

Average incomes and growth rates

I do find it extraordinary that people write in to complain about me citing World Bank figures for GDP and Incomes per head for the EU, UK and USA. They complain I am attacking the EU because it shows the EU with the lowest figures of the three. I am merely stating the facts as set out by an international body these correspondents are usually keen to praise. I have no reason to doubt their past statistics, though I do not always agree with their forecasts.

As we prepare for full departure from the EU it is most important we look at what works. What does the USA get right to promote prosperity, freedom and happiness for the greatest number, and what does the EU get right? What do we wish to change, because we are currently following the EU model, and what do we wish to keep because it is good?

One of the big differences which will be contentious with some is the different approach to energy. The USA is increasing its output of oil and gas from onshore deposits. The EU is against further exploitation of oil and gas deposits and shale reservoirs at home, but is wedded to importing more gas from Russia. It is busy constructing a new large pipeline to increase its dependency on Russian gas. If you wish to promote higher incomes and more jobs at home you need to accept more domestically produced gas and oil. If you wish to be greener you need to reduce reliance on Russian gas and find alternatives that meet your green requirements.

The USA has increased its oil output by more than fifty percent, taking it up to 13 million barrels a day this year. This big expansion in recent years has been an important boost to incomes and jobs. Meanwhile Germany imports 90million tonnes of oil a year, and burns its way through 66 million tonnes of coal a year to keep the wheels of its car factories and other industrial activity turning. Burning so much coal is not a good idea in the leading industrial economy in the EU which claims it is a world leader in removing fossil fuels. The EU is a large user of coal but is of course dwarfed by China which consumes 4 billion tonnes of coal a year. None of these industrial economies is yet able to rein in their use of fossil fuels in the way the Green movement would like.

The UK needs to move back to energy self sufficiency, without coal in the mix. This may well require more UK gas to replace imports as well as further renewable electrical power.