

Foolish to regard the Cato Institute's views of Scotland as worth following

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I note the Cato Institute has described Scotland as one of the poorer and more socialist parts of the United Kingdom ("US think tank: Scotland most socialist part of Great Britain", The Herald, December 11).

It is entitled to its views but it is perhaps worthwhile mentioning what the Cato Institute does think is a sound economic policy. Before 2008 it was prominently promoting Iceland as the model other countries should follow with the country having adopted a flat tax, privatised many enterprises and running a deregulated banking system.

On the Cato website Iceland is no longer promoted prominently but a search does show a paper from August 2007, praising the policies Iceland was taking, describing glowing success and saying it was "predictable". The paper concludes by stating Iceland is in for more good times and policy makers should focus on cutting taxes and deregulating banks further. Within a year Iceland's banking system had experienced utter collapse and to save the economy the Government has had to abandon the policies Cato praised. The result being recovery.

Anyone can make a mistake, of course, but this is a pretty big one, and what is telling is that Cato has not learned from it and continues to push exactly the same policies. It simply no longer uses Iceland as its poster child. Given this it would be a foolish person who regarded the views of the Cato Institute with regards to Scotland as worth following. Their pessimism about Scottish independence has raised my optimism.

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In contemplating its future, and whatever the course, I devoutly hope Scotland will not be swayed by the opinion or advice of the Cato Institute.

In taking Scotland's independence aspirations to task, this ultra-right font of extremist libertarianism commits the familiar outrage of the American right in invoking Adam Smith. If

they care to read the great Scots economist and moral philosopher they would find the following:  
"The subjects of every state ought to contribute towards the support of the government, as nearly  
as possible, in proportion to their respective abilities" (The Wealth of Nations, 1776).

Not exactly the stuff of the Cato Institute, but perhaps more in line with the social contract of an  
independent Scotland.

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