

PHILIP HAMMOND M.P.  
Shadow Chief Secretary to the Treasury



HOUSE OF COMMONS

LONDON SW1A 0AA

5 November 2009

Dear Sir Michael

I am writing to make a formal complaint concerning the Prime Minister's claims that Government policies have resulted in 500,000 jobs being protected in the recession.

It has today been revealed that, according to official Treasury guidance released in a Freedom of Information Request, this statistic is incorrect. The advice received before the Budget from the Treasury's Macroeconomic analysis team, now in the public domain, clearly states that: "The combined effect of boosting the economy through the discretionary fiscal stimulus, MPC decisions to cut Bank rate and quantitative easing could be to support between 250,000 and 450,000 jobs. Therefore you could say "supported up to 450,000 jobs" in the Budget speech." A public statement should be worded carefully."

The Treasury advice also states that it would be "spurious" for the Government to claim responsibility for the actions of the independent Bank of England in cutting interest rates and undertaking quantitative easing.

The result of this presentational inaccuracy by the Prime Minister – accidental or otherwise – has been significantly to overstate the impact of the Government's discretionary fiscal policy interventions, misleading the public, business and the financial markets with potentially serious consequences.

I would be grateful if you would take this matter up with 10 Downing Street at the earliest opportunity.

A handwritten signature in blue ink, appearing to read 'Philip Hammond', written over a horizontal line.

Philip Hammond MP  
Shadow Chief Secretary to the Treasury

Sir Michael Scholar KCB  
UK Statistics Authority  
Statistics House  
Islington  
London EC1R 1UW