

There is not a hope that a US corporate tax cut will bo...

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The [FT reports this morning](#) that:

Donald Trump's new economic team has vowed to push ahead with his far-reaching policy proposals to slash taxes, loosen bank regulation and shake up US links with China and other trading partners.

The pledges to stand firm on Mr Trump's bold campaign promises came as the president-elect on Wednesday nominated former Goldman Sachs banker Steven Mnuchin as Treasury secretary and confirmed the private equity mogul Wilbur Ross as his choice for commerce secretary.

Mr Mnuchin told CNBC Americans should expect the "largest tax change since [Ronald] Reagan".

And:

Mr Mnuchin said on CNBC the Trump administration would create "huge economic growth" by pushing ahead with its plan to reduce the US federal corporate tax rate from 35 per cent to 15 per cent, a goal it will need to negotiate with Congress.

Three thoughts: so much for 'draining the swamp' of Wall Street influence and being on the side of the ordinary American. This is very much business as usual.

Second, it's also supply side reform, as usual. This impoverished idea has not delivered after 35 years of trying, and still won't. It's fiscal policy that is needed now.

And third, that growth estimate is absurd. There is no major US corporation that is not awash with money, or cannot secure all the funds it needs at incredibly low cost. So there is not one investment project in the US that is being delayed by the cost of capital that can in any way be encouraged to start now as a result of a tax cut. The chance that this tax cut will deliver growth is, then, close to zero.

It will increase inequality if it involves heavy rate cuts.

It might increase the rationality of the US tax regime if it solves the problem of

remittances, but since they bug the rest of the world and not the US I am not convinced there will be much energy to do that.

So all in all, this is a disaster for the US economy and people in the making.

Watch this space.