

Sir Andrew Dilnot CBE
Chair
UK Statistics Authority
1 Drummond Gate
London
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Friday 15th August 2014

Dear Sir Andrew,

I am writing to ask you to investigate recent claims by the Chief Secretary to the Treasury, Danny Alexander MP, regarding claims that 'recent Treasury analysis showed 3.3 million jobs were at risk from leaving the EU'.

In a speech in Washington D.C. (copy attached) on June 25th Danny Alexander said:

"When the focus is on jobs, and growth, and wider risks we take with our prosperity through isolation then the argument can and will be won. Indeed, the latest Treasury analysis shows that 3.3 million British jobs are connected to Britain's place in Europe. That is the measure of the risk that isolationists would have us take."

The speech, the 3.3 million jobs claim was briefed by Mr Alexander's team on a no approach basis (thereby limiting scrutiny) to the Daily Telegraph the evening before the speech.

On the 25th of June on the front page of the Daily Telegraph featured a story with the headline "Treasury figures show more than 3 million UK jobs are reliant on the EU" which stated that:

"Danny Alexander, the Lib Dem Chief Secretary to the Treasury, will say that official Government figures show that 3.3 million jobs could be at risk if the UK leaves the EU, prompting a row with senior Conservatives."

"He will say that Treasury experts have calculated that 3.3 million are connected to Britain's continued membership of the EU."

"The Telegraph understands that aides to George Osborne, the Chancellor, did not want Mr Alexander to make public the findings contained in the Treasury analysis."

"It is understood the Treasury analysis was carried out in the last few weeks."

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The origin of the entire contents of this story appears to be Mr Alexander's office.

Following the publication of this story, and in advance of the speech, members of the Business for Britain (BfB) campaign team sought to obtain copies of the 'new' treasury analysis.

At the time the Treasury rebuffed enquires requesting copies of the 'new' analysis stating that it had not yet been 'cleared'. They did though appear to confirm to journalist Sam Coates of the Times that it was their 'new analysis' though.



<https://twitter.com/SamCoatesTimes/status/481903177223376896>

In an email to member of BfB campaign team (attached), Danny Alexander's Special Advisor, Peter Carroll, stated:

"The actual analysis has not yet gone through the process to be cleared. However, there should be a short statement available shortly that describes the methodology. "

As far as I am aware, no short statement was made nor has the analysis itself been published.

That day, a Freedom of Information (FOI) request was made regarding this 'new' analysis by Christopher Howarth, a researcher at Open Europe. The response to FOI request has now been published (copy attached).

The response makes clear that the analysis was not 'new' but dates back to a methodology used in answer to a Parliamentary Questions from 2003 and used again in February 2014. Nor does this old research show the number of jobs "at risk from leaving the EU"

The FOI response makes clear that the original Parliamentary Answer gave: *"an estimate of the number of that jobs are linked, directly and indirectly, to the export of goods and services to the European Union"*, which is calculated by making assumptions that *"The share of total UK employment associated with UK exports to the EU is equal to the share of total UK value added (GVA) generated by UK exports to the EU"*

The FOI is explicit that the methodology "is not an estimate of the impact of EU membership on employment".

It is not surprising that the Treasury has stated this given it would be clearly wrong to assume an end to all exports to Europe should the UK withdraw from the EU and given the problems with assuming productivity is uniform across the economy when calculating the number of jobs linked to exports.

There appears to have been concerted attempt by Danny Alexander and his team to create the impression that this research was both 'new' and represented the number of jobs 'at risk' through his speech and the briefings of it to the media.

I believe this to be both disingenuous and a serious misuse of Government statistics.

There is currently a very important debate about the costs and benefits of our membership of the European Union. Politicians and the public are seriously considering what Britain's future relationship with the EU should be. It is deeply concerning that a Minister of the Crown appears to have used Government statistics to intentionally mislead those following the debate.

Misrepresentation of official government statistics undermines the public's faith in the source. Given that EU referendum on the horizon this misleading impression could easily influence decisions in a future referendum.

I would urge you to investigate this matter and make clear that any claims that Treasury analysis shows that 3.3m jobs are at risk if the UK were to leave the EU are blatantly false.

I look forward to hearing your thoughts on this matter.

Yours sincerely,



Matthew Elliott
Chief Executive, Business for Britain