

The Conversation requested sources and comment from Minister for Finance Mathias Cormann to support his statement that corporate tax cuts in the US had led to “stronger investment, stronger growth, lower unemployment rate and higher wages” in that country, for inclusion in [this FactCheck](#)

.

Questions from The Conversation in bold.

Could you please provide links to sources to show that in Q2:

1. The US recorded in excess of 4% growth on an annualised basis.

Official data from the [US Bureau of Economic Analysis](#) shows that US GDP grew by 4.1% on an annualised basis in the second quarter of 2018.

2. The US unemployment rate was 3.~%.

The US unemployment rate was 3.9%. Total nonfarm payroll employment rose by 157,000 in July, and the unemployment rate edged down to 3.9%, the US [Bureau of Labor Statistics](#) reported.

3. Wages growth was the strongest it's been in “a very long time”.

[Bloomberg reports](#) that “U.S. Private-Sector Wages Lodge Biggest Gain Since 2008”.

4. ‘Massive’ capital investment had been returned to the country.

Official data from the US Bureau of Economic Analysis shows that Non-residential fixed investment grew by 11.5% and 7.3% on an annualised basis in the first two quarters of 2018.

See Table 1 on page 15 [here](#) .

5. Minister Cormann said the Trump tax cuts had “led to” stronger investment, stronger growth, lower unemployment rate and higher wages. Could you please provide a source, or sources, to show there was a casual relationship between the Trump tax cuts and the economic results in Q2?

Basic economics suggests that corporate tax cuts increase investment, jobs and wages.

The Trump tax cuts were passed in December 2017. The above data is from the first two quarters of 2018, following the tax cuts.

The IMF also updated its US growth forecasts following the passage of the Trump tax cuts, [saying that](#)

: “The U.S. tax policy changes are expected to stimulate activity, with the short-term impact in the United States mostly driven by the investment response to the corporate income tax cuts.”

6. Is there any other comment Minister Cormann would like to include?

We want Australian families today and into the future to have the best possible opportunity to get ahead. That is why we need to ensure that the businesses around Australia which employ them and pay their wages today and into the future have the best possible opportunity to be viable, to be competitive and to be profitable.

Full response from Mathias Cormann for a FactCheck on corporate tax cuts and the US economy

Written by Lucinda Beaman, FactCheck Editor

A higher company tax rate here puts businesses and workers here in Australia at a competitive disadvantage with businesses and workers in other parts of the world.

It helps businesses overseas compete against us. It helps them take business, jobs and investment away from us.

The main beneficiaries of a lower globally more competitive business tax rate are workers right around Australia.

Read the FactCheck [here](#) .

Authors: Lucinda Beaman, FactCheck Editor

Read more <http://theconversation.com/full-response-from-mathias-cormann-for-a-factcheck-on-corporate-tax-cuts-and-the-us-economy-101521>