

Mr Trump's economics

I am neither a US voter nor a Trump supporter, as I adhere to the view that it is best to stay out of other democratic country's elections. His visit to Davos was a surprise to many, given his previous views about such gatherings. His visit transformed the event into a highly newsworthy occasion. We read that the many members of the global elite and the media meeting there, mainly people who regularly express anti Trump views, were reduced to following him, seeking audience with him, trying to listen to him, and above all reporting him. So how did he do?

The President took the gathering seriously and led a large US delegation. He stuck to his mission, to make America great again. He stuck to his definition of that mission, which is to boost output, jobs and prosperity in the USA. He told the world the USA is open for business, and turned it into a global message by saying America first does not mean America alone.

Mr Trump made this trip now he has something to show for his first year in office. His economic policy has achieved a major simplification and reduction of taxes in the USA. Already a number of large companies have announced they will step up investments in the USA and pay their employees there more as a result.

His relaxation of some banking rules will help extend more credit to those wanting to invest or to bring forward major purchases which they can afford with a loan. His energy policy is boosting US output of oil and gas. The USA should overtake Saudi Arabia soon as the largest producer in the world. It looks as if US growth will accelerate this year to above 3%.

He repeated that he wants fair as well as free trade. The USA under Obama used to impose penal tariffs on imports that they thought undercut through subsidy or cheating. Mr Trump announced similar action against solar panels and some washing machines. He is not about to wreck world trade or to seek to tear up unilaterally and illegally the trade treaties the USA has entered. He showed a continuing willingness to talk about a Free Trade Agreement with the UK. The UK government should press on with the detailed work to bring that about.