

TAX-NEWS

GLOBAL TAX NEWS

Swiss Treated 'Worse Than North Korea' By US, Says Cato Scholar

by Ulrika Lomas, Tax-News.com, Brussels
17 October 2012

Cato Institute Economist Daniel J. Mitchell has asserted that the US treats Switzerland worse than North Korea, and that it is against US interests for it to do so.

In an interview with the Swiss publication Basler Zeitung, Mitchell, a senior fellow at the libertarian think tank, has vehemently criticized the way the US has put pressure on Switzerland with regard to banking secrecy and tax transparency in recent years.

“There were heavy threats, not only against Swiss banks but also against their employees. In that respect, Switzerland’s sovereignty has been respected in no way”, Mitchell said. “I found this approach disgusting: America treats Switzerland worse than North Korea”.

Mitchell rejects arguments that a lack of transparency in jurisdictions like Switzerland was responsible for the financial crisis, blaming instead high government spending and escalating sovereign debt. Indeed, Mitchell suggests that offshore and low-tax jurisdictions are necessary as “instruments of discipline” constraining major governments not to engage in excessive tax-and-spend policies.

“Over the long run, [high taxes and high government spending] leads to the situations in Greece and Italy”, Mitchell said.

Mitchell highlights President Obama’s recent healthcare reform and the 2008-2009 bailout of the US auto industry as examples of failed government intervention in the economy . “This is no longer free market. In a free market, personal relations that you may have within the government play no role”, he said.

Mitchell has expressed his opposition to the programs of both Democratic and Republican candidates for the 2012 US presidential election. But he was particularly scathing about the Republican candidate Mitt Romney remarking that: “Unlike Ronald Reagan, Mitt Romney believes in nothing. He wants to become President to add this on his CV. In reality, he is one of these pupils who want to become president of their class just to satisfy their own ego”.