

[Notice: This e-mail is sent to you because I have been informed - or have good reason to believe - that you would like to receive occasional e-mails from me on why the UK must leave the European Union.

If you do not want to receive e-mails from me, I apologise and perhaps you would let me know so that I can take your e-mail address off the list. or click on the "unsubscribe" link below]



Tim Congdon's latest e-mail



Dear fellow member of UKIP (and others concerned about the UK's relationship with the EU),

As I said in my last UKIP e-mail, I have written a long piece for *Standpoint* magazine demolishing Chancellor Osborne's statement that the average UK household would be substantially worse off because of Brexit. That piece is due out tomorrow, when the next issue of *Standpoint* hits the newsstands, but I thought you might be interested in a [video](#) on the same subject. The video shows that Osborne has engaged in the Goebbels tactic of "repeat Big Lies often enough and they will be believed", except that in this case we have a Big Lie in the form of a Big Number. To justify his Big Number Osborne appeals to a team of Treasury economists, who have written his White Paper (Cm 9250). My discussion is on the contents and argument of Cm 9250.

The video may be a bit technical in places, but I am confident it is easier to follow than the extraordinarily obscure and abstruse Cm 9250. Osborne and the Treasury say that

- EU membership increases the UK's openness to the world,
- the greater an economy's openness the higher is its productivity (i.e., output per person), and
- living standards depend on productivity.

My main points are:

1. The growth of productivity in UK manufacturing in the decade after joining the then Common Market (i.e., the European Economic Community which became the EU in 1993) in 1973 was less than half that in the previous decade,
 2. Crucial to the Treasury's analysis is the claim that openness has increased enormously since the 1940s. I show that the Treasury's measure of openness (i.e., the ratio of the *volume* of trade to the *volume* of national output) rises in all dynamic economies for reasons which have nothing to do with openness, in the sense of participation in international trade deals, such as the EU. *The Treasury has made an analytical blunder.*
 3. The EU is to a significant extent a protectionist organization. Leaving it would enable the UK to pursue unilateral free trade (like its former colonies, Hong Kong and Singapore). Contrary to the
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assumption in Cm 9250, the UK's openness could increase after leaving the EU. On the Treasury's own reasoning, that ought to be good for productivity and living standards.

4. The main text of Cm 9250 more or less ignores the contents of the annual White Paper (published since 1980) on *European Union Finances*, which documents the definite fiscal cost of EU membership, and indicates a cost per household running at over £500 a year.
5. Such notions as "benefit tourism" and "health tourism" are undoubtedly meaningful, because governments departments are known (from press reports) to have investigated their size. Benefit and health tourism are ignored entirely in Cm 9250.
6. Much EU regulation has an undoubted cost to the UK, while immigration reduces the pay of low-income workers. The costs of regulation, and the cost of lost employment and income of the UK-born, are also ignored entirely in Cm 9250.

The Treasury analysis in Cm 9250 is dishonest and worthless, while Osborne is a bare-faced liar. No other phrase makes any sense in the context. Happily, many other people – even many who want the UK to remain in the EU – have seen that the government's conduct of its publicity campaign has been disgraceful. A backlash is emerging, not least from those who feel that demands that government departments support political propaganda are an abuse of power.

I hope you enjoy and value the video. The [Powerpoint](#) file I use is available for wider circulation, but please request it (for use in public meetings or whatever) only if you really need it. Fan e-mail is nice, but on this occasion can you please not send me an e-mail in reply unless essential?

I will send you the *Standpoint* article tomorrow. If you refer to it, please acknowledge the source.

With best wishes,.



Runner-up in the 2010 UKIP leadership election
UKIP Economics Spokesman 2010 – 14

(Please note: I will be away until just before Christmas, so will not be able to respond to your replies for some time)