

No to The Venezuela model

If you want to end up with many in poverty and many fleeing your country to escape economic disaster you should follow Venezuelan policies.

They sought to control a wide range of prices below the level business needs to charge. This slashed supply and drove more businesses into bankruptcy, or stopped people trading there. Then they nationalised key industries. This drove out what remained of overseas capital and technical skill. Venezuela converted herself from being one of the most important oil producers into a country struggling to produce a small fraction of potential. The country lost big revenues.

The Starmer plan to stop energy prices going up will require taxpayers to subsidise energy companies otherwise trading at a loss, or require large sums to bail out energy companies that have gone bust. How does it help a customer to save money on the energy bill, only to have to pay more tax to deal with the corporate damage? The current price controls failed to stop prices going up and bankrupted a lot of companies. Bulb is proving a dear pensioner of the state as a result.