



**UK Independence Party**

**THE REAL OPPOSITION**



From Lord Pearson of Rannoch  
26<sup>th</sup> April 2010

## **Briefing Note – The EU and the Economy**

*“It is dishonest to talk about repairing our economy without mentioning the colossal cost of our EU membership”.*

In 2008, the latest year for which the Government statistics are available:

The Government spent: £707 billion  
Less what it raised in tax: £540 billion  
= a resultant ‘deficit’ of: **£167 billion**

- A. The TaxPayers’ Alliance estimates the overall cost of our EU membership at £120 billion per annum (over-regulation, loss of our fishing, extra food costs of £1,000 per family per annum, etc.).<sup>1</sup>

Of this, in 2008, £16.4 billion went in cash to Brussels.<sup>2</sup>

£16.4 billion p.a. = “**£45 million pounds a day**” (gross) – our slogan

£45 million per day pays for 2,125 nurses, for a year, at £21,000 p.a. So **“For the money we send the EU every day, we could pay the annual salaries of 2,125 nurses”.**

But Brussels gives back some of what we send (e.g. £2 billion per annum for our farmers). If this point is raised, the following are the net cash figures:

In 2008 the Government says we sent to Brussels net cash of **£6.6 billion**. (= £18 million per day, = “**857 nurses a day**”)

-N.B. In the first “Leaders’ Debate”, Brown said Cameron’s proposal to cut **£6.0 billion** from public expenditure would send the economy into disaster

The net cash for this year is estimated at **£9.7 billion**

To “earth” this figure for voters, £9.7 billion = £26 million per day, which pays for 1,225 nurses a day. So the net cash we are sending this year to Brussels, never to see any of it again, pays for **“1,225 nurses a day”**.

<sup>1</sup> See pp.2-3 of the “Background Note to ‘The Great European Rip-off’” at:  
<http://www.taxpayersalliance.com/CostoftheEuropeanUnion.pdf>

<sup>2</sup> According to the Government’s own “Pink Book”; see the figure for ‘EU Institutions’ on Table 9.1 on p.131 at: [http://www.statistics.gov.uk/downloads/theme\\_economy/PB09.pdf](http://www.statistics.gov.uk/downloads/theme_economy/PB09.pdf)



- B. There is also the Institute of Directors and TaxPayers' Alliance "How to Save £50 billion".<sup>3</sup> This details **£50 billion** p.a. of cuts to waste, which could happen in the first year.
- C. UKIP's *Budget and the Economy* paper details **£13 billion** p.a., which could be cut by getting rid of a number of useless quangos identified by the TaxPayers' Alliance.<sup>4</sup>
- D. Then there is **£18 billion** p.a. (for 40 years) for "global warming" (from the Government's Climate Change Act)
- E. And, **£ 5 billion** p.a. for the "Private Finance Initiative"

**A + B + C + D + E = £206 billion per annum**

We should be talking about saving say half this figure per annum, but our political leaders continue to argue about £6 billion.

### Longer Term

By 2013 the Government estimates that the accumulated "deficit" –the National Debt– will have reached £1,300 billion (1.3 trillion; the "Black Hole": £20,000 per man, woman and child). This will be roughly 90% of our annual Gross Domestic Product (what the country produces every year). The 'deficit' is still forecast to be running at £90 billion, and even that relies on the economy growing at 2.25% p.a., which it isn't.

*And just for fun*, the above figures do not include some £300 billion of loans and guarantees made to UK banks which will not all be repaid; and "Quantitative Easing" (printing money) at £200 billion. On top of the £20,000 public sector debt per person, we have also racked up private household debt (primarily residential mortgages) of over £50,000 per average household.

We are in serious trouble.

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<sup>3</sup> Please find this report at: <http://www.taxpayersalliance.com/50bil.pdf>

<sup>4</sup> See Appendix 6 of the paper (pp. 31-35) at: <http://www.ukip.org/media/policies/UKIPbudTax.pdf>