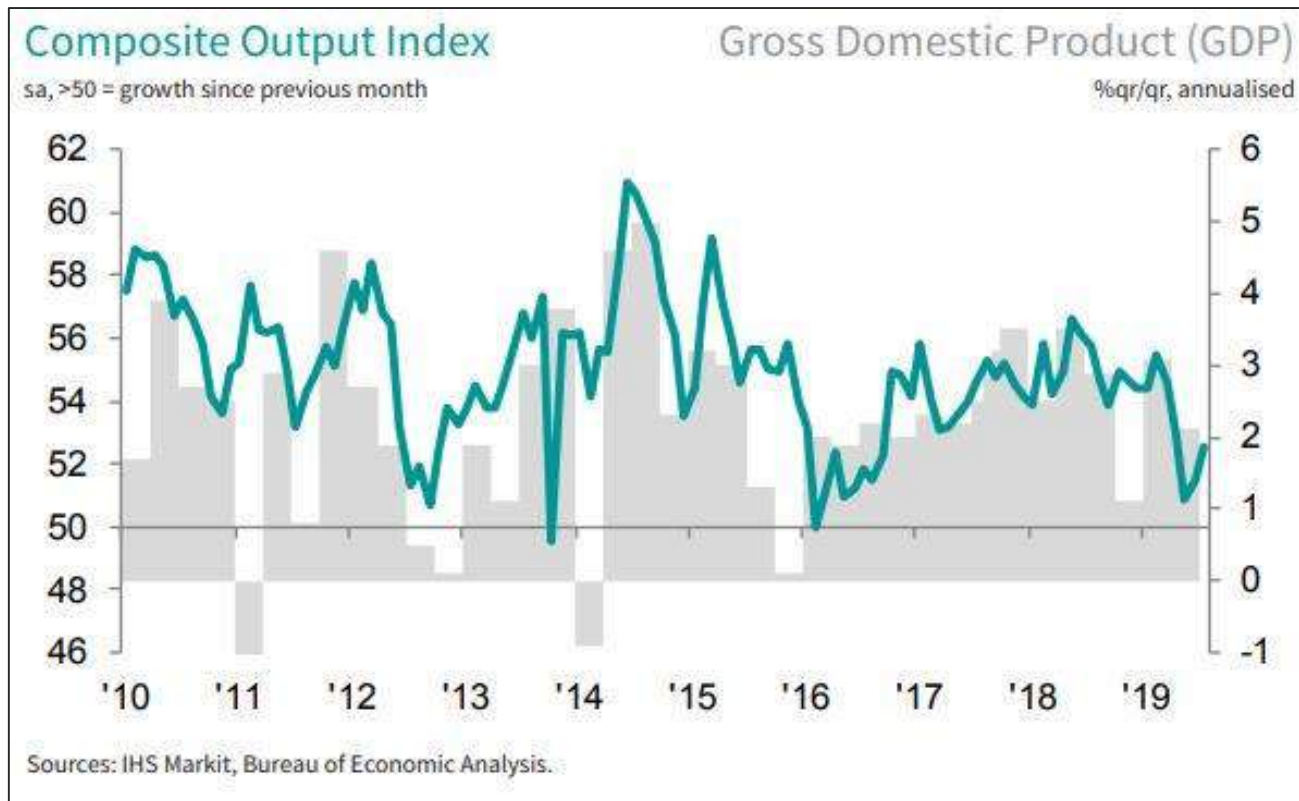
**VISTAGE**



# Trade and the Economy



GDP growth has been positive, fueled by consumer spending



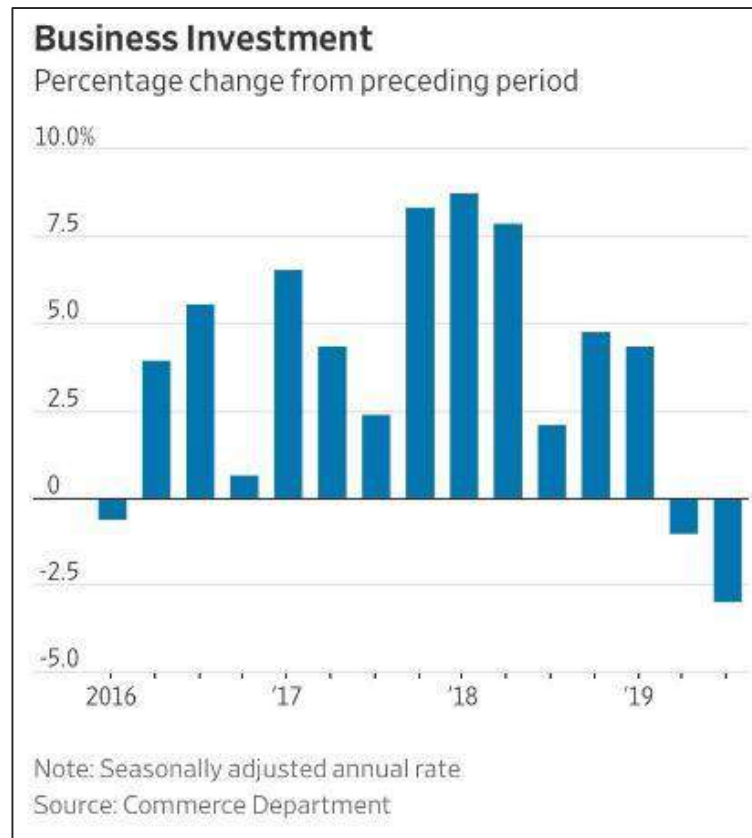
U.S. Chamber of Commerce

VISTAGE

# Trade and the Economy



Investment is slowing due in part to trade uncertainty



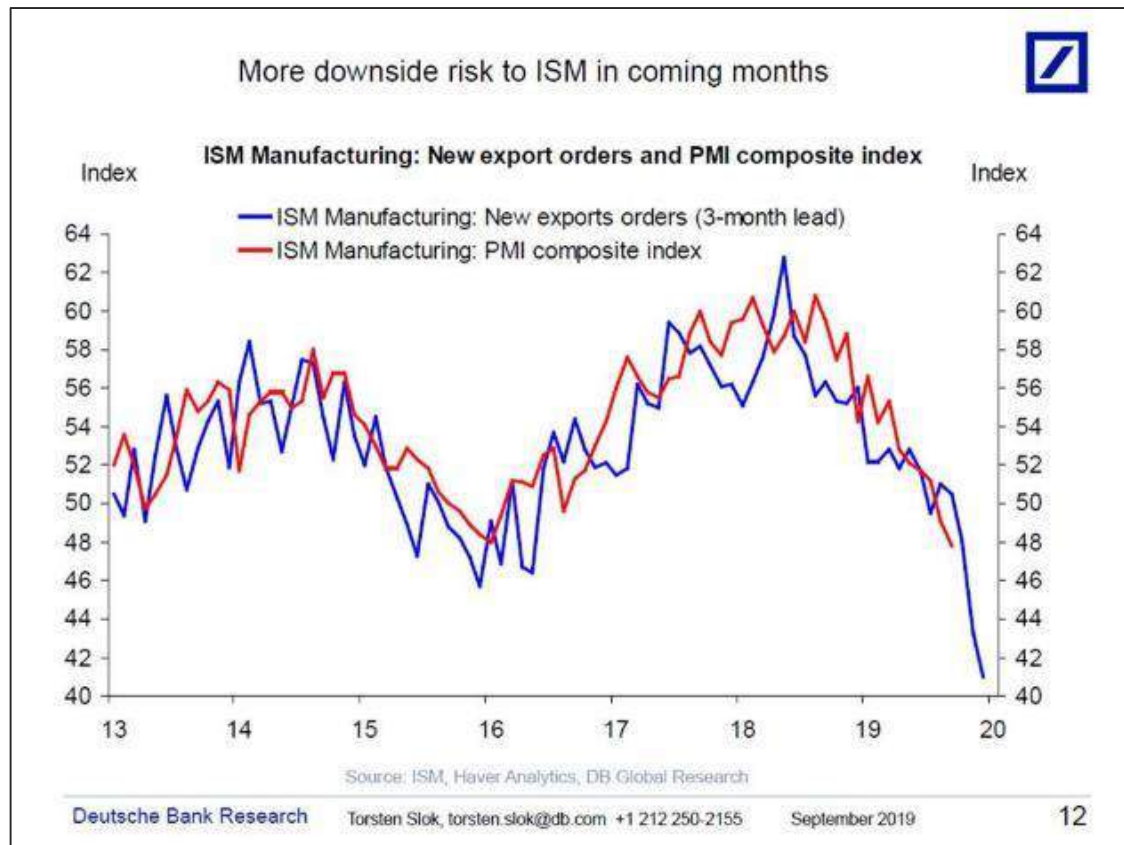
U.S. Chamber of Commerce

VISTAGE

# Trade and the Economy



Investment is slowing due in part to trade uncertainty



U.S. Chamber of Commerce

VISTAGE

# Trade and the Economy



Manufacturing jobs are being lost in Midwest swing states



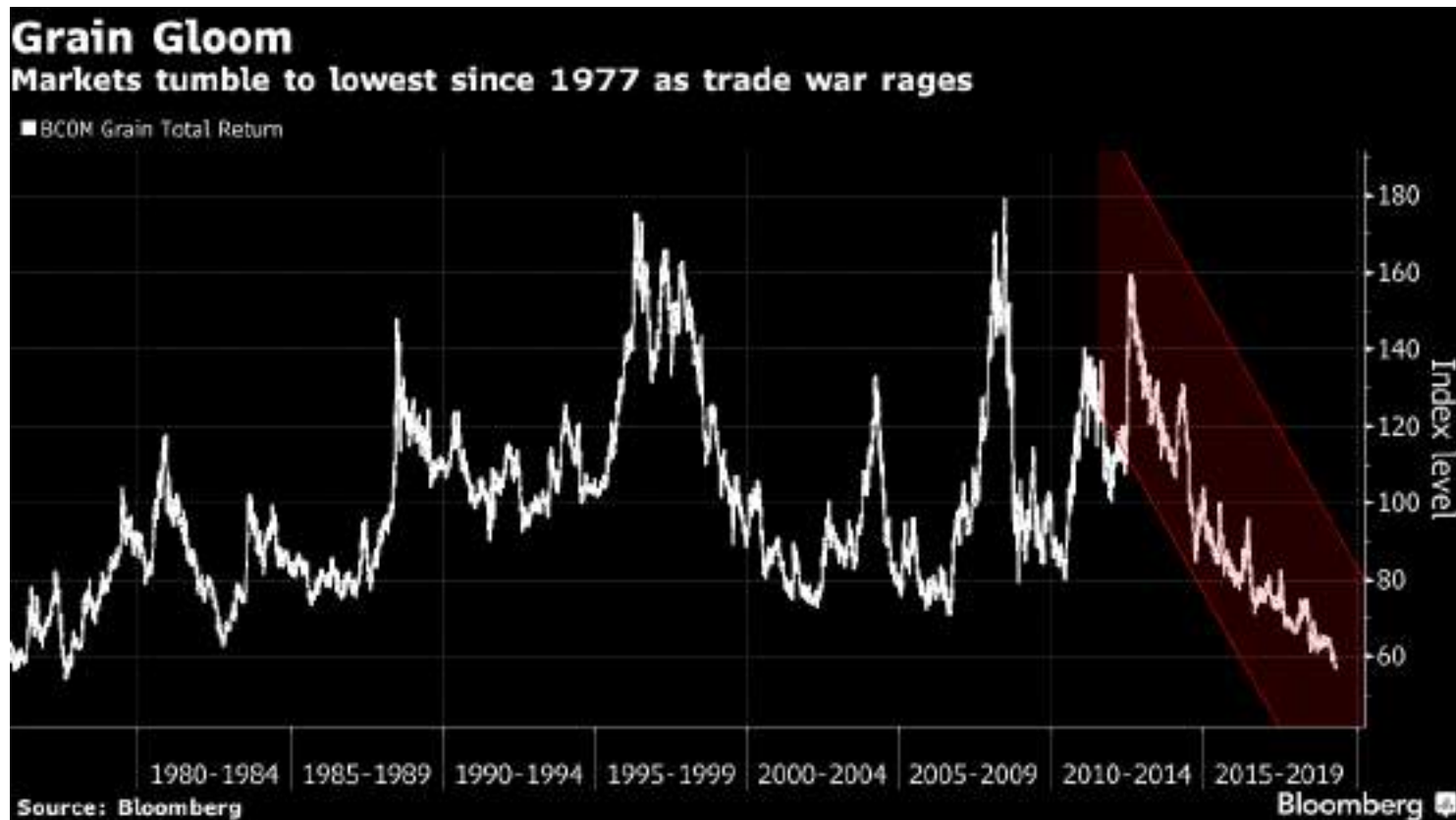
U.S. Chamber of Commerce

VISTAGE

# Trade and the Economy



U.S. agricultural prices have fallen to a 42-year low



U.S. Chamber of Commerce

VISTAGE

# Tariffs on Steel and Aluminum

---



U.S. Chamber of Commerce

**VISTAGE**

# Tariffs on Steel and Aluminum

---



## Sec. 232 Tariffs on Steel and Aluminum

- 25% on steel, 10% on aluminum
  - ✓ Quotas: Korea, Brazil, Argentina; Australia the exception
- Steel prices up ~40%, then down again
- Aluminum prices volatile



# Tariffs on Steel and Aluminum

---



## Retaliation Against \$40B in U.S. Exports



U.S. Chamber of Commerce

VISTAGE



# Tariffs on Autos and Auto Parts

---



U.S. Chamber of Commerce

**VISTAGE**

# Tariffs on Autos and Auto Parts

---



## Sec. 232 Tariffs on Autos, Auto Parts

- 25% tariff threatened
- \$350 billion in trade
  - ✓ *\$60 billion from Europe*
- Issues with most sources of imports addressed (Mexico, Canada, Japan, Korea)



# Tariffs on Autos and Auto Parts

---



## Impact of Auto Tariffs

- \$4,400 price hike per car on average
- 700,000 U.S. jobs at risk
- \$66 billion in lost sales



# Tariffs on Autos and Auto Parts

---



## What Happens Next?

- Mid-November decision?
- United opposition from industry
- Concerns about state of economy argue for restraint on tariffs



# USMCA: The case for approval

---



U.S. Chamber of Commerce



# USMCA: The case for approval

---



## *Preserve U.S. Trade Ties to Canada and Mexico*

- Supports 12 million American jobs
- Tops the next 11 largest markets for manufactures
- Accounts for one-third of all U.S. agricultural exports
- Services exports have tripled in 25 years

## *Strengthen North American Trade*

- New rules on digital trade, intellectual property, etc.



**U.S. Chamber of Commerce**

**VISTAGE**

# USMCA: The case for approval

---



## USMCA: Issues of Contention

- ✓ Steel/aluminum tariffs
- ✓ Mexican labor law reform
- “Enforcement”
- “Drug pricing”
- “Labor and the Environment”

*For the energy sector? Investment protections lost*



U.S. Chamber of Commerce

**VISTAGE**

# U.S. - China Trade Negotiations

---



U.S. Chamber of Commerce

**VISTAGE**



# U.S. - China Trade Negotiations

---



- Broad *agreement* on diagnosis: Concerns about tech transfer, IP theft, subsidies, market access
- Broad *opposition* to tariffs as a remedy
  - ✓ Tariff on \$360 billion of imports (7/18-now)
  - ✓ Rate increases, another \$160 billion (12/15)?



# U.S. - China Trade Negotiations

---



## Cost of the U.S.-China Trade War

- ✓ IIF: \$40 billion in U.S. exports lost due to retaliation (900 product categories collapse)
- ✓ Hit to heartland: Soybean sales collapse; farm bankruptcies reach new high (see next slide)



# U.S. - China Trade Negotiations

---



## Phase 1 Deal?

- Agricultural sales
- Financial services, intellectual property, currency
- But questions remain:
  - ✓ Will tariffs be rolled back?
  - ✓ Huawei? Uyghurs? South China Sea?
  - ✓ How will the agreement be enforced?



# 2020 Update: Taxes, Trade and Tariffs

---

## A View from the Hill: Ron Eidshaug

*Election year*

*2020 Legislative Agenda*

*2020 Messages*

*2019 Accomplishments*



**Ron Eidshaug**

Vice President,  
Congressional and Public Affairs  
U.S. Chamber of Commerce

## Trade and Tariffs: John Murphy

*Trade and the economy*

*Tariffs on steel and aluminum*

*Tariffs on autos and auto parts*

*USMCA: The case for approval*

*U.S. – China Trade negotiations*



**John Murphy**

Sr. Vice President,  
International Policy



**U.S. Chamber of Commerce**

**VISTAGE**

# Vistage Research

---

## Vistage Research

---

The CEO's most trusted resource for research, data and expert perspectives on the issues, topics and decisions of **Business Optimization and Leadership Enhancement**

