

THE BBC AND 'EUROPE'

ANALYSIS OF EU COVERAGE ON BBC RADIO 4's TODAY

SUMMARY

- The Today programme was monitored for 13 weeks between September and December 2010. During the survey period there were no direct questions about withdrawal, only one interview with a figure who favoured withdrawal, and no questions were put to him about the key EU issues of the Irish bailout and the EU budget negotiations. Further, there was no coverage of the important EU-related topics such as the latest proposals for the reform of CAP or the failure of the EU to sign off its accounts for the 16th year running.
- European Union themes accounted for 5.2% of the programme's airtime, which is below the long-term average of 5.6%, established in regular monitoring of the programme since 2002.
- Issues of economics and related business affairs linked mainly to the Irish bailout and negotiations over a projected EU budget increase amounted to 88% of the reporting of the EU.
- The coverage of other EU themes was only 53 minutes or 0.8% of Today's available airtime, roughly the same as was devoted to affairs in North Korea or Haiti, and reducing EU coverage to a very minor sideshow. Only two stories received multi-strand coverage, and even these were not reported to the extent that they gave viewers a reasonable overview of the issues involved.
- Many important EU stories were covered only through newspaper reviews, and important issues such as developments in the Working Time Directive, moves to massively expand maternity leave and EU enlargement were afforded only a few minutes' airtime, usually on from one – often pro-EU – perspective.
- The only adequate reporting of an EU story – in that it contained the facts and significant background discussion about the workings of the EU – was of attempts to extradite Julian Assange by a European Arrest Warrant. This was a cause celebre of the left. The coverage highlighted concerns about the civil impact implications of the warrant. Previously on Today – over the previous decade – such concerns (expressed frequently in other arenas at other times by Eurosceptics) had scarcely been discussed.
- Comparative analysis of other conduits of EU reporting shows that many major EU-related issues were not covered by Today at all, including the announcement at the Conservative Party Conference of the proposed Sovereignty Bill and Referendum Lock, steps towards the complete overhaul of CAP and the EU's failure to sign off its accounts for the 16th year running.

- 50% of guest contributors made neutral or factual contributions to the EU coverage. Of the other programme guests, 28% were Europhile and 21% Eurosceptic. Conservative contributions are classed as being “Eurosceptic” because that is the party’s official stance, but most were not. Genuine Eurosceptic contributions were massively under-represented.
- Key exchanges with coalition ministers and analysis of all the words spoken about the EU budget negotiations revealed the extent to which the government had come both to support EU measures and to reject criticisms by Eurosceptics. And only one third of the contribution of Conservatives to the discussion of the Irish bailout could be regarded as Eurosceptic.
- The survey was the first since the Coalition came to power. Often, Conservative Ministers expressed support for measures implemented by the EU alongside their more ‘traditional’ Eurosceptic opinions. As a consequence, unequivocal criticism of the EU was very limited. There were only three relatively short interviews featuring such views, with the Conservatives Daniel Hannan MEP, Douglas Carswell MP and Roger Helmer MEP. There were very few Labour Party speakers, presumably because Today editors had decided that their pro-EU perspective was not significantly different from that being pursued by the Coalition.
- Only 1.9% of speakers during the survey were identifiably in favour of British withdrawal from the European Union. Of the 14 surveys undertaken since 2004, only two have recorded a smaller proportion.
- There were only three UKIP contributions on EU themes during the survey, each about the party’s leadership election. No UKIP opinion was solicited on either the 2011 EU budget negotiations or the Irish financial crisis. The one substantive interview, with newly re-elected UKIP leader Nigel Farage, focused almost entirely on whether Mr Farage saw parallels between his party and the American ‘Tea Party’ movement, and whether he was “angry”. There were no attempts by the interviewer, Evan Davis, to discuss withdrawal-related policy, even though it would have been relevant to that day’s agenda.
- BBC journalists often made statements that were over-simplistic about EU affairs, describing, for example, the European Commission as the “civil service” of the EU. Generally, they also failed to describe adequately the EU processes. And there was often simplistic assumption that the main issue involved in developments was to underline Conservative divisions about the EU. Their approach fitted in with an overall lack of curiosity during the survey period about the EU, and this amounted significant and sustained bias by omission.

PART ONE:

WINTER 2010

MONITORING STATISTICS

This survey examines the Today programme's coverage of EU news and current affairs for a thirteen-week interval between Monday 20 September and Saturday 18 December 2010. Newswatch monitored and analysed each edition of the programme in its entirety. All news items were timed and logged, and all those of relevance to the European Union or its relationship with the UK were transcribed in full.

Information was collated in Newswatch's bespoke database to identify patterns in coverage and to facilitate comparisons with the fifteen previous monitoring projects undertaken since 2002.

This methodology allows weaknesses in individual news items to be identified, and highlights long-term trends and imbalances that would be impossible for a casual listener to discern.

1.1 OVERVIEW

Today is BBC Radio 4's flagship news and current affairs programme. It broadcasts for three hours each weekday morning, and for two hours each Saturday. Each edition is also made available 'on demand' for those visiting the programme's dedicated website, and selections from Today are included in the BBC's podcast service, which enables listeners to download content directly to their computer or personal music player. The Today website also carries a comprehensive audio archive, with programme material dating back to June 2003.

RAJAR's Q4 2010 figures - which matched Newswatch's survey period exactly - show that Today had a weekly audience reach of 6.63m listeners. This represents a slight dip from the record 6.98m achieved by Today in Q2 (which coincided with the UK General Election and football World Cup), but is still, in historical terms, a high figure.

NOTE TO THE STATISTICS

The Today programme was cancelled on Friday 5 November as a result of a strike by the National Union of Journalists. As a consequence, the data presented in this survey represents 77 consecutive editions of Today rather than 78. This 'missing' programme has some implications when making comparisons between the individual weeks, and between the current survey and previous Newswatch monitoring projects, and where such issues arise they are identified in this report. Hourly news bulletins were broadcast on this particular morning, and these were monitored as usual and have been included in the data for this survey.

1.2 AIRTIME

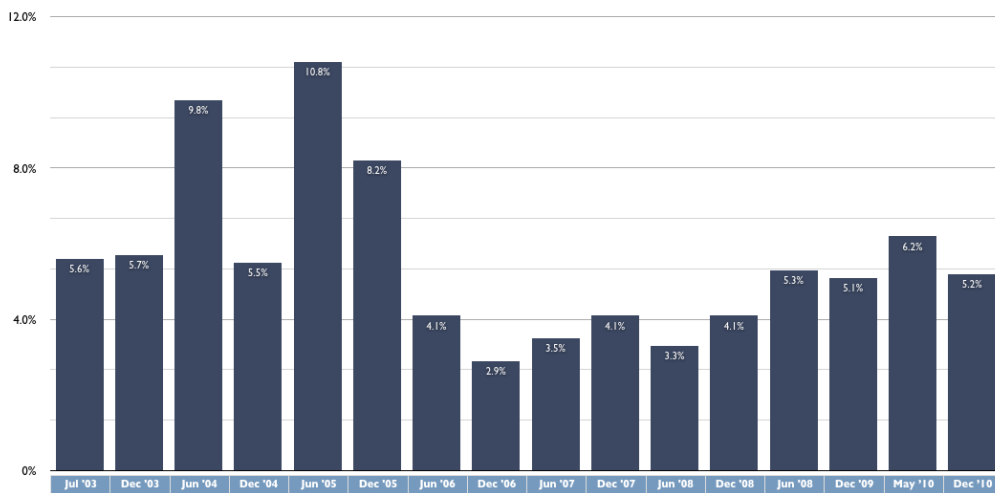
Newswatch's airtime calculations focus on 'feature reports', to ensure totals are not affected by repeated content such as bulletins, newspaper reviews, headlines and news roundups, and 'non-news' items such as sport, weather and trailers for other programmes. The total space available on Today for feature during the survey interval reports was 141 hours and 41 minutes. Of this, 7 hours and 24 minutes - 5.2% of the total available airtime - was EU related.

Since 1999, Newswatch has monitored, tracked and analysed the Today programme for 258 weeks. This equates to 1548 individual editions, with a combined airtime of 4386 hours. These earlier projects have established that, on average, the Today programme devotes 5.6% of its 'feature' output to the discussion of EU themes. During the Winter 2010 period, coverage was 0.4% below this long term average. The table shows details of EU coverage during the sixteen most recent Newswatch surveys.

	Survey Date	Monitored Weeks	Proportion of EU coverage
1	September 2002 – July 2003	47	5.6%
2	September – December 2003	12	5.7%
3	March – June 2004	13	9.8%
<i>June 2004, Mark Thompson appointed BBC Director General</i>			
4	October – December 2004	10	5.5%
<i>January 2005, Publication of the Wilson Report into the BBC's EU Coverage</i>			
5	March – June 2005	15	10.8%
6	October – December 2005	9	8.2%
7	February – June 2006	16	4.1%
8	September – December 2006	14	2.9%
9	March – June 2007	14	3.5%
10	September – December 2007	14	4.1%
11	March – June 2008	12	3.3%
12	September – December 2008	14	4.1%
13	April – June 2009	6	5.4%
14	September – December 2009	13	5.1%
15	March – May 2010	6	6.2%
16	September – December 2010	13	5.2%

The thirteenth and fifteenth reports in this table coincided with the 2009 European Elections and 2010 General Elections respectively. For these surveys Newswatch adopted a shorter but more intense monitoring schedule, encompassing nine BBC News programmes in addition to Today. As such, both monitoring intervals were shorter than usual, with six weeks of coverage assessed on each occasion. For the purposes of the current survey, information pertaining solely to the Today programme has been isolated from the main data collected during these two investigations to facilitate direct comparisons. The graph presents EU airtime proportions in the sixteen most recent projects, listed by the end date of each survey.

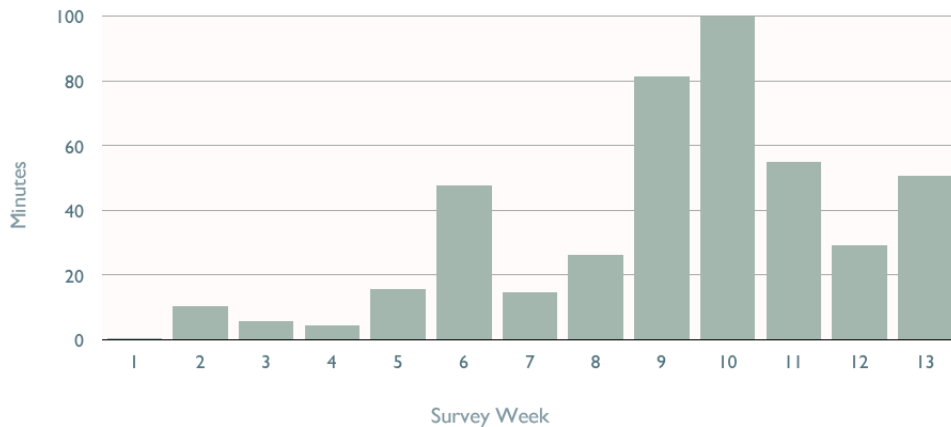
The Proportion of EU Coverage on Today, 2002-2010



I.3 COVERAGE BY WEEK

Today transmitted 198 EU-related items during the thirteen week survey. There were 33 bulletin reports, 26 mentions of EU matters in the programme's newspaper review section, and 139 'features', with a total duration of 7 hours and 24 minutes. In addition, there were 31 passing mentions of the EU, and a discussion of the Irish Economy in the religious affairs slot, Thought for the Day.

The chart illustrates Today's EU coverage in minutes for each week of the survey, and shows a wide variation in levels of reporting. Today did not broadcast on Friday 5 November, and therefore week seven of the chart relates to five programmes rather than six.



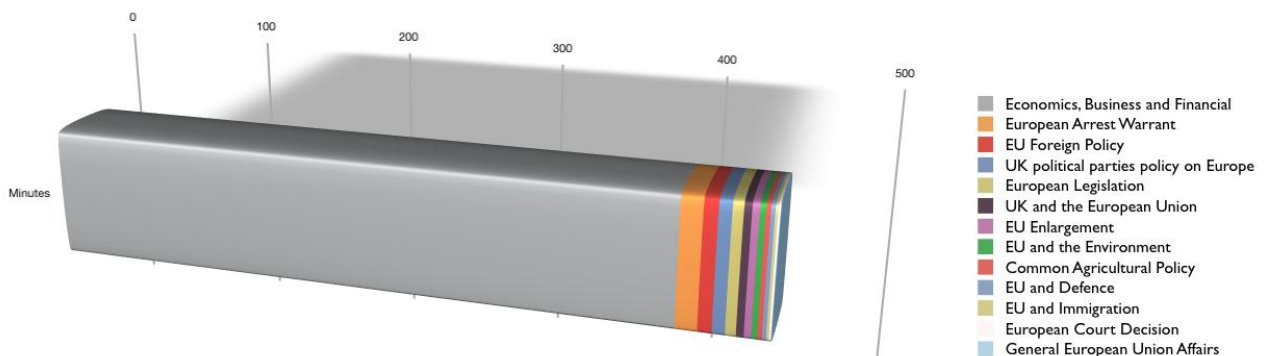
During the first week of the survey, just half a minute of EU-related feature material was broadcast, representing 0.08% of the Today's available airtime. Indeed, the first five full weeks of the survey saw only 37 minutes of coverage in total (1.1%).

EU coverage was at its highest during the tenth week of the survey, with 103 minutes of coverage (15.6%). Week ten coincided with the announcement of an austerity package by the Irish government ahead of a bailout by the IMF and EU. During this same week Today also explored wider concerns over the economic stability of other Eurozone countries including Portugal, Spain and Belgium.

I.4 EU THEMES

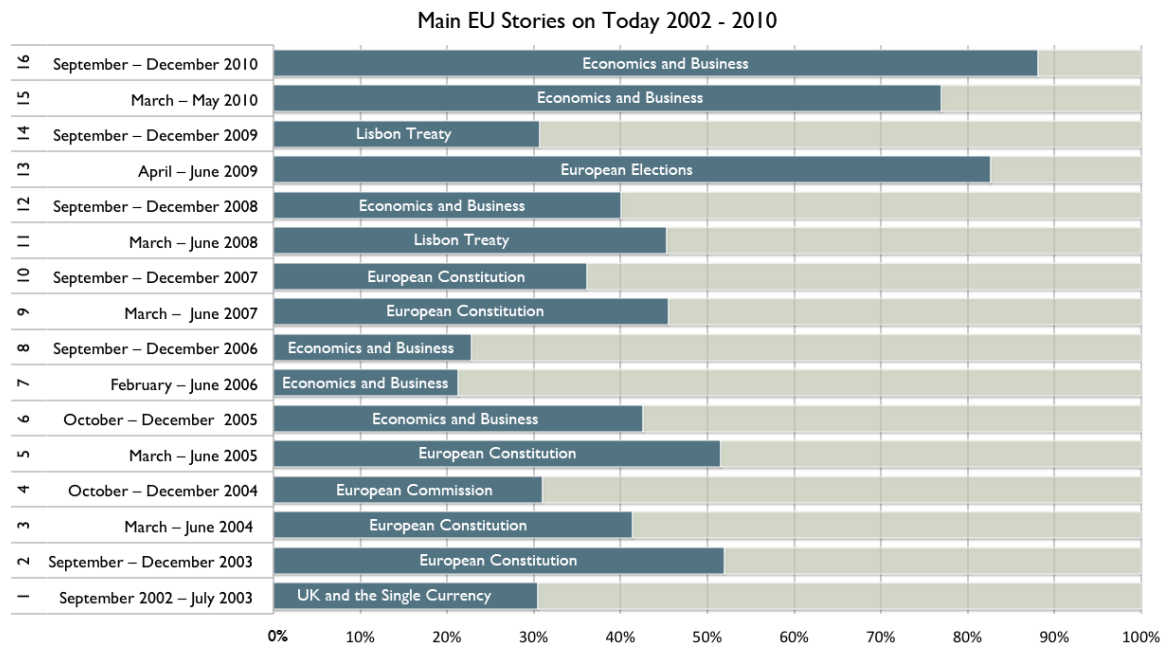
The table and chart show the range of EU themes covered during the thirteen week investigation.

Subject Area	Minutes	%
Economics, Business and Financial	391	88.1%
European Arrest Warrant	12.5	2.8%
EU Foreign Policy	8	1.8%
UK political parties policy on Europe	7.25	1.6%
European Legislation	6	1.4%
UK and the European Union	4.25	1.0%
EU Enlargement	4	0.9%
EU and the Environment	3.25	0.7%
Common Agricultural Policy	2.5	0.6%
EU and Defence	2.25	0.5%
EU and Immigration	1.5	0.3%
European Court Decision	1	0.2%
General European Union Affairs	0.5	0.1%



By far the most widely-addressed EU theme during the survey interval was that of Economic, Business and Financial news. This theme accounted for over 88% of the overall EU airtime during the survey interval. This extraordinarily high figure was principally a consequence of the negotiations over the EU budget for 2011, and the economic difficulties experienced by Ireland which resulted in a joint bailout from the IMF and EU, and a bilateral loan from the UK. The remaining EU themes accounted for just 53 minutes of coverage over the whole thirteen weeks.

Newswatch used its historical data to explore this coverage pattern in greater detail. The most significant EU themes in the sixteen surveys undertaken since 2002 were identified and calculations were made to assess the proportion of coverage given over to these 'main themes', compared to all other EU themes combined.

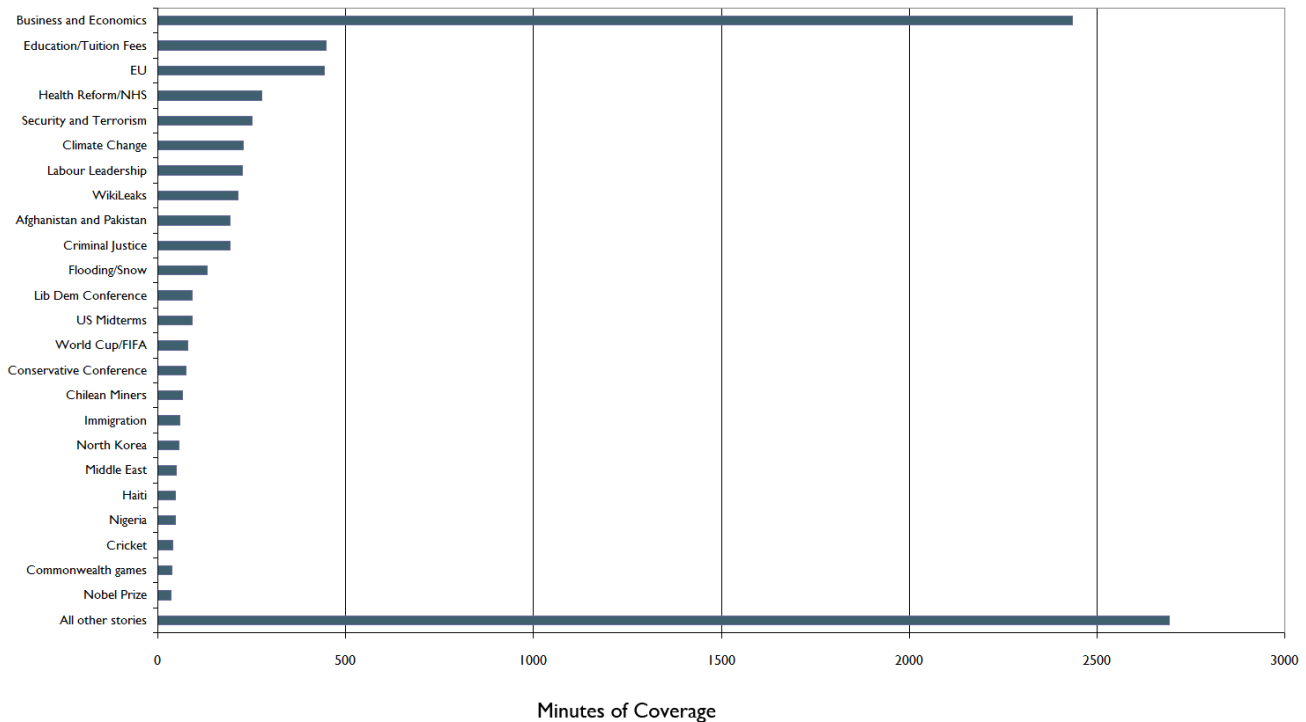


The current survey saw the highest proportion of EU coverage given over to a main EU theme, and therefore, conversely, the lowest proportion (11.9% of EU airtime) accorded to secondary EU issues. Indeed, three of the last four Newswatch surveys show coverage of secondary EU issues at historically low levels. In the Summer 2006 survey, for example, Business and Economics stories were the most prevalent EU issue but 78.7% of Today's EU coverage focused on matters other than this primary theme.

Clearly, the coverage pattern identified during the current survey raises significant concerns with regards the range and depth of Today's EU reporting. As Section Two of this report explains in closer details, there were a host of important EU issues on the agenda during the period which were covered insufficiently by Today or ignored altogether.

1.5 THE WIDER NEWS AGENDA

All feature reports during the survey period were timed and categorised, and those news themes which received over 30 minutes of coverage during the survey interval are listed in the table below.

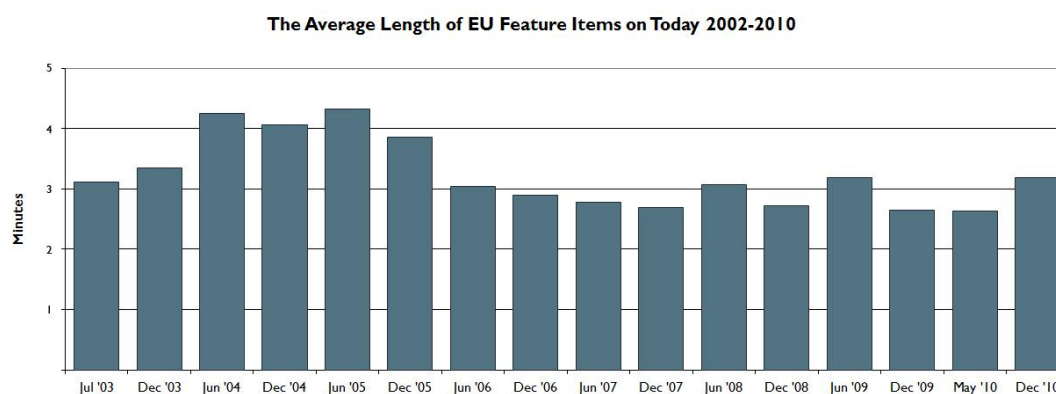


Business and Economics were the dominant news issue during the thirteen week survey, with 28.6% of feature item being over to reports on these themes. The EU, by contrast received 5.2% of programme airtime.

However, it must be appreciated that the Newswatch methodology is designed to give precedence to the EU in the categorisation process. While this ensures the EU airtime referred to in each survey represents an absolute maximum, it also reduces the proportions of news coverage in other categories by equal measure. As the table in Section 1.4 shows, the vast majority of EU stories could have been categorised reasonably as 'Business and Economics'. Similarly, the second most prevalent EU theme, discussion of the European Arrest Warrant, related directly to attempts by Sweden to extradite the founder of the WikiLeaks website, Julian Assange, and could have been listed as part of the WikiLeaks category in the table above. If this alternate approach to categorisation had been employed, then the proportion of Business and Economics news would have increased to 31.7%, the WikiLeaks coverage to 2.54% and the remaining EU coverage would have accounted for just 0.48% of available airtime.

Despite the prevalence of Business and Economic stories in the Today running order, it is important to note that close to 45 hours – or almost a third – of feature airtime was devoted to stories other than the 24 key news themes listed in this chart.

1.6 EU ITEM LENGTH



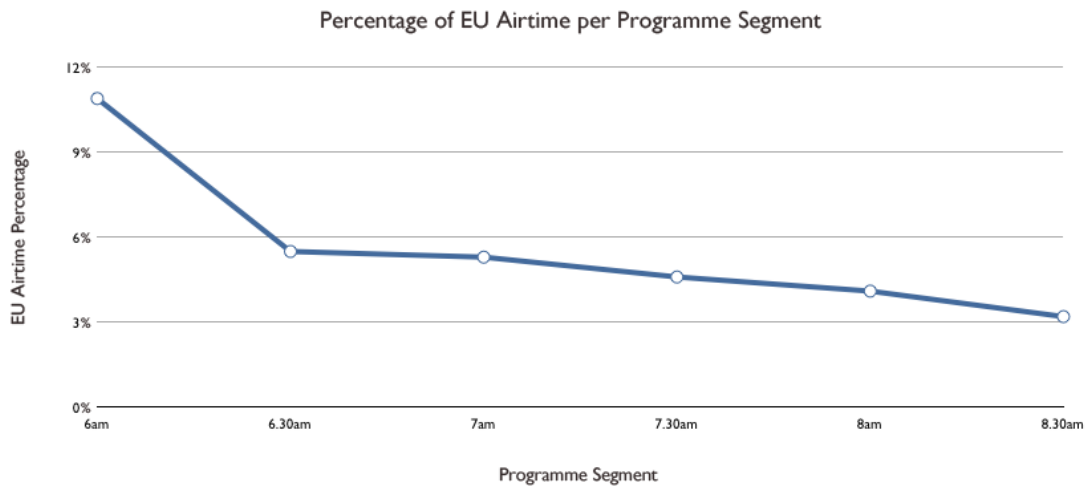
Newswatch found that the average length of an EU feature item was 3 min 11s during the current project, the highest level since December 2005. This average was bolstered by a number of longer feature items, with eleven EU packages lasting more than seven minutes in length – all of them economics stories. Seven of these longer reports concentrated on problems in the Irish and Eurozone economies, and four centred on negotiations surrounding the EU budget for 2011.

The average was still far lower than the high-point in June 2005, when the average EU feature lasted for 4 min 19s.

1.7 THE POSITION OF EU FEATURE REPORTS

Assessing the positioning of EU material in the Today running order necessitates a complex calculation, given that each half-hour segment does not carry equal space for feature reports. For example, the first half hour of the programme generally has space for 17 minutes of features, while the last half hour has between 26 and 29 minutes. In addition, the Saturday programme begins at 7am, and has a slightly different running order to the weekday editions. Furthermore, in the current survey, Today did not air on the 5 November, due to an NUJ strike.

With all these variables taken into account, the chart gives weighted totals for EU news coverage, as a percentage of the total airtime available in each half-hour segment, over the full survey interval. If EU coverage had been spread evenly across each segment for the full 12 weeks, the chart would simply show a horizontal line.



The graph reveals that EU news was significantly weighted towards the 6am–6.30am segment, with coverage dropping sharply thereafter, and continuing to decline gradually as the programme progressed. This pattern is a direct consequence of the very high coverage in the main Business News section, which dominates this first segment. Listeners were more than three times more likely to hear an EU-themed report in the programme’s first half hour than they were in the final half hour.

There are clear structural disadvantages for material placed into these earlier slots – foremost the first half hour of the weekday programme is outside of peak listening times. Today begins each morning with a relatively small audience, with the number of listeners increasing as the programme progresses, with the peak listening hour between 7.30am and 8.30am. As such, the weighting of the EU coverage towards the beginning of the programme during this survey meant that there was a smaller proportion of the Today audience hearing these reports.

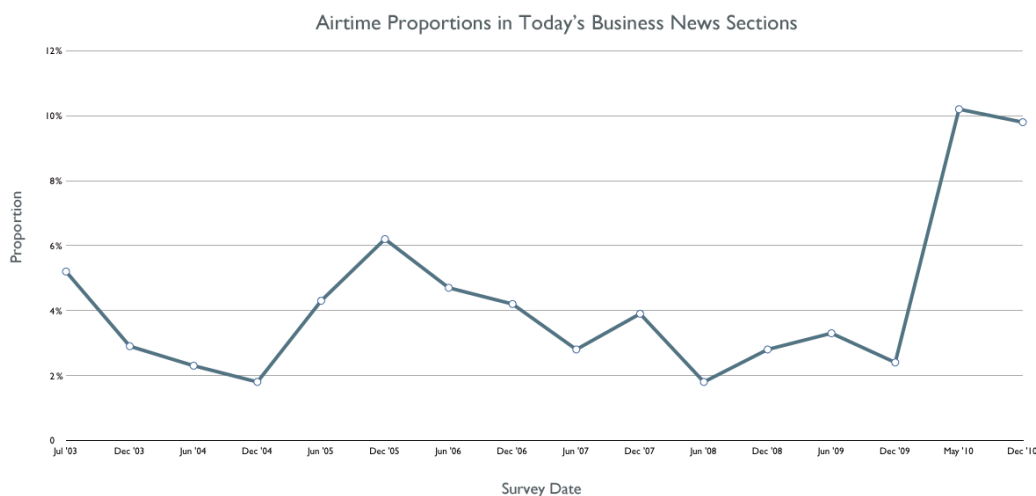
In addition, it presents difficulties for those listeners wishing to access material through the ‘Listen Again’ section of the Today website. The first hour of the weekday programme is only available as part of the full three-hour edition, as opposed to those items broadcast after 7am, which are made available as individual audio clips. Furthermore, the full version of Today only remains available for a week, and so those reports broadcast in the early part of the programme are not available in the online archive.

1.8 THE BUSINESS NEWS

Today broadcasts a main Business News report at around 6.15am each weekday morning, along with two shorter updates later in the programme. Combined, these three slots typically account for somewhere between 14 and 20 minutes per programme, which equates to between 12% and 17% of total coverage in Today's weekday editions. The table provides details of the EU stories which have appeared in Today's Business News and Business Update slots in the sixteen Newswatch surveys undertaken since September 2002.

Business News and Business Update coverage						
Survey	Date	Weeks	Items	Duration	Items per week	Airtime per week
1	September 2002 – July 2003	47	138	246 min	2.9	5 min 13 sec
2	September – December 2003	12	24	35 min	2.0	2 min 55 sec
3	March – June 2004	12	15	28 min	1.3	2 min 40 sec
4	October – December 2004	10	11	18 min	1.1	1 min 48 sec
5	March – June 2005	15	27	64 min	1.8	4 min 16 sec
6	October – December 2005	9	21	56 min	2.3	6 min 13 sec
7	February – June 2006	16	32	75 min	2.0	4 min 41 sec
8	September – December 2006	14	26	59 min	1.9	4 min 12 sec
9	March – June 2007	14	20	39 min	1.4	2 min 47 sec
10	September – December 2007	14	23	54 min	1.6	3 min 52 sec
11	March – June 2008	12	19	22 min	1.6	1 min 50 sec
12	September – December 2008	14	27	39 min	1.9	2 min 37 sec
13	April – June 2009	6	15	21 min	2.4	3 min 22 sec
14	September – December 2009	13	31	29 min	2.6	2 min 24 sec
15	March – May 2010	6	26	61 min	4.3	10 min 10 sec
16	September – December 2010	13	47	128 min	3.6	9 min 51 sec

The two most recent surveys have seen a dramatic rise in the amount of airtime given over to EU issues in Today's business sections compared to previous Newswatch investigations.



Data from the 208 weeks monitored between September 2002 and December 2009 shows that, on average, Today's business reports have contained 3 minutes 48 seconds of EU news per week. In the Summer 2010 and Winter 2010 reports this weekly average increased to 10 minutes 10 seconds, and 9 minutes and 51 seconds respectively.

The two surveys undertaken in 2010 were also similar in terms of the stories which were the driving force behind these increases. The six-week survey in Summer 2010 recorded that 94% of the EU coverage in Today's Business News was given over to discussion of the Greek bailout and related coverage of the Eurozone economy. In the current survey, 78% of EU business analysis was concerned with the Irish bailout and the Eurozone – although this lower proportion was fundamentally a product of the monitoring interval being longer and the additional programme space that was available before and after the Irish story hit the headlines. In fact, the actual airtime given over to direct discussion of the Greek and Irish rescue measures (excluding discussion of the wider Eurozone economy) was remarkably similar in both surveys, with 51 minutes on Greece in Summer 2010, and 56 minutes on Ireland in Winter 2010.

1.9 SPEAKERS

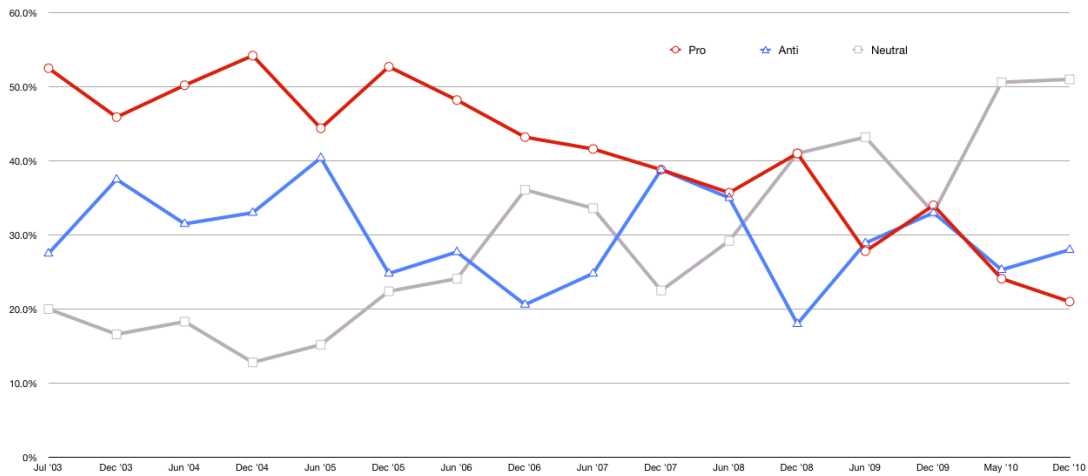
Today's EU coverage featured 157 guest contributors during the survey, of which 106 were interviews and 51 were pre-recorded soundbites or vox pop contributions. The table records speakers according to whether they expressed Europhile or Eurosceptic views. Each guest was categorised according to the contents of the contribution, rather than the established views of the person concerned, or their party affiliation.

Contributions by Party	Labour	Conservative	Liberal	UKIP	EU	Other	Total
Pro-EU	4	0	2	0	17	4	27
In favour of specific EU legislation/action	0	0	0	0	0	6	6
Anti-EU or Eurosceptic	0	22	0	3	0	3	28
Against specific EU legislation/action	0	1	0	0	0	15	16
Neutral/Factual viewpoint	0	1	1	0	2	76	80
Total Speakers	4	24	3	3	19	104	157

In broad terms, 33 guests (21%) spoke in favour of the EU or specific legislation, 44 (28%) were against the EU or specific legislation, and 80 speakers (51%) offered a neutral or factual viewpoint.

The chart shows the proportions of broadly Pro-EU, Anti-EU and Neutral speakers over the course of the sixteen Newswatch surveys since September 2002, and corresponds to a total of 3063 individual guest contributions.

Proportions of Speakers on EU Themes



	Jul '03	Dec '03	Jun '04	Dec '04	Jun '05	Dec '05	Jun '06	Dec '06	Jun '07	Dec '07	Jun '08	Dec '08	Jun '09	Dec '09	May '10	Dec '10
Pro	52.5%	45.9%	50.2%	54.2%	44.4%	52.7%	48.2%	43.2%	41.6%	38.8%	35.7%	41.0%	27.8%	34.0%	24.1%	21.0%
Anti	27.5%	37.5%	31.5%	33.0%	40.4%	24.8%	27.7%	20.6%	24.8%	38.8%	35.0%	18.0%	28.9%	33.0%	25.3%	28.0%
Neutral	20.0%	16.6%	18.3%	12.8%	15.2%	22.4%	24.1%	36.1%	33.6%	22.5%	29.2%	41.0%	43.2%	33.0%	50.6%	51.0%

For only the third time in the sixteen surveys since 2002, broadly Eurosceptic contributors outnumbered those who were broadly Europhile. Indeed, the proportion of pro-EU speakers in the current survey was the lowest ever recorded by Newswatch. The decline in the proportion pro-EU opinion was mainly attributable to far fewer appearances by Labour Party contributors than has been the case historically, with only four Labour speakers contributing to EU discussions over the thirteen week survey. By contrast, 22 Conservatives offered a Eurosceptic opinion.

Further analysis highlights a number of reasons for this imbalance between Labour and Conservative speakers. Foremost, the narrow thematic range of Today's EU coverage was a significant factor: 20 of the 23 Conservative Eurosceptic contributions focused on just two issues - backbench disquiet over David Cameron's agreement to a 2.9% increase in the EU's budget, and the EU/IMF rescue package for the Irish economy.

On the first story, Labour leader Ed Miliband did provide some commentary, albeit through a parliamentary report rather than a live studio interview. However, the substantive criticism arrived from Conservative MEPs Roger Helmer and Daniel Hannan and Today's focus was on perceived splits within the Conservative Party, as opposed to divisions between Labour and the coalition government.

The Irish issue saw Labour opinion sidelined in a similar way. With the Labour Party supporting the bailout measures for Ireland, there was ultimately little difference between theirs and coalition government's perspective. It was therefore left to dissenting Conservatives to criticise government policy. Douglas Carswell, Conservative MP, provided three separate contributions on the 22 November: a full length interview, a sequence attached to a bulletin report, and an additional soundbite played directly to the Chancellor, George Osborne, during his interview in the 8.10am slot

later that morning. Mr Carswell's central point was that Britain was becoming part of the debt union created by failings within the euro, and he expressed concern that the UK was becoming financially liable for problems within the Eurozone economy. Once again, the inclusion of Mr Carswell illustrated divisions in the Conservative Party - on this occasion, it could reasonably be argued, at the expense of the UK Independence Party, who were not invited to comment on either of the two economic issues during this survey.

Fundamentally, however, it was the paucity of coverage of EU issues other than that of business and economics which reduced the number of speakers airing domestic political viewpoints on UK policy. As the chart shows, the proportion of speakers offering a neutral or factual perspective on EU issues was the highest of any Newswatch survey to date, with 51% of speakers offering commentary as opposed to political argument. The last survey - where EU coverage was also dominated by news of an EU/IMF bailout - showed an almost identical pattern, with 50.6% of speakers providing neutral or factual perspectives. The tendency, evident in both surveys, was towards having economists and business people offering factual explanations of the rescue package and potential market responses. Although such opinions are certainly useful, the data illustrates how the programme failed to simultaneously test a full range of political opinion on issues which were of vital importance to the UK, its economy, and its relationship with the EU.

1.10 CONSERVATIVE CONTRIBUTIONS

We will ensure that the British Government is a positive participant in the European Union, playing a strong and positive role with our partners, with the goal of ensuring that all the nations of Europe are equipped to face the challenges of the 21st century: global competitiveness, global warming and global poverty.

Conservative and Liberal Democrat Coalition Agreement
May 2010

For the first time since Newswatch began its investigations into the BBC's EU coverage in 1999, the Conservative Party were a party of government, albeit in coalition with the Liberal Democrats. As such, the Conservatives were faced with new realities: their coalition partners were the most Europhile of the main Westminster parties and there was a clear potential for the EU issue to be divisive.

The coalition agreement signed in May 2010 saw specific Conservative election manifesto pledges on the EU adjusted to conform to the new political landscape. First, the Conservative Party had, in their

election manifesto, had committed to introducing a Sovereignty Bill, 'to make it clear that ultimate authority stays in this country, in our parliament'. The coalition agreement, however, announced only that the case for a Sovereignty Bill would 'be examined'. Similarly, the Conservative election manifesto had stated that, 'the steady and unaccountable intrusion of the European Union into almost every aspect of our lives has gone too far' and promised that a Conservative government would negotiate to return powers from the EU to the UK in three areas: the Charter of Fundamental Rights, Criminal Justice and Employment Legislation. In the Coalition agreement this guarantee vanished and was replaced by a pledge to 'examine the balance of the EU's existing competencies' and 'work to limit the application of the Working Time Directive in the United Kingdom.

New dichotomies were produced, with the Conservative-led coalition promising that the British government would be 'a strong and positive participant' in the European Union, despite a significant proportion of Conservative MP's, party activists and voters holding the institution in low regard. In addition, the Conservative Party were no longer able to critique pro-EU measures from the opposition benches, they were forced to deal with the day-to-day realities of Britain's relationship with the EU and its obligations under existing treaties.

These issues coalesced to produce a distinct shift in the tone of certain Conservative guest speakers, particularly government ministers. Contributions became far more nuanced, with 'traditional' Eurosceptic viewpoints being juxtaposed with softer or more pragmatic lines - sometimes in the space of a single contribution.

To explore this shift in detail, all the contributions made during the survey by Conservative speakers were analysed on a line-by-line basis, and categorised according to the arguments they deployed. There were three broad subject areas upon which Conservatives offered commentary during the survey period: negotiations on the EU budget for 2011; the transfer of power to Brussels, and general coalition EU policy including the 'referendum lock' and Sovereignty Bill; and the bailout of the Irish economy.

The three tables list the specific arguments, the speakers who made them and the number of words spoken on each particular point. Highlighted in the table are those contributions which could be seen as the 'traditionally' Eurosceptic.

TABLE 1: ARGUMENTS ON THE NEGOTIATIONIS OF THE EU BUDGET FOR 2011

Argument	Speakers	Words
The EU budget increase is poor value for money	Daniel Hannan	429
The government doesn't want to see a rise in the EU budget	Daniel Hannan	32
MPs should listen to voters, not to ministers or to the Eurocrats,	Daniel Hannan	98
The EU must demonstrate they have borrowing and spending under control, and this is the responsibility of national governments as well as EU institutions	David Lidington	251
There's no clear consensus within other European Union member states on whether new rules are needed for the Eurozone through a treaty change.	David Lidington	126
Any treaty change for the rules governing the Eurozone would not include the UK.	David Lidington, William Hague	81
Expression of the ability/desire achieve greater economy and efficiency within the EU.	David Lidington, William Hague	306
The prime minister has achieved a success with the agreement of ten countries to limit the rise in the EU budget for 2011 to 2.9%	William Hague, David Cameron, George Osborne	645
The Government would have preferred a freeze in the EU budget for 2011, but budgets are settled by qualified majority voting.	William Hague	87
In longer-term budget negotiations, the government will have much greater leverage	William Hague, Lord Lamont	95
Criticism of the 2.9% agreement reached over the budget negotiations, and the suggestion that the UK should have unilaterally refused to pay, and used this as a bargaining chip to secure the repatriation of powers to the UK from the EU.	Roger Helmer	325
Opposition to the suggestion that Britain should unilaterally freeze its EU contribution.	William Hague	78

Analysis shows that of the words spoken on the EU Budget for 2011, under half (44%) offered unequivocal opposition to the EU or its actions. The most widely expressed argument was that the prime minister had achieved success in securing the agreement of ten countries to limit the increase in the EU's budget to 2.9%, compared to the 6% which had been requested by the European Parliament. This argument was presented by William Hague, David Cameron and George Osborne.

TABLE 2: ARGUMENTS ON THE TRANSFER OF POWER TO BRUSSELS AND ON GENERAL COALITION EU POLICY INCLUDING THE SOVEREIGNTY BILL AND 'REFERENDUM LOCK'

Argument	Speakers	Words
Calls for the repatriation of powers from Brussels, and the government to use its promised referendum lock in the budget negotiations	Roger Helmer	154
There was no UK referendum on the Lisbon Treaty	Daniel Hannan	29
The new EU foreign Office will eliminate duplication of services and save money	David Lidington	111
The coalition will re-examine the balance of competencies between the EU and member states, and not sign up to any treaty changes which transferred powers from the UK to Brussels.	David Lidington	121
Discussion of the Sovereignty Clause in the forthcoming EU Bill	William Hague	171
Discussion of disquiet among grassroots conservatives who wish to see the repatriation of powers from Brussels	Roger Helmer	102
The claim the coalition is united on EU policy	David Cameron	35
The desire for common EU rules on the disclosure of bankers' bonuses	George Osborne	150
Historical Conservative Party opposition to the EU	Margaret Thatcher, Lord Lamont	281
The Conservative Party's long-standing opposition to the euro, and the general structural problems of the Eurozone.	William Hague, George Osborne	181
Assertion that the British people are generally Eurosceptical	Lord Lamont	164
Support of greater cooperation on defence a nation to nation basis, but not under the EU.	Liam Fox	89
The government has worked with the EU to secure trade concessions with Pakistan	William Hague	64
The EU emissions trading system is not delivering a carbon price which provides the right incentive.	Tim Yeo	105

With regards to these more general arguments concerning the EU and the coalition's policies, Conservative speakers, including ministers, appeared more willing to emphasise their Eurosceptic credentials. 80% of total of words spoken by Conservatives on these general policy themes encompassed a 'traditional' Eurosceptic perspective. There were, however, some interesting deviations on particular policy areas: namely Europe Minister David Lidington arguing that the new EU 'Foreign Office' would eliminate duplication of services and save money, George Osborne calling for common EU rules on the disclosure of bankers' bonuses, and William Hague pointing out that the government has worked with the EU to secure trade concessions with Pakistan.

TABLE 3: ARGUMENTS ON THE IRISH BAILOUT

Argument	Speakers	Words
The government is not trying to coerce Ireland into taking an EU bailout	David Cameron	24
Assessment of Ireland's economic situation, and the risk of contagion within the Eurozone	Lord Lamont	212
Assertion that the debt crisis was triggered by the comments of the German chancellor, Angela Merkel.	Lord Lamont	194
Ireland's problems have been worsened as a result of being a member of the euro.	Lord Lamont	69
Assertion of the importance of the Eurozone to the UK economy, with more than 40% exports going to the EU.	William Hague	38
The interconnectedness of the UK and Irish economies, the readiness of the UK government to assist Ireland financially, and the importance of Ireland as a trading partner	William Hague, George Osborne	429
The importance of stability within the eurozone, and a hope that the euro doesn't collapse.	William Hague, George Osborne	239
The bailout of Ireland is not in Irish, British or the EU's interest, and the bailout represents a debt liability for Britain, or for the whole EU.	Douglas Carswell	454
The suggestion that help for Ireland should be contingent on them leaving the euro.	Douglas Carswell	218
Disagreement with the suggestion that Ireland should be bailed out only if Ireland leaves the euro.	William Hague	21
Explanation of the mechanics of the bailout agreement reached between the EU, IMF and bilaterally between the UK and Ireland.	George Osborne	258
The bilateral loan to Ireland represents the fact that the UK doesn't want to be part of a permanent bailout mechanism for the euro.	George Osborne	153
Britain is tied into a European Union bailout mechanism agreed by the previous Labour government, from which it can't be extracted 'at the moment'.	George Osborne	112
Disagreement with the position of German Chancellor, Angela Merkel that private bondholders as well as taxpayers must be allowed to lose money in the rescue systems of the future.	George Osborne	311
Expression of an opposition to other countries in Europe dabbling in individual countries' tax affairs	George Osborne	29

Exactly one third of the words spoken on the issue of the Irish Bailout could be categorised as 'traditionally' Eurosceptic. Other opinions included fairly neutral overviews of the cause of the situation in Ireland and the mechanics of the proposed bailout mechanism. There were also a number of statements which could be viewed as supportive of the EU and the measures it was undertaking, including William Hague expressing hopes that the Eurozone economy remains strong and that the euro does not collapse. Suggestions from Conservative MP Douglas Carswell that the bailout for

Ireland should be conditional on the country leaving the single currency were roundly denounced by the Conservative leadership.

CONCLUSIONS

Taken as a whole, the investigation into the arguments deployed by Conservatives shows that only half of all comments made by invited Conservative guests were could be categorised as unequivocally 'Eurosceptic'. This represents a clear and distinct shift in the way arguments surrounding the European Union were expounded, compared to previous surveys when the Conservatives were the party of opposition. . The data also shows that when talking abstract or theoretical terms about policy direction, the Conservatives were keen to maintain tough rhetoric on the EU - but on concrete matters such as the 2011 budget negotiations, the Irish bailout, and the EU Foreign Office, their position became much more measured, and in some cases even supportive of the EU.

Although during the most recent survey there were a greater proportion of broadly Eurosceptic speakers than those who spoke favourably on the EU, not all of the arguments made by Conservatives fitted neatly into the 'Eurosceptic' category. This is a change has important implications for BBC - with Conservative ministers no longer offering the unequivocal sceptical viewpoints they provided in opposition, there is increased pressure to balance the debate and to ensure that opposition to the European Union is adequately represented in its coverage.

1.11 THE WITHDRAWAL ARGUMENT

Steps were taken to ascertain how many advocates of withdrawal appeared on the programme to discuss the EU during the survey period. Of the 157 speakers invited onto Today to discuss the EU, only three could be classified as 'withdrawalist' as a result of their party affiliation, the contents of their contribution, or the commentary on them given by journalists or presenters. All three were members of The UK Independence Party.

The table shows the numbers and proportions of withdrawalist speakers who have appeared on the Today programme in the surveys undertaken by Newswatch since 2002.

Survey Date	Weeks	Total Speakers	Withdrawalists	Percentage
Mar – Jun 2004	12	279	15	5.4%
<i>June 2004, Mark Thompson appointed BBC Director General</i>				
Oct – Dec 2004	10	94	7	7.4%
<i>January 2005, Publication of the Wilson Report into the BBC's EU Coverage</i>				
Mar – Jun 2005	12	389	12	3.1%
Oct – Dec 2005	9	165	3	1.8%
Feb – Jun 2006	16	166	5	3%
Sep – Dec 2006	14	98	4	4.1%
Mar – Jun 2007	14	125	4	3.2%
Sep – Dec 2007	14	178	5	2.8%
Mar – Jun 2008	12	123	2	1.6%
Sep – Dec 2008	14	139	4	2.9%
Apr – Jun 2009	6.3	97	11	11.3%
Sep – Dec 2009	12	197	10	5.1%
Mar - May 2010	6	79	5	6.3%
Sep - Dec 2010	13	156	3	1.9%

As the table shows, the proportion of withdrawalist speakers appearing on Today was the lowest since Summer 2008, despite UKIP's success in the European Elections of 2009, during which the party polled second nationally and beat the Labour government into third place. Of the fourteen surveys listed, only two saw a lower proportion of withdrawalist speakers than were recorded during the current investigation.

The first two withdrawalist speakers appeared in a report broadcast on October 16 on The UK Independence Party's leadership hustings. All four candidates for the position of UKIP leader were included in the package, but the contributions chosen for Nigel Farage and Roger Campbell Bannerman focused on an internal UKIP disagreement, and are therefore not included in these totals, or for the survey totals as a whole, because neither made reference to the European Union.

The two other candidates did mention the EU in their contributions, but neither made an explicit case for British withdrawal. Economist Tim Congdon mentioned UKIP's European Election successes, but the focus of his short contribution was on achieving success for the party domestically:

"So we have this paradox that our greatest political success is that we have these MEPs. And I don't want to be an MEP; I want to bring the fight back to the UK. That is my main, if you like, unique selling point in this, in this leadership election."

Former boxer, Winston McKenzie provided two contributions which served as a bookend to the package, and were both somewhat esoteric. First, to sounds of laughter from the hustings audience, Mr McKenzie shouted, 'Make communication, communication feed the nation'. In the closing soundbite he declared:

'Their fruits, their apples, bananas, pears, oranges, everything go the . . . yams, green bananas, everything goes to rot in the streets, while we turn our faces – all heads turn to Europe and down the straight we go like sheep'.

The third and final withdrawalist speaker to appear during the survey was Nigel Farage, who was interviewed on the programme on November 6, following his re-election as party leader. Evan Davis began by asking Mr Farage if he could see any connection between UKIP and the Tea Party movement in the United States, because, 'It's not just about Europe, is it? You talk about immigration and taxes and bloated government'. Mr Farage acknowledged there were some comparisons, to which Evan Davis suggested Mr Farage was 'Sarah Palin, in a way, aren't you'. This conceit continued throughout the interview, with Mr Davis asking Mr Farage if he admired the Tea Party, and whether he felt that strategically, UKIP might fare better working inside the Conservative Party, just as the Tea Party have 'infiltrated' the Republican Party in the US. Although Mr Farage attempted to bring the interview back to the issue of Britain's relationship with the EU, Mr Davis persisted with his line of questioning, asking why Mr Farage felt the Tea Party were more successful than UKIP, and why UKIP were 'not making the same shockwaves on British politics that the Tea Party has in the States.' This was followed by Mr Davis stating 'there's a degree of anger in the country, there is a degree of anger in the United States', and asking whether Mr Farage saw UKIP 'as a party for angry people'. Mr Farage replied that UKIP has positive messages, including wanting Britain to be part of the global economy, rather than being tied to the EU. Mr Davis pressed on, suggesting that 'anger really is a motivating force for the party, isn't it', and interrupted Mr Farage's reply to ask simply, 'Are you angry?'

Mr Farage did manage to make a case for withdrawal during his interview, but this was very much in spite of the questions being put to him. There was no attempt by presenter Evan Davis to examine the policy; instead Mr Davis returned time and again to a single conceit relating to supposed similarities between UKIP and the Tea Party. No attempt was made to seek the UKIP view on contemporary EU events such as the budget negotiations which had occurred in Brussels a week previously, or to the ongoing problems in the Eurozone economy. The line of questioning chosen might have been perfectly acceptable had UKIP been given time and space elsewhere on Today; but as the only interview with a party representative during the thirteen week survey, the exchange only served to highlight how far UKIP were marginalised from the important debates taking place during the interval.

Two further guests with known withdrawalist viewpoints - Douglas Carswell and Daniel Hannan - appeared during the survey, providing two interviews and two soundbite contributions to Today's EU coverage. However, although they provided a robust critique of the EU, neither guest was identified by the programme as speaking from a withdrawalist perspective, nor did they explicitly call for withdrawal in their contributions.

The reluctance of Today to frame their perspectives in a transparent way meant that there was nothing to alert casual listeners that the views being expressed were those of withdrawalist Conservatives rather than Eurosceptic Conservatives - and as a consequence the withdrawal argument became further sidelined.

PART TWO: ANALYSIS OF EU COVERAGE

SECTION I: SURVEY OVERVIEW

In the 141 hours and 41 minutes of feature reports during this survey, seven hours and 24 minutes - 5.2% of the total available airtime - was about EU-related events. The vast majority of the time (88%) was coverage of economic, business and financial news, principally of two main themes, the Irish bailout and negotiations over the EU budget.

These latter stories were covered through numerous items in business news exploring opinion about the reasons for likely financial developments, a range of correspondent reports, packages from reporters on the ground in Ireland, and a number of interviews with key politicians and commentators. The majority of the items were in weeks nine and 10 of the survey (November 15-29), with 103 minutes (15.6% of total coverage) in week 10 alone.

In the sections that follow, it is shown that this coverage, though reporting the basic essentials of events, did not provide a wide enough range of opinion about the two major stories, and also fell short in not pressing the key political participants hard enough about their policies.

In addition, it is striking that – despite the complexity of the issues involved – there were very few features explaining the procedural background to events. This was in line with what will be argued, is a more general lack of curiosity about EU affairs that amounted to bias by omission. For example, there were numerous items on attempts to fix the EU budget increase at no more than 2.9%, but nothing about what the extra money was being spent on and why such significant increases were being sought. The only interview that dealt with this topic was on October 23 when Polish MEP Sidonia Jedrzejewska (of the EU budget committee) explained that a 6% increase was being sought because this was pre-determined in 2006 to deal with the needs of the Lisbon Treaty. This was a fascinating insight about the complexities of the EU budget process, but the programme made no further attempts to present or analyse such information as the negotiations unfolded towards the preliminary agreement reached on December 17. On that day, Gavin Hewitt commented at length about the bailout mechanism devised by European leaders, but said or explained virtually nothing about the agreement reached on the budget, even though there was major doubt that it could be viewed as a victory for the UK.

By contrast, when Julian Assange, the founder of WikiLeaks – and then a cause celebre, especially of left-wing publications such as the Guardian – was under threat of extradition to Sweden under the European Arrest Warrant, there were two features (December 7 and 14) in which the BBC legal correspondent and then an independent legal affairs lawyer were interviewed in some depth about the history, operation and background of the warrant. This was elementary and essential background

reporting of the kind that could have been applied to the negotiations over the EU budget;; instead – as is shown in subsequent analysis – BBC correspondents and presenters confined their analysis largely to speculation about the impact on the Conservative Party. There was a consistent effort to examine how agreement might damage the government – but not to enlighten the audiences about the operation of the EU and why it was seeking such significant increases at a time when the UK government was enforcing cuts at home.

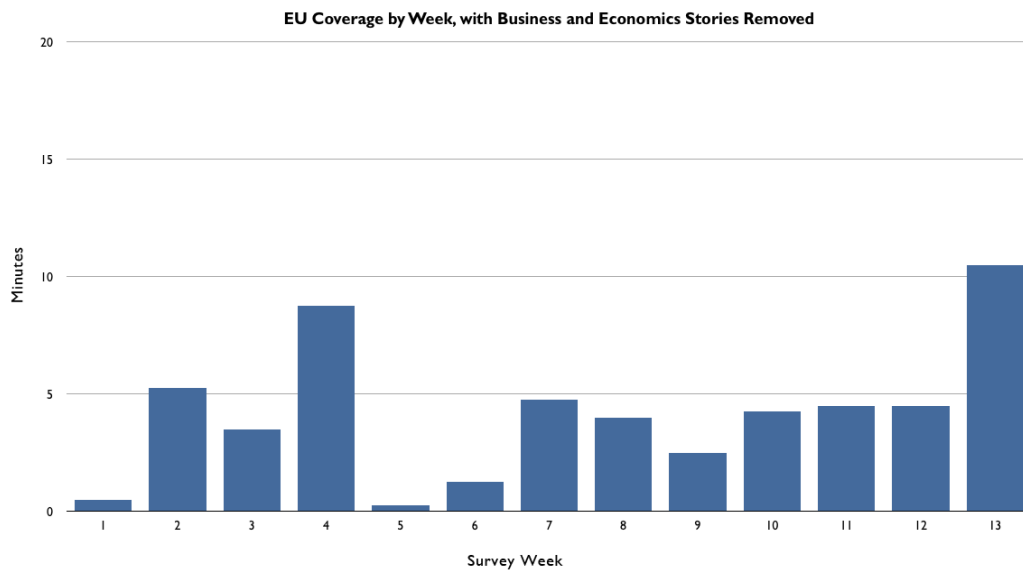
With the Irish bailout, the coverage was also noticeably narrow in some respects. The programme spoke to Irish politicians and Irish people on a number of occasions about the immediate impact of the financial crisis. But there was no corresponding background analysis of why being a member of the euro had created such problems for Ireland, or the growing feeling in Ireland (culminating in the collapse in confidence in the ruling Fianna Fail party in the February 2011 general election) that the terms of the financial help severely compromised the country's sovereignty. An important strand of opinion in the equation was that the single currency prevented Ireland from having the flexibility to cope with financial pressures, and that being locked into the ECB's management system had reduced room for manoeuvre as the debt problems emerged. Some argued that it would be better for Ireland to leave the euro altogether. The only significant references to this were in one short interview (November 22) with the Conservative MP Douglas Carswell, who said bluntly that aid should not be given to Ireland unless it left the euro, and in a correspondent report by Stephanie Flanders (November 16) in which she claimed baldly that leaving the euro would be the "least good" option for Ireland and other EU countries facing debt problems.

Other EU coverage

Outside these main stories, only 53 minutes (0.8%) of Today's airtime in the survey period between September and December was devoted to general EU affairs.

Study of the transcripts reveals that many significant stories received only passing mention, and only two stories – the new defence treaty with France and the European Arrest Warrant's implications for Julian Assange – were covered with more than one item.

The chart shows the distribution of these 'other' stories across the survey interval and shows that in ten of the thirteen weeks, coverage of EU matters aside from those that were Business or Economics-related accounted less than five minutes of coverage per week, or less than one minute per programme on average.



The list below details the general coverage of EU affairs that was mounted (see also the summary of all EU coverage in Appendix I, which gives more detail about items covered):

September 28 Moves to introduce new-Europe wide motoring offence enforcement was mentioned only in bulletins.

Claims that a European Commission ruling about the Habitual Residency Test would cost the UK £2.5bn in handout payments were covered only in a newspaper review.

September 30 EMI's battle in the European Court of Justice to reclaim millions of pounds in VAT payments was mentioned only in business news update.

October 1 It was noted that it was 20 years since the first equality laws had come into effect, and that rulings by the European Court of Justice meant that claims were becoming easier to mount. This brief treatment, an interview with legal affairs correspondent, did not even scratch the surface of the issues involved.

Discussion of whether the Ryder Cup generated loyalty to the EU. Voices for and against. At 8.10am, it was noted that it was 20 years since equality laws had come into effect and it was said that actions in EU law were now easier to take.

October 4 Business News mentioned the falling value of the pound against the euro. It was noted that China had offered to buy Greek debt.

October 5 Newspapers: a Daily Telegraph report that the Ryder Cup made us all pro-EU for a day.

October 6 Business News reported an EU-China summit, which would discuss China flooding the European market with goods by keeping its currency value too low. Experts suggested that an almighty row was brewing.

October 8 The newspaper review noted that the EU was planning tougher banking regulations.

October 12 Gavin Hewitt reported that Paris was fearing further strikes against austerity cuts.

October 13 The newspaper report said that health trusts were ignoring the obligation to carry out checks on whether EU doctors working in the NHS could understand English.

October 14 A business news item said the euro was rising because the ECB had not printed money as a measure.

October 20 Only Business News covered a European parliamentary vote to give mothers 20 weeks maternity leave. The only comment about this was from a Danish MEP who was in favour. By contrast the Daily Mail said the measure would cost £2bn <http://www.dailymail.co.uk/news/article-1253200/EU-plans-maternity-leave-increase-cost-2bn.html>

October 27 A new EU regulation governing the movement of liquids (relating to airport security) was mentioned only briefly in bulletins.

October 28 Newspaper reports about the EU “summit” that day said the meeting was about “EU profligacy” (Times PI headline) - this line was not pursued at all on the programme.

An item at 8.51am explored whether the £32m EU grant to beekeepers might be at risk.

October 30 The Daily Express demand for a referendum on EU membership in the wake of the budget settlement was mentioned only in the newspaper review.

November 2 Bulletins reported that a team of 175 was being sent by the EU to Greece to tackle border immigration problems.

A major new defence pact with France attracted only three elements of coverage – an interview with a defence expert, a limited one with the defence minister, Liam Fox, and comment from Nick Robinson.

November 5 Mention in the bulletin only that the result of the UKIP leadership election was due to be declared.

November 6 One interview about Nigel Farage being re-elected as leader of UKIP

November 8 Jack Straw came on the programme to advocate that Turkey and Greece must be forced to reach agreement over the future of Cyprus so that Turkey could join the EU.

November 10 A fine of £690m on European airlines by the EU for overcharging for cargo carriage was reported only in business news.

November 11 In business news (only), Professor Dominic Swords argued that the EU needed a bigger budget to pay for the Lisbon Treaty and to help create more jobs.

November 18 The newspaper review mentioned a story in the Independent about fish being thrown back into the sea, described as a “chronic waste of food”. But there was no reference to that this was because of EU rules .The only other mention of fisheries policy was on October 10, when Lord Steel, former leader of the Liberal party, had argued that the rules (on both fishing and agriculture) were not framed in Britain’s interest because the UK did not join the EU early enough.

November 19 Revival of the Doha trade talks – and efforts to reduce EU subsidies – was mentioned only in business news. There was a question about whether the Common Agricultural Policy was a “disgrace”.

November 25 It was mentioned in the newspaper review that the Daily Express had become the first national UK newspaper to campaign for Britain to leave the EU.

November 26 A 6.37am correspondent report (from Pallab Ghosh) was the only coverage of the European Food Regulator deciding whether to allow the selling of meat and milk from cloned animals.

December 2 There was an interview (the only item) with Tim Yeo about efforts by a House of Commons select committee to reduce CO2 limits for power stations emissions above EU targets. He ruled out the tightening of EU regulations because it would require approval by all 27 members.

December 7 Attempts to extradite Julian Assange to Sweden under the European Arrest Warrant for alleged sexual crimes were covered in bulletins, the newspaper review, a mention that the EU could be trying to limit internet “freedom” (December 9) , and major features (December 15&17).

December 9 In Business News only it was mentioned that the EU wanted to abolish mobile phone roaming charges from 2015. There was a warning that the Commission should not intervene.

December 14 Bulletins (only) mentioned noted an Amnesty International report which condemned the EU for paying Libya to stop immigrants crossing from North Africa to Europe.

December 15 The EU could take action against the prime minister of Kosovo because of alleged connections with criminal gangs.

It mentioned at 7.16am that David Cameron would address backbenchers amid concerns that his EU-related policies were not tough enough. There was a quote from Andrew Bridgen MP.

Commentary

This amounted to very limited reporting and analysis of EU affairs.

Elements of the coverage were so short that it was cursory. For example, the Daily Express decision to become the first national newspaper to campaign to leave the UK - provoked in part by the EU budget negotiations - was mentioned in only a few words in the newspaper review.

This was also the case with a European Commission's ruling about habitual residence which, it was claimed in some quarters, would lead to a bill in welfare payments for the UK of £2.5bn.

Both these stories had major significance, but Today gave them both only lip-service mention.

More coverage was mounted of other stories on the list, such as the discussions by EU regulatory officials about whether cloned animal products could be sold. This, again, was a topic of major national debate where the EU and its officials had a major role in determining possible changes in future policy. But still it merited only a short report from the BBC correspondent in a 6.37am time slot; there was no attempt to buttress his assessment with interviews with participants in the debate or reaction from the public – the type of devices routinely deployed in stories that are deemed important by the programme.

The same applied to almost every story on the list, from the Working Time Directive, to problems about EU-based doctors being able to speak English, to the revival of the Doha trade talks. It can be concluded that, in general, Today had only very limited curiosity about EU affairs. When it did carry information, this was kept it to the bare minimum.

The story, for example, about new unilateral efforts to limit CO₂ emissions above EU targets (December 2) had immense potential consequences for UK consumers, including massively increased fuel bills. It is hard to understand why it merited so little space, and that the only voice to comment about it was Tim Yeo MP, the politician who was steering efforts to have the measures adopted and who passionately supported the approach.

Equally, the opinion expressed by Jack Straw that the whole partition of Cyprus should be reviewed in order to pave the way for Turkey's EU membership was highly controversial, and – if his approach was adopted – would radically change the UK's policy of maintaining a military presence on the island in connection with the partition. Yet Today chose only to talk to Mr Straw about the matter. The omission left dozens of questions begging and meant the coverage of this important theme was not only very limited, but also one-sided.

There were only two occasions when it was deemed that EU items merited more than one element of coverage. But even on these occasions, the treatment was limited to the extent that many angles were not covered. The new Anglo-French defence treaty, mentioned on November 2 illustrates this. This was a major development in defence strategy, which some saw as part of complex steps towards the creation a large-scale dedicated EU defence force that would eventually take over the role of

national armies. The programme carried a number of items that morning, although most presented the treaty as a bilateral agreement between Britain and France. Only three elements of coverage focused on the implications of the agreement in an EU context. These were: an interview with defence analyst Michael Clarke, commentary from Nick Robinson and an interview with defence secretary Liam Fox.

The first interview revealed that this was indeed a complex matter stemming back in terms of co-operation to 1947, that a European defence force was on the agenda, and that what was now driving further integration towards this goal was the “desperate” need for defence cuts. This exchange left several major questions in the air about the government’s motivation. The next stage of coverage was commentary from Nick Robinson, who chose not to analyse the likely future direction of the alliance, or its role in European integration, but (in line with his analysis throughout this survey period) on the embarrassment this new move would cause to the Conservative Party because in opposition, they would never have contemplated announcing the sharing of aircraft carriers with the French. Thirdly, there was an interview with defence secretary Liam Fox. It could be expected that in the circumstances, this interview would have contained several detailed questions, for example, on the apparent inconsistency of a Eurosceptic party engaging in such an agreement, and the wider implications of the treaty in terms of EU defence policy. It did not. Dr Fox was asked simply whether he had been against the St Malo agreement of 1998. He replied – glossing over the true intent of the question, that this was a volte face – that the government had always been in favour of greater co-operation with the French, and this in any case was a nation-to-nation agreement, rather one under the EU. Evan Davis asked what the difference was. Dr Fox said that defence had to be a sovereign capability, and this agreement was in the national interest.

Evan Davis appeared to accept these comments at face value, and although further logistics of the deal were discussed, there was no further analysis of the wider EU context, no discussion on the potential impact on the Conservative Party, and nothing further on the perception that this was part of moves towards the St Malo EU defence integration, despite Dr Fox's protestation to the opposite.

The programme thus almost ignored in its coverage widespread concerns that this was a perplexing step for a Conservative government and one that would lead to and was part of, further EU integration. The background explanation contained in the interview with Michael Clarke flagged many of these issues (which were also articulated on the day by a UKIP press release: <http://www.ukip.org/content/latest-news/1964-ukip-blast-for-anglofrench-military-plan>), but they were not followed up in the later interview or in Nick Robinson’s analysis. A contribution from a sceptical politician (which Dr Fox plainly was not) would have not only given a deeper insight into the story, but also would have broadened the information about the agreement. As it was, only the bare minimum was included, there were no details about the number of men involved, how the arrangements would work and so on. Overall, this was deeply inadequate reporting of a major policy development. It served to underline the programme’s lack of curiosity about EU affairs. It also showed that the Conservative government could no longer be seen as “sceptical” about the European Union.

Dr Fox did not recognise that opposition to the new arrangements was valid, and glossed over a blatant change of stance. The programme made no attempt to challenge him, but merely gave him a platform to express his views.

The other story to be covered with more than one item was the attempts to extradite Julian Assange under the European Arrest Warrant on sex crimes. In this case, significant attempts were made to provide background information about the story, in the form of a correspondent report about the operation of the arrest warrant, and then as the case came to court, an interview with a legal expert who explained how there were growing concerns that although the arrest warrant legislation was created to deal with serious crimes, it was increasingly being used in trivial cases. This was informative analysis which pointed to serious concerns that new laws created by EU were being used to undermine in a major way individual liberty.

As has already been noted, Mr Assange had become of major concern mainly to commentators who were left-leaning. There was considerable praise for his work in placing classified documents in the public domain, and concern that the sexual charges against him had been trumped up in order to thwart his efforts in revealing government secrets. This was the only EU-related story covered in the sort of depth that this report argues should have been applied consistently in other contexts. The only reason that seems credible as the reason for this is that Today, too, thought it was an especially important matter. It is a shame that the same assiduity could not be applied to other EU-related coverage. It underlined yet again that there were serious shortcomings in this EU output.

Another method of measuring this is to look at what other outlets were doing in the same period. A sample period of 15 days during the survey period has been chosen, from October 1-15. The survey includes economic stories, which were excluded from the list above. The source of the information is the Open Europe daily monitor of items about the EU carried in the UK press (<http://www.openeurope.org.uk/media-centre/news.aspx>). In this period, Today carried only nine EU-stories, two of them brief mentions in newspaper reviews.

October 1 Discussion of whether the Ryder Cup generated loyalty to the EU. There were voices for and against. At 8.10am, it was noted that it was 20 years since equality laws had come into effect and it was said that actions in EU law were now easier to take.

October 4 Business news mentioned the falling value of the pound against the euro. It was noted that China had offered to buy Greek debt.

October 5 Newspapers- a Daily Telegraph report that the Ryder Cup made us all pro-EU for a day.

October 6 Business news reported an EU-China summit, which would discuss China flooding the European market with goods by keeping its currency value to low. Experts suggested that an almighty row was brewing.

October 8 The newspaper review noted that the EU was planning tougher banking regulations.

October 12 Gavin Hewitt reported that Paris was fearing further strikes against austerity cuts.

October 13 The newspaper report said that health trusts were ignoring the obligation to carry out checks on whether EU doctors working in the NHS could understand English.

October 14 A business news item said the euro was rising because the ECB had not printed money as a measure.

Three of the items were newspaper reviews, three were items of around three minutes in business news, and one was a short bulletin report from Gavin Hewitt in Paris. One was a longer feature about whether the Ryder Cup reduced Euroscepticism, and the final item, on October 1, a brief discussion between John Humphrys and legal affairs correspondent Clive Coleman about the 20th anniversary of equality laws in which there was mention of rulings by the European Court of Justice, including one making it easier to disabled people to sue for discrimination.

By contrast, the national newspapers carried rafts of EU-related stories. Today, could not, of course, be expected to carry everything, and nor did the individual national newspaper titles. But it was particularly striking that Today carried only a very small percentage of them, did not report numerous of the items carried by more than one national newspaper title, for example, that Ireland's deficit was set to reach 32% of GDP; that Ofgem had warned that an extra £32bn was needed to meet the EU's renewable energy targets; William Hague's plans, outlined at the Conservative Party conference, for a sovereignty clause and referendum lock; Germany was moving toward wanting a new bailout mechanism to protect the eurozone; Baroness Ashton (the UK's European Commissioner as well as EU foreign minister) had failed to attend a crucial Brussels debate about Britain's rebate; the European Commission was proposing a Financial Activities Tax, forcing banks to relocate; new bankers' bonuses proposed by European banking supervisors had raised concerns that businesses would relocate outside the EU; the EU had been forced to call a press conference to explain why agreement had not been reached on new hedge fund regulations; MPs in the House of Commons would discuss the EU budget, but had no powers to veto increases; Portugal might have to tap into the EU's bailout mechanism; and in a House of Commons debate, an amendment limiting how much the UK gave to the EU had been defeated.

Thus there were at least 10 stories which multiple national news desks thought merited coverage in depth, but which slipped through Today's copy-tasting net. Again, it indicates a low level of interest in EU affairs.

This lack of interest in the period October 1-15 translated into the survey period as a whole. Stories which Today did not cover included a major new consideration of the Common Agricultural Policy on November 18 (<http://capreform.eu/commission-blueprint-for-future-of-the-cap/>) and (despite the negotiations about the new EU budget), the fact that the EU accounts were not signed off for the

16th consecutive year (http://europeanjournal.typepad.com/my_weblog/2010/11/the-european-court-of-auditors-for-the-16th-year-in-a-row-has-not-signed-the-eu-accounts.html).

Conclusion

There is no obligation for Today to carry a quota of EU stories, and decisions about their inclusion are taken on a day-by-day basis in the context of complex national and international events. But the programme claims to be the corporation's flagship news and current affairs programme, and it would be expected that it would carry significant reporting and analysis of EU affairs to bring listeners an overview of main developments. Putting aside the Irish bailout and talks about the EU budget, this section has shown that in this survey period, only 0.8% of the Today output was devoted to general EU stories. This was absurdly and unjustifiably low. Detailed analysis of transcripts shows that many of the stories were covered only very briefly through newspaper reviews and most received short, one dimensional treatments that did not do justice to the complexity of the issues involved, begging more questions than they answered. Only two stories attracted multi-strand treatment, but the analysis has shown that there were problems with these, too - on the one hand the defence treaty with France was not explained sufficiently, and was not balanced with a sceptic viewpoint; on the other, the Julian Assange story seemed to attract almost disproportionate attention only – and mainly – because his extradition under the EAW was seen by the left to be an affront to liberty. The evidence suggests a consistent low level of interest in EU affairs, a strong reluctance to bring the Eurosceptic perspective into the equation – and as will also be shown in the next section – minuscule consideration of the case for withdrawal. This is not in line with public service broadcasting obligations.

SECTION TWO: WITHDRAWAL

UKIP policies featured in only four minutes and 15 seconds out of 142 hours of programme time.

The analysis in part one establishes that there were only three occasions during the survey period when supporters of UKIP appeared in the programme. As has been noted, this was the third lowest recorded in 16 surveys, amounting to only 1.9% of those appearing to discuss EU affairs. This compares to 11.3% in April-June 2009 (during the build-up to the elections to the European Parliament), and 5.1% in September-December 2009 (dominated by the final steps to adoption of the Lisbon Treaty).

The sole UKIP interview

As has been noted in part I, a UKIP member was able to articulate aspects of party policy in only one interview during the survey period. In this, UKIP party leader Nigel Farage – questioned on November 6, the day after his re-election as party leader – managed to convey points about withdrawal, the need for Britain to re-assert its independence outside the EU, and about the perceived strength of the party. But the principal aims of the interviewer, Evan Davis, were not to probe core UKIP policy, even though this was about Mr Farage’s re-election as party leader, and even though EU-related issues were on the national agenda on that day. His approach was instead narrowly about tactics and the perception of the party. He first asked whether UKIP could be regarded as similar to the Tea Party movement and Sarah Palin in the US, then about whether UKIP was “mainstream”, and finally whether Mr Farage was - and perhaps other members of UKIP were - motivated by anger. Mr Farage was given the opportunity to counter the various points made by Mr Davis, and he did so while at the same time squeezing in points about party policy.

They amounted to 252 words of the interview, less than two minutes of airtime:

...we might get what we want, which is a referendum on our membership of the EU.

We’ve come from nowhere to coming second across the entire United Kingdom in the last European elections, nobody would have believed that’s possible. I see us now on virtually every single issue, UKIP is the only party standing and saying what most people really think. Of course we should be controlling our borders, of course we shouldn’t be pouring £50 million a day down the European drain. Issue after issue, and I think there’s big change coming in British politics and UKIP could be a real catalyst for that.

...we’ve got a lot to do, and that work starts today, we’ve got to raise money, we have got to grow as an organisation, but I’m confident that the policies we’re campaigning on are now

very popular amongst British people. Frankly, just talk to the man in the pub, you can't tell the difference between the coalition government and the Labour opposition.

... the positive message is we want our democracy back, we want to control our own destiny, and we want the UK to be part of the global economy, not inextricably linked to the European backyard. So, no, there is a very positive vision for the future.

I'm a businessman who's turned to politics, because I think our political class have completely let down and never, ever, put the national interest first. We've come a long way, we got further to go, just watch us.

However, it seems that the primary editorial aim of Mr Davis's questions was to suggest that UKIP was extreme in its approach and unrealistic in its ambitions. Of course, political parties should expect robust questioning, but this stood out as being disproportionately negative and adversarial because it was the only occasion on which UKIP talked about policy in the 142 hours of programming during this survey. By contrast, in the same period, Conservative politicians such as William Hague were toughly treated on occasions, but they also were asked questions about, and had ample time to deal with, broader issues of party policy from their own perspective.

Strikingly negative approach

In Mr Farage's case, the approach towards him can be seen as strikingly negative in the manner that the programme has almost always adopted towards UKIP. Critics of the Tea Party movement have frequently labelled the group in this way, and it has become shorthand in many quarters for crude, unreasoned, knee-jerk conservatism. This is typified, for example, in articles carried by the Democrat-supporting Huffington Post (http://www.huffingtonpost.com/carl-pope/something-wicked-this-way_b_825166.html). Mrs Palin (with whom Mr Farage was also bracketed by Mr Davis) is also a hate-and-ridicule figure among the political left. Mr Farage countered moderately that the comparison with the Tea-Party faction was invalid because UKIP has sought consistently to achieve political breakthrough on its own rather than from within the Conservative Party. This was an obvious fundamental weakness in Mr Davis's approach that did not fit with the facts because the Tea Party is part of the Republicans. The negative drift of the questioning and its irrelevance was compounded by the final sequence, in which Mr Davis asked whether Mr Farage's core motivation was anger. Overall, the effect of the editorial line appeared to be to attempt to bracket Mr Farage and UKIP with extremist, hot-headed, unreasoned opposition.

This impression was compounded by the fact that these were the only questions put to a member of UKIP in the entire survey period. There was nothing to balance out the negativity. The programme chose to exclude - even though this was the election of party leader - the central issues of the withdrawalist case that were then current. UKIP was deeply concerned at the time of this interview with a range of issues (as can be seen from press releases on their website:

<http://www.ukip.org/content/latest-news?p=17>) that were high on the national agenda, including such matters as the scrapping of quangos, the waste being generated by the Common Agricultural Policy, the perceived excessive powers of the European courts, and the intensified French-UK military alliance. All of these were controversial and highly topical and could have been woven into questions had the programme so desired.

When Nigel Farage was interviewed on November 6, the battle over the EU budget, with the European Parliament holding out for a 6% increase, was highly topical. It was also becoming increasingly clear on November 6 that Germany and others were pressing for changes in the Treaty of Lisbon to toughen eurozone financial regulations, and that moves were afoot towards an Irish bailout supported by the UK government, the EU and the IMF.

Mr Farage was not asked at all for his views about these issues. This was a glaring omission.

Three UKIP contributions; 49 from others

Moving away from the November 6 interview, UKIP contributors spoke about the EU only twice more during the survey period, but the only opinions expressed related to the issue of whether UKIP, in addition to its success in the European Elections ought to bring its 'fight back to the UK', and some general criticisms of the EU. Neither of these shorter contributions mentioned withdrawal directly, or specific UKIP party policy.

By comparison, 27 contributors from across the political spectrum (including the EU itself) expressed views that were pro-EU, and there were 22 contributions from the Conservative party, which – as has been noted in the first section – were a complex and unprecedented mixture of attacks on aspects of the EU and qualified acceptance of specific EU measures such as the budget increase and the Irish bailout.

Figures with clear political views that did not support withdrawal in their contributions thus appeared frequently. It seems that by contrast, the UKIP perspective was systematically ignored. Account has been taken of that Labour spokesmen appeared four times, only one more than UKIP. But Labour is in a very different position from UKIP in that it supports most steps taken by the EU, and (for example) was in favour of the Irish bailout and did not disagree substantially with the government's stance on the EU budget. Thus its views were included to some extent in contributions by both EU spokesmen and the government. By contrast, the views of UKIP were expressed by no-one else.

Conservative Eurosceptics

Strongly Eurosceptic views came from other sources during the survey period. Two Conservative politicians who have publicly indicated that they support moves towards withdrawal from the EU

were interviewed, and featured in the contributions. They were Douglas Carswell MP (a member of the Better Off Out Westminster parliamentary group) and Roger Helmer MEP (who has recently called for a referendum on the UK's EU membership).

Mr Carswell was asked on November 22 about his views on the decision by the UK government to pump £7bn into the Irish bailout, while Mr Helmer commented on October 29 about why he wanted an EU budget freeze rather than the 2.9% (or higher) increase that was being mooted. Both men expressed strongly trenchant views in opposition to what was being proposed, but neither mentioned – or was asked about – leaving the EU, so their comments were Eurosceptic and anti-government rather than in favour of withdrawal. As has already been noted in section I and above, it is arguable that these were subjects on which it could have reasonably be expected that UKIP views were sought.

Another strongly Eurosceptic Conservative, the MEP Daniel Hannan, was also interviewed, on October 23. He appeared with the Polish MEP Sidonia Jędrzejewska and was asked to comment on the 6% EU budget increase supported by Ms Jędrzejewska and the European parliament. Mr Hannan gave a typically robust attack on what he saw the profligacy of Brussels, but – as with Messrs Carswell and Helmer – the issue of withdrawal was not mentioned. His thrust was that the budget should be cut at a time of austerity.

Brief soundbites that attacked the EU were also included from John Redwood MP on November 22 and Andrew Bridgen MP on December 15. The latter argued strongly against what perceived as attacks by the EU on UK sovereignty, but this was robust Euroscepticism rather than an argument for withdrawal.

BBC correspondent contributions

In addition to the above guest contributors' material, BBC correspondents covering EU-related stories frequently focused on Conservative divisions on Europe and Euroscepticism. They often made sweeping assertions about the Eurosceptic case. But completely absent from these comments was any discussion of the withdrawal perspective.

For example, Nick Robinson (as is discussed more fully below) suggested on October 29 that David Cameron was deliberately ignoring Eurosceptic promises in his budget negotiations. His observation cried out for reaction from those he was allegedly ignoring. Instead, the only interview was with Europe minister David Lidington, who – as would be expected – carefully brushed over the concerns. It was an occasion when a direct withdrawal or UKIP contribution would have added piquancy, depth and trenchancy into the coverage. It was not until a day later – and the conclusion of the talks – that any Eurosceptic opinion was sought in an interview with the MEP Roger Helmer. By this time, his opinions appeared to be included only an afterthought.

It is not suggested that it was practicable or necessary to bring in UKIP or withdrawal spokesmen at every juncture. But there was a systematic ignoring of this element of the political debate at points of relevance, and this meant that issues were not properly explained to the audience. Questions were left begging and contributions were not properly balanced across the political spectrum.

Nick Robinson

Political editor Nick Robinson mentioned on October 27 that David Cameron would tell his EU colleagues in that Parliamentary approval could never be guaranteed in the UK for treaty change that was envisaged to control the eurozone, “given widespread Conservative hostility to the EU”. This was a baldly negative statement that did not begin to explain the complex reasoning behind opposition to treaty change.

On October 28, in a major discussion about David Cameron’s approach to budget negotiations, Mr Robinson said:

... If you’re a hardline Eurosceptic, you think that David Cameron should say today, ‘You guys want a new treaty? No forget it, we’re going to veto if we don’t want it, we don’t think Europe should do more’ Now there’s another form of hardball. You could say, yes you can have your treaty to improve the way the eurozone operates, but only if you give us, if you give Britons some powers back and if I, David Cameron, give the British people a referendum. Well, he’s not going to say either of those things, Evan, what he’s going to say instead is yes to a treaty because it won’t really affect Britain, he’ll claim, but can we start talking about the budget – and that’s pretty important, Evan, because the budget, let’s be clear, isn’t even on the agenda today. It is not an item for discussion at today’s European Council. What happened yesterday is that the prime minister has been phone bashing other European leaders saying, please can we talk about this, because in an age of austerity we look ridiculous increasing our own by six percent.

This was a bombshell in which Mr Robinson suggested that Mr Cameron would not even raise Eurosceptic concerns over the budget and EU powers (that were part of the Conservative manifesto), and was instead frantically trying to get Britain’s concerns about the budget discussed at all. Mr Robinson added:

And that in this sense explains David Cameron’s tactics at the moment, because yes, he’s having a fight now, now a cynic would say he wants a fight on the budget to distract from the fact he’s not having the fight that many Eurosceptics would want him to have....

He thus directly implied that Mr Cameron was ignoring Eurosceptic concerns. This was a major story in its own right that demanded input from the parties allegedly being ignored, but they were not brought into the debate.

Instead, all that was provided was an interview with Europe minister David Lidington. Evan Davis attempted to put the Eurosceptic case in his questions, such as why he was not trying to claw back powers in line with what had been promised in the general election manifesto, and also why he was not pushing for a budget increase less than 2.9%. But this was not an adequate replacement for a direct Eurosceptic presence. Mr Lidington, as would be expected, glossed over the need for any concern.

It was a striking omission that during these two intensive days of key budget discussions the UKIP/withdrawal perspective was not also sought; such views were relevant in editorial terms to go some way towards balancing the government hype. As it was, the only challenge to the government was through four brief questions from the presenter. These very broadly summarised Eurosceptic concerns but were devoid of the passion or colour or detail that could have been introduced by a direct contributor.

Mr Robinson again discussed Euroscepticism on November 2, this time in connection with the France-UK agreement to share military capabilities. He asked listeners to imagine a “Eurosceptic” Conservative party saying two years ago that they would share aircraft carriers with the French. This flagged again, that a UKIP contribution would have been especially relevant. The party issued a release on the topic on that day in which the alliance was strongly condemned. Instead, the only comment on the matter was from the defence secretary Liam Fox, who predictably downplayed its significance against short, benign questions from Evan Davis.

Mr Robinson, discussing the prospect of an EU bailout of Ireland on November 17, observed:

...there are some MPs in the Conservative Party who see this as a cause of celebration, a moment to say, ‘I told you so, we knew that the euro couldn't work, let's dance on our graves’ (*corrects himself*) dance on its grave I'm sorry. I think two people who wouldn't join our dance are the Prime Minister and the Chancellor.

He again strongly underlined Conservative divisions over EU policy and cast the issues involved in the Irish bailout narrowly within the party's attitude towards the EU. He saw discord over support for Ireland as a Conservative policy difficulty, rather than attempting to look at a wider context. Again, the withdrawal/ UKIP perspective would have been sharply relevant, but there was no effort to refer to it.

“Obsessing” about Europe

On November 22, it was confirmed that Britain would contribute around £7bn to a bailout of Ireland. Today covered the topic extensively and at 8.10am interviewed chancellor George Osborne. He maintained that the support was in Britain's interest because a significant proportion of UK exports went there. Nick Robinson commented afterwards. Questioned by Evan Davis, he said:

...the fear of Eurosceptics is that the view in Europe has always been that every crisis is an opportunity – an opportunity to leap forward to use your phrase Evan, and I think the fear is that while the government participates in this European bailout, as well as making a bilateral one, plans will be being made around Europe to say, ‘Ah-ha – the solution to this problem in future will be to have more money dedicated to European bailouts and to have more powers to European institutions as well’. Now, George Osborne said to you in a memorable phrase, I thought, ‘I told you so’ is not much of an economic policy. But some on his backbenches would quite like it to be the starting point of an economic and European policy, because they think that every crisis should be an opportunity for Euroscepticism, in other words that you should go to Europe when it’s in trouble and say, ‘Okay, you want our help, this is what we want’.

ED: And I suppose the difference between the pragmatic position this government is taking and some of the sceptics is the government have basically decided they don’t like and don’t want euro-crisis, whereas some others are in the position of saying, ‘Look, if the euro breaks up, if the euro gets into trouble, if Ireland had to leave the euro, for example, these are things not things we should consider to be disastrous outcomes’.

NR: That’s exactly right. It is, to use Bill Clinton’s phrase, ‘the economy, stupid’ that separates them. The Eurosceptics are driven largely, but not entirely, by a determination to use any crisis to reshape Europe; the government is thinking, ‘Oh my goodness, we think the growth figures are a little bit better than we feared, and the last thing we need is a major economic crisis on our doorstep in Ireland – let alone one spreading throughout the Eurozone which is our principle trading partner.’ But I think each time a story like this emerges, it has huge economic significant first and foremost, but underneath the issue of Europe is gnawing away at this government – whether it’s the EU budget, whether it’s this European bailout, whether it is a call for more treaty obligations. David Cameron once told his party, ‘stop obsessing about Europe’ – they’re going to find it hard.

Mr Robinson thus acknowledged that there were strong Eurosceptic reservations about the move, reflecting to some extent the earlier contribution to the programme made by Douglas Carswell, who, in an interview at 6.51am, was strongly critical of Britain’s role in the bailout. Mr Carswell contended that the loan was not in the UK’s interests and that this should be a “wholesale re-think of our approach to the EU”, as well as the consideration of a repatriation of powers. It was a strong direct attack on government policy, though the interview was short.

Mr Robinson for his part reflected some of what Mr Carswell had said. But he interpreted the impact negatively by then claiming that this amounted to the Conservative Party “obsessing about Europe”. Another view would be that Mr Carswell was simply ensuring that the full implications of providing £7bn to Ireland should be taken into consideration, as should concerns about this being a further wedge that could be used towards increased EU powers. The choice of “obsessing” was thus both biased and drew further attention to that Today had consistently failed to bring into the editorial

equation the worries of those who favoured different strategies towards the EU, and especially withdrawal. It seems that Mr Robinson deliberately equated such worries with obsession rather than reasoned consideration.

Other correspondents: “...leaving the euro not an option”

BBC correspondent Matthew Price on November 15, reporting a meeting of European ministers to discuss increases in the EU budget, suggested that the disagreements about the level of increase stemmed from the European Parliament being given more under the Lisbon Treaty. This was an important structural point about the EU which was not raised in any other context. The UKIP/withdrawal perspective was relevant, but not mentioned.

On November 16, when discussing the Irish bailout, Stephanie Flanders, the economics editor, considered briefly whether an option open to Ireland and other eurozone countries with debt problems was to leave the euro. She concluded:

... if you look at the debts of these countries, that would be the least good option for any of them. They're all painful, but that is the worst option.

She did not give the audience the benefit of her reasoning behind the statement; it was a bald assertion that leaving the euro was not an option. It would have been relevant to bring in a UKIP/withdrawal spokesman, but again, the opportunity was not taken.

On December 1, Jonty Bloom discussed with John Humphrys the working of the new EU foreign affairs office. This feature is discussed in more detail in the next section, but the lack of any withdrawal/UKIP perspective on this is relevant and noteworthy here. Mr Bloom's description of the workings of the new EU arrangements was crassly simplistic and cast entirely in pro-EU terms, with statements such as “it negotiates on behalf of trade for all 27 member states, so it'll be doing more of that”. This demanded qualification and explanation. Equally, John Humphrys' questions were confined to an observation that the EU did not have its own army, and therefore was “not very powerful”, and to exploring whether diplomats could now reach “Europe” with one phone call had been solved. Today had already carried views that were in favour of the new foreign affairs service from Europe minister David Lidington, who claimed simplistically that the costs of the new service were less than the complex system it replaced. It was therefore important that other opinion was sought, but it was not.

Don't mention it...

On November 19, the programme said that political commentator Peter Osborne had written in the Daily Telegraph about the “guilty men” who had argued that the UK should go into the euro. The

choice to comment on this was Digby Jones, who argued that Mr Osborne, as a supporter of the Conservative Party, had got it wrong because opponents of the single currency were drawn from all parties and were effectively led by Gordon Brown. Thus, the editorial aim appeared to be to try and undermine Mr Osborne's views. Yet again, the UKIP/withdrawal perspective would have been highly relevant (and provided contrasting opinion), but this was not mentioned.

Today mentioned in the newspaper review of November 1 a call in the Daily Express for a referendum on Britain's continued membership of the EU because of proposals for continued EU budget increases. On November 25, again in the newspaper review, it was noted that the Daily Express had gone a major step further to become the first British national newspaper to actively campaign for Britain to leave the EU. These were the only mentions of either story in the programme. In the context of the repeated under-reporting of the withdrawal/UKIP perspective, this lack of interest is perhaps not surprising. But it is hard to justify why such a significant decision by a national newspaper was not deemed sufficiently interesting to warrant some kind of further follow-up. By November 25 – as talks about the EU budget rumbled on and the momentum over the Irish bailout quickened - there were considerable rumblings across the political spectrum that the David Cameron government was not keeping its promises about the EU. But this discontent had led to only three programme interviews about the topic with Eurosceptic politicians. This would have been an ideal opportunity to broaden that coverage by mounting (for example) some kind of survey (if only vox pops?) into what the public was thinking, and whether the Daily Express stance was welcomed by readers.

Conclusion

The editorial approach to politicians is obviously decided in the context of multiple, complex variables, and questions are not posed in terms of rigid formulae. But it is noteworthy that in 141 hours and 41 minutes of programme output, seven hours and 24 minutes (5.2% of the total available airtime) of which were devoted to EU affairs, only four minutes and 15 seconds were dedicated to UKIP affairs and nothing was asked directly about UKIP policies.

It has been consistently noted in these reports that the Today programme interviews UKIP rarely, begrudgingly and usually in a manner in which spokesmen are pushed into denying that the party is extreme. Matters of party policy are seldom tackled directly. This approach continued, despite the survey period having two major stories in which the UKIP policy perspective was highly pertinent, namely British government support of the Irish bailout and steps towards the approval of a 2.9% EU budget increase at a time of sharp domestic cut-backs. On neither issue was UKIP asked a single question. There were only four other interviews (all with Conservatives) which could be regarded as distinctly Eurosceptic in their approach. Another issue was that BBC correspondents – led by political editor Nick Robinson – frequently mentioned Euroscepticism in their analysis of EU events. But it was generally projected as an “obsessive” and “divisive” problem, and they did not bring into the equation

the withdrawal perspective it all, even when it would have been sharply relevant, if only in passing. Finally, Today ignored or downplayed withdrawal arguments on at least two occasions where it was highly relevant.

This amounted to a systematic under-representation of a viewpoint and perspective supported – in votes for UKIP - by almost a million people at the general election (3.1% of the turnout), 16.5% of the voters in the 2009 elections to the European parliament, and 5.8% of the poll in the Oldham and Saddleworth by-election. UKIP, the main conduit for support for withdrawal, but by no means the only one, are clearly established as the fourth party in British politics, but this was not reflected.

It would have been easy to bring in the missing perspective by a mixture of holding more interviews with withdrawal spokesmen; ensuring that they were at least occasionally asked directly about policy, rather than whether they were extremists; and by ensuring that the analysis of BBC correspondents occasionally mentioned the views of the 30 UK parliamentarians (14 of whom are MPs) who are declared members of the Better Off Out group.

SECTION THREE: INTERVIEWS WITH CONSERVATIVE MINISTERS

There were four interviews with senior Conservative figures about EU affairs during the survey period, one each of David Lidington and George Osborne and two of William Hague. They were at peak listening times, and each lasted significantly longer than the 3m 11s average for EU items. The topics were principally the Irish bailout and the EU budget negotiations and the questioning was heavily focused on whether the government was meeting its promises about trying to win back powers from the EU.

David Lidington

The first government minister to be interviewed about EU policy during the survey period was the Europe minister, David Lidington, on October 28. As has already been noted in the previous section, Nick Robinson suggested in the build-up to the interview that David Cameron was deliberately not honouring manifesto pledges to try claw back powers from the EU in negotiations over the EU budget. Mr Lidington was interviewed by Evan Davis, who first asked about reports that the new EU foreign affairs office would cost 12m euros a year to run. Mr Lidington replied that this was cheaper than the current inefficient arrangements, adding that foreign secretary William Hague had been arguing very strongly for the new “savings”. Mr Davis did not challenge his answer, but moved on to ask whether he supported the treaty change being sought by some EU members to strengthen eurozone sanctions against countries with large debts.

Mr Lidington ducked the question of whether Mr Cameron would support such change, and focused instead on saying that the EU had to demonstrate that borrowing and spending and budgets were under control because borrowing had led to the eurozone crisis.

Mr Davis then observed that there were “...lots of people” in his party who wanted powers back over “legal rights, criminal justice and employment legislation”. Mr Lidington accepted that this issue was due to be considered in the coalition programme, but said he could not be expected to reveal Mr Cameron’s negotiating tactics. He said Mr Cameron would stress the need for spending control right across the EU.

Mr Davis said it seemed that the priority was the budget, not getting powers back. He suggested the party would love to be dealing with the powers back issue, but the focus would be the budget. Mr Lidington said that if there was a proposal for a treaty change (which there was not at the moment) they would want to see the fine print and would not sign up to “any treaty change which transferred powers from the UK to Brussels institutions”.

Mr Davis said the task force to the European Council (which had looked at this issue) did talk about strengthening economic governance in all European countries including the UK, not just those in the

eurozone. Mr Lidington said the relevant report said the UK was outside the scope of proposed sanctions and penalties.

Mr Davis asked whether he regretted barnstorming around talking about an attainable rebate and getting powers back when the government had conceded a 2.9% budget increase and the goal of getting powers back was not achievable. Mr Lidington said better efficiency and economy could be achieved, and then contended that around the EU there was a “growing worry” about the lack of accountability of the European Parliament and other institutions. He contended that it was not solely in the UK that voters were looking at EU institutions and asking why they could not share the pain of cuts.

Analysis

In this exchange, Mr Davis suggested as his main line of questioning that the government was not meeting promises made about being tough with the EU. Mr Lidington argued first that the new foreign affairs service of the EU would save money, and was therefore more efficient. He then contended that the matter of extra powers for the EU (through tougher economic sanctions for debtor nations) was not on the agenda of the forthcoming talks. He did not engage with the idea mooted by Mr Davis that members of his party wanted to see urgent repatriation of powers.

Mr Davis did not push Mr Lidington further on any of his dismissals of concern, most noticeably on the issue of the new EU foreign affairs service saving money. The overall goal of Mr Lidington appeared to be to suggest that there was not really a problem in these areas of relations with the EU, except with regard to ensuring that spending was more carefully scrutinised. Mr Davis, for his part, did not seek to challenge Mr Lidington beyond his first question on each topic.

The exchange with Mr Lidington underlined the difficulty of trying to categorise the government’s approach to the EU. The Conservatives claim to be “Eurosceptic” but there was nothing in the interview that could be described as such. Mr Davis tried to get the minister to say whether the talks would be aimed at trying to win back powers in line with election promises. Mr Lidington revealed nothing except that the government was taking part in the talks to try and bring the EU budget down. He avoided answering the main question by saying Mr Cameron would not be expected to reveal his negotiating hand.

William Hague

On October 29, following the budget negotiations, William Hague was interviewed

Evan Davis asked the foreign secretary whether Mr Cameron was disappointed that a 2.9% increase had gone through. Mr Hague replied that the UK had prevented a 6% rise, had negotiated an opt-out

for the UK from any sanctions arising from treaty changes to reinforce the eurozone, and had secured an agreement that any EU budget increases after 2014 must reflect efforts to control deficits and debt. He contended that Mr Cameron had only narrowly failed to achieve a budget freeze from 2011-14.

Mr Davis said that Roger Helmer MEP had suggested that it would have been simple not to pay more. Mr Hague said Mr Helmer wanted to leave the EU and would “never be satisfied”. He said Britain “abided by the rules of the EU” and was trying to build alliances to stop irresponsible spending by the EU, and to bring spending under control.

Mr Davis said most MPs wanted to get powers back and observed that “one of the funny things” about the debate over here is that it was conducted over issues that were “not exercising anyone else on the continent”. Britain had to therefore “have a rhetoric, tough talk” like demanding a freeze when there was not going to be one. He claimed this raised expectations in the UK of the power to affect things when in reality the UK had only 12% of the population and 8% of the vote. Mr Hague said the UK did have power over longer term budgets and denied that expectations were being raised. He added that at last month’s European Council, David Cameron had secured trade concessions over Pakistan in the wake of the floods. He maintained that this was not “just talking”.

Evan Davis said that another area of unrealistic expectations was the proposed UK sovereignty bill. He observed that it was pointless passing the bill if parliament was already sovereign. Mr Hague said the measure would put into statute law what was clear in common law. Mr Davis pushed further on the legislation not being necessary. Mr Hague said it was important to spell out, as Germany had also done, that sovereignty could not be passed to the institutions of the EU.

This was a discussion which raised superficially some of the issues relating to the balance of power between the UK and the EU, as well as elements of the concern of Eurosceptics about the budget negotiations. Mr Hague advocated mainly that the UK, which abided by the rules of the EU was changing the direction of EU budgetary policy and moving to restrict spending. He maintained that the sovereignty bill was necessary to ensure that the EU did not acquire more powers, and gave the clear impression that this would both be effective and was necessary. He did not give examples of why, and nor did he in any sense attack the EU. Mr Davis pushed Mr Hague into spelling out that he believed Roger Helmer’s views about the EU to be extreme, and that Mr Hague believed the UK had real power with the EU to change budgets. The final element of Mr Davis’s approach was that he appeared to suggest that the UK was forced by Eurosceptics into adopting tough rhetoric and unrealistic expectations about the EU which was out of step with the rest of countries in the European Union. It was at this point that Mr Hague said that the UK did have real power within the EU.

Analysis

Overall, this was not a tough interview, and as with Mr Lidington, it is hard to class it as in any sense “Eurosceptic”. Mr Davis could have pushed much harder about why the Eurosceptic concerns of Mr Helmer and others were not being met; he had the evidence of an interview that morning to put to him. In the event, Mr Hague batted away the question by simply maintaining Mr Helmer was “extreme” and nothing would satisfy him. This was an evasive response from a man who in the 2001 General Election presented arguably one of the most Eurosceptic manifestos in Britain’s history, but Mr Davis tamely accepted it and moved on. And he appeared to neutralise his own approach to Mr Hague by stating that in its Euroscepticism, Britain both was out of step with its European partners and raised unrealistic expectations about what could be achieved.

The exchange illustrated that Mr Hague in government was an enthusiastic (though qualified) supporter of the EU, though (unlike Mr Helmer) the negotiating processes yielded positive results for the UK, and showed that the UK had a very strong position within the EU. He maintained some of his anti-EU rhetoric, but in no sense could it be said that Mr Hague was presenting a Eurosceptic case; quite the opposite. He also showed clear contempt for those who disagreed with his approach.

William Hague 2

Mr Hague was interviewed for a second time on November 20, this time by John Humphrys. The backdrop was the negotiations over the Irish bailout. Mr Humphrys put it to him that as a “passionate Eurosceptic” he must be queasy about trying to save the euro with British money. Mr Hague said he had always been against the euro and Britain would never be in it, but then added that because 40% of British exports went to the eurozone, it was in the country’s interest that it was stable. He maintained that everyone could see how much banking systems were intertwined, and because Ireland was a major trading partner, Britain was standing by ready to help. But he stressed that nothing had yet been agreed.

Mr Humphrys asked Mr Hague if he had sympathy with “former brothers in arms”, Conservative MPs who said that there should not be a penny to help the Irish bailout, other than for an “orderly return to sterling”. Mr Hague did not answer the question directly, but repeated that it was in Britain’s interest that the eurozone was stable because it affected jobs and the “businesses of people in our country”.

Mr Humphrys asked Mr Hague if he thought the euro would collapse. He replied that he hoped not and again repeated that it was in Britain’s interest that it did not.

Analysis

This was a relatively short exchange in which Mr Humphrys teased Mr Hague about his Euroscepticism, and Mr Hague made it very clear that the government would definitely seek to support the Irish bailout. He maintained he did not like the euro, but used arguments about jobs, exports and the “intertwined” banks to say that it was vital that the government supported the eurozone. Mr Humphrys did not challenge his assertions; he played mild devil’s advocate by suggesting that his approach was not that of a true Eurosceptic and not in accord with what his backbench colleagues wanted.

George Osborne

Mr Osborne was interviewed on November 22 about the government’s decision to support the Irish bailout. The sequence opened with extracts from an earlier interview with Douglas Carswell MP, including that Britain was now part of a “debt union”, and in which he strongly attacked the decision. Questions put to Mr Osborne were whether the purpose of the bailout – and the reason it had been agreed – was to support British banks, whether the euro would survive, whether he regretted being part of the EU, whether he regretted that the burden of the debt crisis was on taxpayers rather than banks, whether bondholders (as Angela Merkel had suggested) should bear some of the losses, and finally whether there should be more transparency in bank bonuses (as Vince Cable had suggested).

Mr Osborne answered that it was in the national interest to help Ireland because large quantities of exports went there. He also stressed that banking systems were intertwined. He said he had been strongly against the UK joining the euro “but I told you so” was not much of an economic policy. He said he had to deal with the situation as he found it.

He was next asked whether the euro would survive. He said it was in everyone’s interest to make it work, adding that Britain was making a bilateral loan because the government did not want to be part of a permanent bailout mechanism. Mr Osborne explained that his predecessor had committed the UK to the bailout mechanism that covered the Irish debt, and then repeated that the UK would not be part of a future permanent mechanism.

Evan Davis asked if he regretted being part of the EU. Mr Osborne did not answer directly, but again stressed the UK would not be part of an EU bailout mechanism.

Mr Davis then asked whether Mr Osborne regretted that as part of the “worst banking crisis in half a century” private losses were small and the taxpayer burden was large. Mr Osborne answered through describing how it was important that in future those who lent to banks should in future take

responsibilities when those banks were in trouble. Mr Davis asked whether he agreed with Angela Merkel of Germany that bondholders must be able to lose money as well as taxpayers. He said this was a debate for the future, but then pointed out that in Ireland, to impose further debts on the banks would make a bad situation worse.

Mr Davis's final questions related to bank bonuses.

Analysis

This was – in the circumstances – a rather limited interview in which Mr Osborne said little directly about his party's EU policy. He concentrated instead on the practicalities of what had been agreed, and why he supported the Irish bailout. He maintained that it was vital for the UK to give aid to Ireland because the economies were so intertwined. He added that he had never wanted the euro (echoing Mr Hague's approach), but then said categorically that it was now in everyone's interests that it did not fail. He blamed Labour for making Britain part of the euro bailout mechanism that was currently in force within the EU. He then ruled out the UK joining a future revised bailout mechanism.

Mr Davis adopted only a mildly adversarial approach and did not directly challenge or interrupt any of his answers. He seemed broadly content for Mr Osborne to put his own gloss on events. The exchange also showed that the UK government was both strongly supportive of the efforts of the ECB and the EU as a whole to support the Irish economy and believed that it was vital for British interests to do so.

As with the other exchanges, it underlined that the government's approach to the EU had become mainly supportive. Despite this, Mr Davis did not put directly to Mr Osborne the points made by Mr Carswell, for example that Ireland should agree to leave the euro before being given aid. This was a missed opportunity to test the government's commitment to its declared EU policy, though it is likely that like Mr Hague and Mr Lidington, Mr Osborne would have ducked answering.

Conclusion

These interviews have been classified in the survey as containing predominately "Eurosceptic" views because that is the declared Conservative policy towards the EU. Today presenters made efforts to pin these senior ministers down in terms of election promises to claw back powers, but did not obtain direct answers to any of their points. It seemed that the presenters were not prepared to push hard to pin them down further, even when they had the ammunition of fresh dissent from both Roger Helmer and Douglas Carswell.

If anything, the sequences showed that it was arguable that the Conservative Party in office was had become a strong supporter on the one hand of efforts to shore up the euro, and on the other, was content to accept what Eurosceptics saw as hollow concessions on the budget increases. Not only that, senior ministers were prepared to paint those who argued that it should stick to election promises as “extreme”, to endorse the new EU foreign affairs service as more efficient than the old, and to suggest that the continuation of the euro was vital to protect British interests.

This, arguably, was a significant volte face, but – as has been established here - the Today programme made only limited efforts to explore what precisely was happening and did not then press hard in its attempts to illuminate the changes in approach that emerged. It was clear that within elements of the Conservative Party, there was significant concern about this, as was reflected in the interviews with Mr Carswell and Mr Helmer. But these exchanges, though illuminating, were relatively brief and the points they made were not rigorously pursued with the respective government ministers.

The blunt fact was that there was not enough focus or vigour in Today’s interviewing on this topic, not enough time dedicated to it to explore fully a seismic shift in the Conservative approach to the EU. It further underlined that, with the Conservatives now in government, there was a need to incorporate into coverage alternative views about the EU in order to create satisfactory balance. There is no evidence that this was happening.

SECTION FOUR: MATTERS DISCUSSED BY CORRESPONDENTS

A list of items in which BBC journalists explained the workings of the EU during the survey period is contained in Appendix IV.

Inspection of the transcripts shows that the various BBC analysts often gave over-simplistic and often one-sided accounts.

The following examples illustrate this:

Matthew Price claimed on October 28 that the European Council was the “top strategic body of the EU”. What he did not say is that does not have legislative powers or explain how a decision by the Council about limiting budgets would or would not be implemented. Later in the report, Mr Price suggested that a proposed new bailout mechanism for eurozone countries “clearly does not affect Britain”, and added that Mr Cameron could therefore he supported Germany and France in wanting the mechanism while at the same time pressing to limit the EU budget. This was a very sweeping generalisation, because – as the Irish bailout subsequently showed – such financial measures did impact the UK and had very considerable cost implications that were unrelated to whether or not the UK was part of the bailout mechanism; what counted was that Britain was part of the EU and put weight on supporting the eurozone.

In other reports on October 28 about the budget negotiations, they were projected as a battle in which Mr Cameron was pushing hard for lesser budget increases in return for accepting a new bail-out mechanism that could trigger new referendums, but would not affect Britain because it was not in the eurozone. This was the chosen editorial theme of the day, pursued by presenters, analysts and correspondents. Yet this was over-simplistic. There was evidence by this time that the 2.9% budget increase figure had already been accepted by most EU countries and was not open to further negotiation, not matter what Britain said or did. At the same time, it was not yet clear how the bailout mechanism would operate, or what form it would take, because negotiations were still continuing. Therefore, the battle lines projected by the programme were neither as clear-cut nor resolved, as was presented. Obviously, BBC reporters have to make items understandable to audiences, and in so doing, matters have to be simplified to some extent. But this was over-simplification. The reality is that the workings of the EU, in the vortex between the European Council, the European Commission and the European Parliament are extremely complex, and that complexity needs to be spelled out to audiences in more depth, not reduced to simple Punch-and-Judy soundbites. Part of the problem is that the reporters do not appear to have enough time to explain properly.

Nick Robinson further compounded this problem by focusing in his analysis almost entirely upon the problems he said that David Cameron had with the Eurosceptics in his party. Thus the negotiation with the EU was translated into a battle mainly within the UK, rather between Britain and the EU. He did mention the forthcoming discussions over the level of Britain’s contribution to the EU and the possible end of the rebate under pressure from other countries. He brought into the equation at the

end a rare mention of the size of the size of the UK contribution. But because of his main focus on Conservative battles, Mr Robinson had no time for an explanation of the issues and debate involved in the level of contribution. He did not mention that an increase from £3bn to £9bn by 2014 was viewed in some quarters as a both extortionate and wholly unnecessary.

On October 29, after the Council meeting had concluded, Evan Davis asked BBC correspondent Jonty Bloom who had the final say on the EU budget. This was obviously an effort to clarify what had been achieved and to explain a crucial element of the workings of the EU to the audience. But the answer from Mr Bloom was confusing rather than properly illuminating, in that he said that if the European Council could make negotiations last longer than December, then the current year's budget would still apply. Mr Bloom could have said that the Council's decision (despite being described as a "summit" in the bulletins) was not the last word, because under the workings of the EU, it had no binding legislative powers. He did not explain this crucial point, preferring instead to suggest that it might be. This was misleading and, again, over-simplistic reporting. The BBC routinely describes European Council meetings as "summits" and this creates the expectation in audiences that they have formal direct powers. But the European Council does not.

On November 15, Matthew Price, reporting again on the continuing struggles over the EU budget, described the European Commission as the "civil service if you like" of the European Union. This was a description that was plain wrong. The Commission is much more than a "civil service" in that it has an unelected executive arm (nominated by the member countries). It is described by Wikipedia as:

The body is responsible for proposing legislation, implementing decisions, upholding the Union's treaties and the general day-to-day running of the Union. The Commission operates as a cabinet government, with 27 Commissioners.

This was inaccurate reporting in which Mr Price gave the impression that – in effect – ministers were battling against unruly civil servants (and the European Parliament) to try hold down the proposed budget increase. He went on to say that the dispute was also about "power" in that the Parliament had been given more powers under the Lisbon treaty and now wanted to exert them to press for a 6% rise. This was again, over-simplistic. The reality is almost reverse, that power within the EU, power is vested principally within the Commission and the ministers can only suggest changes in policy and help devise overall strategy.

Also on November 15, Gavin Hewitt, reporting from Dublin about the latest moves towards an Irish bailout, said categorically that Britain would not have to contribute to the aid that was eventually agreed. He said:

. . . it would be a similar situation to that of Greece, it did not involve UK money, so if there was a bailout, this would not involve us. It's not clear at this stage exactly where the money would come from, but I think you would come from an EU Commission fund, but certainly British money, at this stage, would not be involved in the Irish bailout.

This was incorrect information, in that Britain arguably had obligations to Ireland under the transitional bailout mechanism, as was reported subsequently.

On December 1, Jonty Bloom discussed with John Humphrys the workings of the new EU foreign affairs office, operational that day, which was the subject of controversy because of its alleged cost. The whole exchange was simplistic as can be seen in the use of phrases such as, “the European Union does do an awful lot on its own in foreign policy”, and “it will be doing a lot more of that “ (negotiating trade on behalf of 27 countries); in questions such as, “it doesn’t have the wherewithal to prosecute that policy...it doesn’t have its own army”; and further statements such as, “it...has an awful lot of money, it takes quite a strong lead...foreign aid...those kinds of things are powerful reason for having your own policy”.

The whole exchange came across as a painfully over-simplified justification for the new operation, and took no account at all of Eurosceptic concerns that the service was overblown, too expensive and would be inefficient. John Humphrys concluded the sequence by asking whether the US would now know where to phone to obtain “Europe”. Mr Bloom was not sure. He opined helpfully:

So they are pushing that line that if you want to speak to the EU as a whole, there is now someone to talk to. But whether people actually do phone them up, well, that’s to be seen.

Conclusion

This Today analysis of the workings of the EU often fell short of what would be expected in the output of a flagship news and current affairs programme. This fits with the larger pattern identified in this report that not enough attention seems to be paid to EU affairs, and not enough space afforded to them. The attempts at simplification showed the dangers of doing so; the European Commission is nothing like the UK civil service. It seems very odd that a programme that can devote several minutes to the explanation of the European Arrest Warrant when it chooses to do so, does not spend more time in explaining how the actual decision-making process of the EU happens and where the levers of power actually lie. Of course, these are issues that are the subject of significant debate, both among politicians and the academic community. But not much of that debate – if any – found its way on to the Today programme, and the audience is much poorer as a result.

APPENDIX I

SUMMARY OF PROGRAMME ITEMS

September 21

During a Nick Clegg interview, there was mention of an “emergency summit” to discuss the possible collapse of the euro shortly after the UK General Election in May 2010. There was also brief mention of the EU financial activities tax (to constrain bankers’ bonuses).

September 28

Call for new EU rules to ensure cross-EU liability for motoring offences.

Newspaper reviews noted that an increase in benefits tourism costing the UK £2.5bn could stem from a new EU ruling. Also that Cadbury’s were being forced to drop its glass and a half slogan because of EU metrification rules. This was not covered elsewhere on the programme.

September 29

Bulletins said that eurozone countries would face future financial penalties for not sticking to financial targets.

September 30

In a Business News feature, guest Alan Capper from Lloyds, said in a discussion of the role of the ECB and the Bank of England that the ECB was looking at the longer term, while the Bank of England was much more short-termist.

It was also noted that businesses that paid £500,000 or more in energy costs had to report the matter to the environment agency under new EU rules. Adam Shaw also reported that EMI was claiming from the EU millions of pounds in VAT.

Robert Peston (8.10am) commented that the Irish government was trying to avoid the need for an EU bailout. Later, Irish finance minister Brian Lenihan denied that his country would need a bailout.

October 1

Discussion of whether the Ryder Cup generated loyalty to the EU. There were voices for and against.

At 8.10am, it was noted that it was 20 years since equality laws had come into effect and it was said that actions in EU law were now easier to take.

October 4

Business News mentioned the falling value of the pound against the euro. It was noted that China had offered to buy Greek debt.

October 5

Newspapers - a Daily Telegraph report that the Ryder Cup made us all pro-EU for a day.

October 6

Business News reported an EU-China summit, which would discuss China flooding the European market with goods by keeping its currency value too low. Experts suggested that an almighty row was brewing.

October 8

The newspaper report noted that the EU was planning tougher banking regulations.

October 12

Gavin Hewitt reported that Paris was fearing further strikes against austerity cuts.

October 13

The newspaper report said that health trusts were ignoring the obligation to carry out checks on whether EU doctors working in the NHS could understand English.

October 14

A Business News item said the value of the euro was rising because the ECB had not printed money as a response to stimulus measures from the Federal Reserve.

October 16

Item about the UKIP leadership election.

October 20

There was a short business update item about a European Parliamentary vote to give mothers 20 weeks maternity leave, up from the current UK level of six weeks. A Danish MEP argued the move was essential to improve the birth rate and that it would not have a financial impact because it would not be implemented until 2015, by which time the economic crisis would be over.

October 23

James Naughtie asked MEP Sidonia Jędrzejewska (of the EU budget committee) why a 6% rise in the EU budget was felt necessary. She replied it had been agreed in 2006. Daniel Hannan attacked the increase. James Naughtie played devil's advocate, stating that the rise was necessary as part of the Lisbon Treaty. Mr Hannan said it would be nice if we'd been asked about the treaty. Mr Naughtie agreed that that was a fair point. Ms Jędrzejewska said the treaty introduced said that no new budget was introduced for Lisbon and the EU was having to worry about how to find resources for new measures on a budget agreed in 2006. She said Europe could not be a power on a global scale for free. She thought it was unfair for member states to resist paying. Daniel Hannan said:

All of the savings in the welfare budget that were announced on Monday, all of them put together, the abolition of the child benefit, the changes in disability and so on will save £7 billion a year. Twice that now is our annual contribution to budget . . . to the Brussels budget, and it's going to rise our gross contribution from £14 to £19 billion. This is serious money. A lot of British people have at their back of their minds the idea that it's just sort of a token sum, an entry fee for participation in the market. We're now spending, you know, enough on EU budget that if we withheld our payments we could give the entire country a 50% reduction in Council Tax forever. And I think at a time when every single member state, not just Britain, but all 27 countries are looking for savings in their national budget, when civil servants are being laid off or given pay freezes, it is extraordinary for the European Union to be soaking up the savings, coming and asking for more money for, inter alia, bigger offices for MEP and larger entertainment allowances for commissioners.

Ms Jędrzejewska said the EU would be doing much more for a slight increase. Mr Hannan suggested that the House of Commons might veto the increase.

October 25

The EU representative dealing with Zimbabwe said that sanctions were being reviewed and another commentator suggested that sanctions were scaring investors away.

October 26

It was noted in the Business News that the pound had fallen by 10% against sterling. This had helped exporters to the EU, but not to South America and Southeast Asia. ,

October 27

Nick Robinson said in the bulletins that David Cameron would tell EU leaders that changes in the Lisbon Treaty to strengthen the eurozone would not be opposed by the government and would not trigger a referendum in the UK, but might elsewhere in the EU, and also that Mr Cameron would warn that Parliamentary approval could not be guaranteed.

It was mentioned that a new EU regulation relating to airport security governed the movement of liquids. This, it was claimed, would not inconvenience passengers.

October 28

The bulletins said that at a “summit” of EU leaders that day, David Cameron would try limit the EU budget.

There was mention of protests in France triggered by Nicolas Sarkozy’s plans to increase the retirement age. It was said that Mr Sarkozy was admired by David Cameron.

Newspapers said the EU meeting was about profligacy, though it was claimed that David Cameron had a rare chance to derail the EU gravy train.

Business News noted that the summit would tackle the Irish budget deficit and be aimed at avoiding eurozone problems. Simon Hicks of the LSE said the eurozone was still in trouble and this was the reason that Germany wanted to change the treaties.

Matthew Price discussed David Cameron's goals at the European Council and said the real aim was to try freeze the budget between 2014 and 2020 in return for accepting a short-term rise of 2.9%. He also noted that the French and Germans wanted a permanent mechanism for dealing with sovereign debt crisis:

Now, because it's within the eurozone, it clearly doesn't directly affect Britain, although Britain, of course, says it wants stability in the eurozone. And because it doesn't directly affect Britain, it is the opinion of lawyers for the British side of this, the Brits hear in the European Union, it's their opinion that the British government wouldn't actually have to agree to any treaty changes. So it's kind of easy for David Cameron, he can say to the Germans and French, look, I'll support your measures, you should do what you need to do to get stability in the eurozone, by the way, at the same time, let's talk seriously about limiting the budget.

Newspapers noted that David Cameron had retreated from his aim of freezing the budget but was hoping to get a longer term cap in return for agreeing treaty changes.

At 7.09am, Gavin Hewitt previewed the summit on the same lines as had already been rehearsed. He said it would be difficult for David Cameron to get a budget freeze, but might restrict increases to 2.9%.

At 7.31am, Nick Robinson predicted that David Cameron would OK the treaty changes because they would not affect Britain. He claimed that Mr Cameron was not being as tough as Eurosceptics wanted him to be in the budget negotiations, but a real battle was brewing over Britain's future contributions because other EU countries wanted the UK rebate to end.

David Lidington, the Europe minister, was then asked about the cost of the new Euro foreign affairs service, treaty change, about trying to get powers back from the EU in line with the manifesto, and about restricting the EU budget.

At 8.51am, it was noted that the EU spent £32m on aid to beekeepers; and it was said that this might be at risk.

October 29

Bulletins said that David Cameron had won support in his attempts to restrict the EU budget increase and that the "summit" had agreed a mechanism to strengthen the eurozone or "prevent a repeat of the Greek crisis", but without changing treaties. Jonty Bloom said this was "much tougher" regulation that included sanctions and fines.

MEP Roger Helmer was quoted in one bulletin as saying that the Mr Cameron should have done better and stopped any increase in the budget.

Business News noted that a fall in the value of the pound against the euro had assisted UK exports. It was also said that the EU was considering new curbs on bankers' bonuses.

Jonty Bloom said that Herman Van Rompuy had been asked to report back on solutions to toughening the eurozone without changing treaties. It was said it would not be easy because Germany was asking for tough sanctions against offenders. There was also discussion of how the overall EU budget restrictions would be enforced.

At 7.09am, MEP Roger Helmer was interviewed on his concerns about the budget settlement. He claimed that Britain should have refused to pay any increase, and was asked whether he agreed with Lord Tebbit that Mr Cameron was a "willing collaborator" with the European machine. Justin Webb said many people in Mr Helmer's own party would be saying that the UK was in the EU and had to play by its rules. Mr Helmer replied that the Eurosceptic group was very strong and wanted to go no deeper into the EU.

At 8.16am, there was an interview with William Hague. He defended what had been achieved and attacked Mr Helmer for wanting to leave the EU. His claim was that a sensible alliance had been formed to prevent reckless spending. Evan Davis suggested that the way Britain debated EU issues was not exercising anyone else in Europe, and that the problem was that we had tough rhetoric that was not upheld. Mr Hague maintained Britain did have power. Mr Davis asked what the point was of the UK sovereignty bill when parliament already had sovereignty. Mr Hague said it was a necessary defensive measure.

October 30

The Newspaper Review reported that the Daily Telegraph believed the 2.9% budget increase was iniquitous, while the Daily Express wanted a referendum on Britain's continued membership of the EU.

Evan Davis interviewed Lord Lamont and Lord Steel about the budget increase, and compared it to the Thatcher settlement 20 years previously. Lord Lamont was asked whether he was a Europhobe or Eurosceptic. Lord Lamont said he was sceptical about everything, adding that Lord Steel was wrong in claiming that the European issue had bedevilled John Major; the point was that Margaret Thatcher's view became the settled view of the Conservative Party towards Europe. Evan Davis said the debate had been framed ever since as Britain or the Conservative Party against Europe. Lord Lamont said the party was not against Europe but was against European political government. Lord Steel said the Liberals in 1957 had first identified the need to be involved in Europe and the lack of engagement since by the other parties had led to the problems in the structure of the EU. Lord Lamont said Britain was Eurosceptic but not Europhobic. Lord Steel said Britain had never taken a lead in Europe because it was forever trying to get derogations. Lord Lamont said this was naivety.

Evan Davis said that Britain would never run the show because it did not have enough votes. Lord Steel said the UK could have taken the lead but handed it to Germany and France.

November 2

Bulletins said the EU was sending a team of 175 to Greece to tackle immigration border problems.

The Newspaper Review noted a Financial Times story which suggested investors had taken fright at the EU proposals to force them to take a bigger share of losses incurred in state bailouts.

Yesterday in Parliament included MPs reactions to David Cameron's claim that he had secured a victory in the battle over the EU budget. Ed Miliband said the 2.9% was not a success because that had been promised as long ago as August.

At 7.31am, it was said that the UK would sign with France and "unprecedented" defence cooperation treaties, including the creation of a joint military force. Michael Clarke of the Royal United Services Institute explained that there had been co-operation in the past since 1947, and that Tony Blair had signed the St Malo treaty which paved the way towards a 60,000 strong EU force. He added that such ventures seemed to work at the political level but on the ground they ran out of steam. He added it might work this time "because they are desperate".

At 8.10am, Nick Robinson suggested that the French defence pact was being projected by the Eurosceptic Tories as "entente frugal", reflecting the age of austerity. Liam Fox, defence minister, maintained that Britain would retain its capacity to operate independently.

November 4

In Business News, economist Megan Green suggested that investors would stay clear of Ireland for a while despite what the government proposed.

At 6.49am, John Prescott pointed out that he was rapporteur for the Council of Europe at the latest climate talks in China (and not for the EU, as John Humphrys stated).

November 5

It was the day of a BBC NUJ strike, so there was no Today programme. But the bulletins said that the result of the UKIP leadership elections would be announced later that day.

November 6

Evan Davis (7.52am) interviewed Nigel Farage about becoming leader of UKIP again. Most questions were about whether UKIP was comparable to the Tea Party movement in America and whether Mr Farage personally was an angry man.

At 8.15am, Evan Davis interviewed Steve Major of HSBC about the possibility of Greece, Ireland and Portugal going bust. Mr Major warned that EU measures, including the European Financial Stability Fund were temporary measures not suited for dealing with the crisis. He noted that Germany was pushing for a stronger mechanism. He said the EU wanted to move the risk away from taxpayers and more towards bondholders. He added that bondholders including British and Spanish banks, meaning that both the banks and the British government would have to contribute to any Irish aid measures.

November 8

It was noted in the Business News by Stephen Perry, of the London export Corporation, said that the UK had managed to replace Commonwealth markets with EU ones, and could do so again with China and Asia.

Jack Straw advocated that Britain should review the 1974 partition of Cyprus if Greece and Turkey could not settle their differences over the island. He claimed this was necessary to allow Turkey to join the EU and attacked the Greek Cypriots for ratting on previous agreements made via the UN.

November 9

In the Newspaper Review, Angela Merkel was said to have warned in an interview in the FT that if the euro failed, Europe would too.

November 10

Business News carried an item about the European Commission fining 11 airlines, including BA, a total of £690m for overcharging for cargo carriage. An analyst said it was remarkable that the carriers had got themselves into the mess they had over colluding over prices. A City Group report about investors shunning risky eurozone bonds was also discussed. Analyst Julian Chillingworth argued that tougher EU legislation was needed to avoid future debt defaults.

November 11

In bulletins Stephanie Flanders said that G20 leaders believed that China was keeping its currency artificially low to hurt EU competitors.

In Business News, Professor Dominic Swords argued that the EU needed a bigger budget to pay for the extended powers created by the Lisbon Treaty and to support the EU strategy for jobs and growth. He added that the increase would be resisted.

November 12

Bulletins said that the G20 meeting was ending with no resolution of the China-US trade dispute. It was also reported that EU leaders would welcome the fall in the euro, but not the cause, namely worries about Ireland and Portugal.

It was also reported that talks between the member states and the European Parliament had broken down because MEPs were demanding a series of powers about future budget decisions in return for accepting a 2.9% increase in next year's budget. It was noted that David Cameron believed he had won this battle.

In Business News, Keith Harris of Seymour Pierce Investments, noted claims from Angela Merkel that markets did not understand the EU bailout mechanism.

In the Newspaper Review, there was mention of a FT feature which said that Ireland's struggling economy was beginning to affect the cost of borrowing in other EU countries.

At 7.34am, Andy Martin reported from Dublin about the Irish bailout plans. Author Fintan O'Toole warned that Ireland could not make cuts of a further 7bn euros, but that would be the amount needed to repay the EU. Economist Constantine Gurdgiev, noting that Ireland was now under pressure to accept a bailout, said that the EU nevertheless did not really have a plan for dealing with the debt crisis. He added that there was no solution but for the EU to lend money. Mr O'Toole conceded that a bailout was now preferable to endless government cuts.

In a follow-up interview, Lord Lamont alleged that Angela Merkel had made the situation worse, and disputed whether Ireland had done all it could to cut spending. He warned of contagion in the eurozone.

November 15

Bulletins said that the Irish government insisted it had not made application for emergency financial aid from the EU

At 6.10am, there was an exchange between Matthew Price and John Humphrys about a meeting of European ministers to try agree a new budget for the EU. It was said that the lack of agreement could lead to difficulties in implementing the Lisbon Treaty, and that David Cameron was unhappy at the level of proposed EU spending. Matthew Price called the European Commission the "civil service

if you like” and noted that although David Cameron had agreement with France and Germany over a limit of 2.9% increase, the European Parliament “which got more power” through Lisbon wanted close to 6%, and wanted to ensure budget increases of that order from 2014-2020..

Newspapers – the review noted that several newspapers reported that Ireland was resisting an EU bailout.

In Business News, economist Gerard Lyons argued that the eurozone needed to act more in concert to become a stronger force like the US. He was worried that politicians all spoke for their individual “situations” (countries). He claimed that EU politicians were forcing Ireland to accept economic aid when it was not actually needed. David Cumming from Standard Life said that this was a reality of the markets, so doing nothing was “not sustainable”.

Gavin Hewitt reported from Dublin about the Irish bailout, which he said the government was still trying to resist. He was asked if the UK would have to support a bailout and he categorically ruled it out.

At 8.34am, Evan Davis said that was “something was afoot” in Ireland because talks were not being ruled out. He predicted a horrendous time of austerity and loss of control

November 16

Bulletins said both Ireland the European Commission were denying the need for an Irish bailout, and also reported that there was deadlock on the EU budget.

The Newspaper Review mentioned apocalyptic reports about Ireland.

In Business News, Howard Wheeldon said that Britain was exposed to around £8m of Irish debt, but there might be problems with Spain and Portugal too.

Matthew Price accepted at 6.34am that Ireland might be forced to accept a bailout.

Evan Davis spoke to Myles Flemming, an Irish businessman, whom it was said was enduring financial hardships that mirrored Ireland as a whole. It was said that he had borrowed too much.

At 7.09am, Evan Davis, reporting from Dublin spoke to various Irish people about how bad the problem was. He described Irish growth as being supported by a “ludicrous property bubble” and spoke to a Romanian taxi driver who had fled to find a better life. Mr Davis said:

.. But Ireland is unusual – it’s a member of the euro, it certainly can’t print euros. It does though have one other option: it can be helped by other euro members. It’s still painful though, because you lose a little bit of your nationhood in accepting welfare.

He then spoke to Diarmaid Ferriter, an author, who said that it had become an issue of loss of sovereignty.

There were vox pops with worried students, and then a brief exchange with Joan Burton, finance spokesman for the opposition Labour party. She blamed the property bubble on the government.

At 8.10pm, Stephanie Flanders said that the whole future of Euro was in question and that fund of \$700bn might be needed to deal with the problems of the eurozone. She said Britain would have some liabilities because there was a "European Commission piece of it and an IMF piece of it of which we are indirectly implicated". But the bulk would fall on the eurozone itself.

John Humphrys then interviewed Dick Roche, the Irish European affairs minister. He denied loans were being sought and described speculation that it would as unhelpful.

Stephanie Flanders said that eurozone ministers wanted to stay ahead of the game and were behind it, but there was still a reluctance to force Ireland to accept more assistance.

JH: And many people would say, what all of this proves is that there is a real flaw at the heart of the whole euro project?

SF: Well there was one basic flaw that they were trying to have three things be true: that you could never leave the euro, that you could never default on your debt, and you would never get bailed out by other countries. It was never plausible that those three things could be true, one of them has to give, and I suppose the decision now is are you going to get bailed out in the way that you shouldn't be bailed out, or are you going to default on your debt.

JH: Or are you going to leave the euro?

SF: Or are you going to leave the euro. But that does seem, if you look at the debts of these countries, that would be the least good option for any of them. They're all painful, but that is the worst option.

November 17

Bulletins said that officials from the European Commission, the ECB and the IMF were being sent to Ireland to discuss ways of rescuing the banking system. Gavin Hewitt said the emphasis was on rescuing the Irish banking sector and said the country had been put on notice to decide within days what it wanted.

The Newspaper Reviews mentioned growing pressure on Ireland.

Business News carried an interview with Irish finance minister Brian Lenihan in which he said the government would work for stability. Jane Sydenham, an investment manager, who said that although

Irish debt was small in relation to the market as a whole, the markets were pushing hard for a solution.

Matthew Price reported from Ireland that although there was no request for a bailout as yet the European Commission had said it was intensifying a programme to help Ireland. He added that Britain had liabilities to Ireland under “one of the bailout mechanisms” amounting to a maximum of £6.6bn. He added that Ireland did not want a bailout that would affect their sovereignty, and so were trying to go directly to the banking sector.

Another item noted that George Osborne had arrived in Brussels for talks about the bailout. Stephanie Flanders said that a solution involving the banks was being sought. She predicted some kind of tussle about the terms. Nick Robinson said that although Ireland was not formally on the agenda of the Ecofin meeting, George Osborne cared passionately about Ireland “because it is in our interest that there is stability in our principle export market in Europe” and because UK banks had stakes in Irish banks. He said that the ministers would be looking for stability in return. He added:

there are some MPs in the Conservative Party who see this as a cause of celebration, a moment to say, ‘I told you so, we knew that the euro couldn't work, let's dance on our graves’ (corrects himself) dance on its grave I'm sorry. I think two people who wouldn't join our dance are the Prime Minister and the Chancellor.

Stephanie Flanders said the tension that was being played out was to do with problems with the single currency linked to the sheer scale of the debts involved. She predicted there would be some kind of statement during the day.

November 18

Bulletins said a team of international officials would arrive in Dublin to discuss the bailout.

Newspapers noted the government's offer of help to Ireland. There was also mention of an Independent report about fish being thrown back in the North Sea because of EU rules (although these were not mentioned).

In Business News, it was noted that a consequence of an Irish bailout could be that Claridge's would be owned by the British government because they might have to underwrite the current Irish owners.

Mark Simpson reported that Irish ministers were saying for the first time that a bailout might happen. He said that while details were being worked out, the Irish were said to be playing a cute tactical game to get the best deal.

At 7.09am there was an interview with Christine Lagarde, the French finance minister, who said the real story was not the bailout but whether Ireland would be able to stand on its feet. She refused to

be drawn on the terms of the deal especially with regard to whether Ireland would be able to retain its current corporation tax rate.

At 8.41am, Stephanie Flanders reported that news was breaking fast, and that the head of the Irish central Bank had said his country could receive tens of billions of euros as part of an EU-IMF bailout. Ms Flanders said it was not going to be a loan directly to the banks and that it would have to be underwritten by the government. She added that Ireland would not be in this trouble if Germany had not triggered a discussion on sovereign debt and not sent the warning to holders of government debt that they would not always get bailed out. She said that Ireland had made big steps towards sorting out economic problems inherent in belonging to the euro, but was still trapped.

November 19

Bulletins said that Ireland would accept a bailout of £70bn but was resisting changes to corporation tax.

Business News spoke to United Business Media, which had moved its headquarters to Dublin, about whether changes in corporation tax would prompt another move. The answer was negative.

In a separate item, Professor of economics and law Jagdish Bhagwati also assessed the chances of reviving the Doha trade talks. He noted that everyone wanted European subsidies to go down but doubted that this would have much impact. Mr Laurie asked if he thought the CAP was a disgrace. He agreed that it was, and suggested it was due for review, a process that was partially underway.

Newspapers noted the Irish bail out.

At 6.35am, John Moylan reviewed the efforts by the Irish to keep corporation tax low. He said the tax had been vital in transforming the prosperity of the country, but suggested that “some sort of conditionality” would have to be accepted in connection with the bailout. He added that a deal on the bailout was in the offing.

Yesterday in Parliament mentioned that David Cameron had said there was no effort to coerce Ireland into anything.

At 7.50am, Evan Davis said that Peter Osborne, the journalist, had written in the Telegraph about the “guilty men” who had argued that the UK should go into the euro, mentioning the BBC and the CBI. Digby Jones, former head of the CBI, said that it was Gordon Brown who had kept the UK out of the euro, so this was not a political issue. He said that as a result, Britain did set its own interest rates.

November 20

Bulletins said that the terms of the deal with Ireland were being worked out by the various parties.

The Newspaper Review mentioned Guardian comment on the Irish bailout.

At 7.11am, Evan Davis noted there had been “capital flight” from some Irish banks because of the bailout. Joe Lynam said this had added urgency to the negotiations, which were now focused on “slashing” of spending and the raising of more taxes. He added that Britain was likely to continue to support Ireland because 7% of UK exports went there.

At 8.09am, William Hague was interviewed. He was described as a “passionate Eurosceptic” and it was put to him that he must therefore feel queasy about trying to save the euro by bailing out Ireland. Mr Hague said he was against the euro, but the UK wanted it to be stable because 40% of exports went there. He said the bailout was happening because banking systems were intertwined.

John Humphrys asked whether there was sympathy for some of his “former brothers in arms”, Eurosceptic MPs who did not want to bail out the euro. Mr Hague repeated that it was in the UK’s interest for the euro to be stable. Mr Humphrys asked if it could collapse. Mr Hague said he hoped not and repeated his desire for stability.

Gavin Hewitt reported on whether Ireland’s problems would spread to Portugal. He concluded that the Portuguese government insisted that things were very different.

Shadow Chancellor Alan Johnson said in an interview that the Irish problem was the result of global markets. He claimed Ireland had not tried enough to stimulate its economy.

November 22

Bulletins said that Ireland would formally apply for loans to stabilise its economy. There was also mention that the UK would lend money to Ireland, with a contribution from John Redwood, calling for Britain to have an alternative relationship with the EU.

The Newspaper Review said that the lead in most newspapers was the Irish bailout:

Independent – would the deal spark contagion?

Daily Mail – the cost was £300 for every household (the UK’s £7.5bn contribution)

Independent – Mary Anne Seighart said that if the UK had gone into the euro, it would have led to national humiliation and meltdown

Daily Express – Eurosceptics should take pride in having prevented the UK ending up in a similar nightmare.

Times – Bill Emmet argued that the euro was nothing to do with the crisis, it was a failure to regulate banks.

Guardian – the euro was fundamentally unworkable.

Business News included vox pops that people were unhappy at the bailout, and opinion that the Irish were grateful for the UK contribution. Author Michael O'Sullivan predicted tectonic changes in Irish politics, including a change of government. Richard Jeffrey of Cazenove argued that Ireland had known about its problems for some time and had wanted aid to go directly to the banks.

Joe Lynam said the details of the bailout remained vague, though the speculation was that it would be less than 100bn euros.

At 6.51am, Douglas Carswell argued that while he wanted to help the Irish, he did not want to prop up the euro. He was asked whether the money from the UK should only be given if Ireland left the euro, and whether he supported the prime minister's handling of the problem.

At 7.09am, Robert Peston said the UK would pay 10% of the Irish bailout and noted that it was hard to say whether the bailout would halt the eurozone problems. Dick Roche, the Irish finance minister was interviewed and he denied any dissembling, suggesting that the deal had only been made the day before.

In Thought for Day, the Irish problems were likened by a Buddhist commentator to the Sri Lanka tsunami of 2004.

At 8.10am, George Osborne was interviewed. The sequence opened with extracts from Douglas Carswell's remarks, including that Britain was now part of a "debt union". Mr Osborne was asked whether the bailout had been approved to actually bail out British banks, whether the euro would survive, whether he regretted being part of the EU, whether he regretted that the burden of the debt crisis was on taxpayers rather than banks, whether bondholders (as Angela Merkel had suggested) should bear some of the losses, and finally whether there should be more transparency in bank bonuses (as Vince Cable had suggested).

Nick Robinson said that Eurosceptics believed that every crisis in Europe was used to develop arguments to give more powers to the EU. He said backbenchers were not happy with what was going on. Evan Davis said the government (in contrast to the Eurosceptics had decided it did not want a euro-crisis. Nick Robinson replied:

The Eurosceptics are driven largely, but not entirely, by a determination to use any crisis to reshape Europe; the government is thinking, 'Oh my goodness, we think the growth figures are a little bit better than we feared, and the last thing we need is a major economic crisis on our doorstep in Ireland – let alone one spreading throughout the eurozone which is our

principle trading partner.’ But I think each time a story like this emerges, it has huge economic significant first and foremost, but underneath the issue of Europe is gnawing away at this government – whether it’s the EU budget, whether it’s this European bailout, whether it is a call for more treaty obligations. David Cameron once told his party, ‘stop obsessing about Europe’ – they’re going to find it hard.

At 8.49am, Sarah Montague said the euro had rallied on news of the bailout. She interviewed Douglas McWilliams, the CEO of the Centre for Economic and Business Research (CEBR) and Graham Bishop, an independent financial consultant. They predicted the recovery would be hard because inflation and borrowing had not been harmonised. Mr Bishop was asked about the process of getting out of the euro. He said it was not easy and would involve leaving the EU. He added that Germany was more likely to pull out than a weak country.

November 23

Mark Simpson reported in the bulletins that Ireland would be putting together an economic recovery package but added the government was not likely to last.

Newspapers – the papers were speculating that other countries would follow Ireland.

In Business News, Patrick Armstrong of Distinction Asset Management was asked whether the bailout was being seen as a failure. He predicted that Portugal would be next. He noted that the euro was strong at the moment because of Germany, which meant that Ireland would not get the advantage of increased competitiveness.

Joe Moylan speculated whether Brian Cowen would survive long enough as PM to see through an austerity budget.

Yesterday in Parliament noted that George Osborne had come under fire over the Irish bailout.

An item about immigration noted that a proposed new cap would apply only to those who did not come from the EU.

It was reported that the Irish PM had said there would be a general election in 2011. Author Colm Toibin reflected at length that the Irish problems had been caused by bankers.

Matthew Taylor reflected that Europe had been a toxic issue for the Conservative Party.

November 24

Bulletins said that the Irish government had outlined a series of austerity proposals.

Newspapers – the FT said that no Irish banks were now outside state control.

Business News looked at the likely measures, and speculated it would include reducing the national debt from 32% to 3% of national income by 2014. Simon Maughan of MF Global said that Ireland had been run badly and now needed to be run from outside, and predicted that those providing the bailout cash they were going to demand “an awful lot greater say in the way politics are run”. Adam Shaw asked if this would be a step change in the way the EU was run. Mr Maughan said he thought there was a “hardcore element in the middle of the EU that actually welcomes this kind of crisis, because it gives them precisely the opportunity to take over the sovereignty of some of the peripheral nations”.

At 6.36 and 7.34am, Sarah Rainsford reported from Portugal about the general strike that was starting there, in response to the government’s austerity measures.

November 25

Newspapers - the Daily Express had announced that it was becoming the first UK newspaper to campaign for the UK to leave the EU and would further the cause of the Better Off Out grouping.

James Bevan said in Business News that the market’s short term negative reaction to the Irish bailout was not particularly important because no new debt was being issued. He added that in the longer term, there were worries that Ireland’s austerity targets would not be met.

Justin Webb said at 6.37am that there were questions whether Portugal, Spain and Belgium would survive without financial help.

Business News at 7.17am confirmed a massive austerity budget in Ireland that would cut 25,000 jobs but keep corporation tax at 12.5%.

Stephanie Flanders reported from Dublin that market confidence in both the eurozone as a whole and the Irish bailout was weak. James Naughtie interviewed Portuguese economist Dr Pedro Schwarz, who expressed worries that Portugal might be at risk.

November 26

In Business News it was said that a new economic report suggested that Britain was on course to do marginally better than other EU countries.

Newspapers noted reports in the Guardian and the Observer that George Osborne was not tackling bankers’ bonuses.

Pallab Ghosh reported that the European Food Safety regulator was considering whether to allow milk and meat from cloned animals to enter the market.

AT 7.09am, Vince Cable was interviewed about EU-wide efforts to limit bankers' bonuses.

November 27

Bulletins said that Irish trades unions were planning a mass protest.

Mark Simpson reported from the protest rally in Dublin that the interest rate on the Irish loans would be 6.7%, well above that for Greece. He said 60,000 were expected at the rally, and that Irish PM Brian Cowen was now a "dead man walking".

Gideon Rachman of the FT discussed with John Humphrys his book about Germany's role in the eurozone. Michael Sturmer, a former adviser to the German government, agreed that Angela Merkel had helped "pull the trigger" on the current crisis through obsession with low interest rates and a failure to understand the rules. Herr Sturmer said there was now broad consensus, however, that the euro had been good for Germany. Herr Rachman said Germany was beginning to wonder what would happen if the euro failed.

November 29

Bulletins said EU governments were watching the markets to see if the Irish bailout would quell turmoil.

Newspapers – it was noted that the Irish bailout had been pushed off front pages by the WikiLeaks saga.

Business News said that the EU had unanimously agreed the bailout package for Ireland at an interest rate of 5.8% and noted that the euro had fallen in value. Dr Gerard Lyons of Standard Chartered suggested that the package might not be enough to stop contagion, but did stop the rot in Ireland. He indicated that a major problem was that a unified interest rate did not fit all, and if the eurozone was to survive, it needed also to be a full political union. He said that without political union, the euro would come under increasing pressure under the next two years and create splits between the centre and periphery. Euan Stirling from Standard Life said the bond markets were likely to greet the package with relief. But in the medium term, there were still concerns. Finally, Andrew Goodwin of Ernst and Young discussed a report from the Office of Budget Responsibility. He said it was going to be harder for the UK if the problems of the eurozone persisted.

Jonty Bloom reported from Brussels that there was a feeling that the Irish bailout was "kicking the can down the road". He said Ireland would have to spend its pension funds to recover and that the EU

had been very tough in the negotiations. Evan Davis noted that the EU had also agreed a permanent rescue mechanism to come into effect after 2013.

At 7.15, Evan Davis, noting that Ireland's bailout was a loan at a high interest rate, asked portfolio manager Tony Crescenzi if he thought Irish bonds were now safe. He repeated that this was a kick the can down the roads approach and said that it solved liquidity problems but not solvency ones. Asked whether he thought there would be a default, he did not answer directly, but said there were "challenges of implementation" including sharp cut-backs that made the future uncertain. He added that countries at risk included Greece and Portugal, and even Germany, as Europe could have reached the "Keynesian endpoint".

Mr Davis then spoke to the financial spokesman for Fine Gael, Brian Hayes. He said that there may be implementation challenges, but his party was also committed to reducing the deficit to 3% of income. He added that ways of achieving that would be decided by an incoming government. He disputed that 20% of tax revenues would go on the loan, as it depended how much would be actually drawn down of the loan. He said the challenge was to stimulate the economy.

Robert Peston said there was relief that the EU had shied away from forcing the banks to shoulder some of the losses. He added that the hard bit now started for Ireland, involving "massive sacrifice". The question had to be whether those sacrifices could be delivered. He added that part of the deal was that from 2013, lenders could also be penalised, causing anxiety across Europe.

At 8.50am, Sarah Montague interviewed Alai Chopra who had led the IMF negotiations with Ireland. He was asked whether the package was enough; whether the IMF was charging only a 3% rate of interest on its loan because it was thought that this was all Ireland could afford; why bondholders were not also being asked to stump up as well as taxpayers; whether this was unfair on taxpayers; and how soon it would be known whether the bailout had been a success.

November 30

In Business News, Adam Shaw noted that despite the Irish bailout, concerns were increasing about Portugal. He interviewed economist Tony Crescenzi, a former MEP. He was asked whether some sources welcomed the problems because it brought political union on the agenda. He said that such an approach was not welcome, and he warned that if there had been federal union, the backwater states would have sunk. He thought pressure for a bailout for Portugal from the ECB was unlikely to materialise.

December I

Jonty Bloom discussed with John Humphrys the new EU foreign affairs office, operational from that day.

JONTY BLOOM: Yes, they won't quite allow to call it that, but it is in everything but name a foreign office. It'll have the equivalent of embassies and ambassadors around the world. Very many of them, more than nearly any other country could possibly have, and of course their own foreign secretary in Catherine Ashton, who's actually called the High Representative for Foreign Policy and Security.

JH: But they don't have a foreign policy?

JB: Well, they don't have an individual foreign policy. There's been a lot of criticism that this is actually a duplication of the efforts of 27 member states, but there's an awful lot that the European Union does do on its own in foreign policy terms. For instance, it's taking the lead in negotiations with Iran about its nuclear policies. It does a lot of . . . it negotiates on behalf of trade for all 27 member states, so it'll be doing more of that. So it does have quite a few things it does, but it isn't a country in its own right really, this in an attempt to make it more like a country in its own right, but it isn't.

JH: It isn't (*laughs*) but it does have a foreign policy. It doesn't have the wherewithal – I suppose this is the main point isn't it – it doesn't have the wherewithal to prosecute that policy, unless every member country agrees that it should. It doesn't have its own army.

JB: No it doesn't, but it, you know, it has an awful lot of money, it takes quite a strong lead, as I said, in trade negotiations, but also in things like aid, emergency relief, things like that, negotiating with Third World countries about access to European markets, all those kinds of things are powerful reasons for having their own policies. They're a powerful influence on the world; it's not just the military that achieves things.

JH: So, to go back to that question that allegedly was asked by Henry Kissinger, 'When I want to call Europe, who do I phone', does he phone Lady Ashton, Catherine Ashton?

JB: I don't know, actually. Funnily enough we asked that of the EU's new ambassador in Washington, who do they call, and he said, 'Oh, well, they can talk to all 27, but they can also phone me if they want to'. So they are pushing that line, that if you want to speak to the EU as a whole, there is now someone to talk to. But whether people actually do phone them up, well, that's to be seen.

In Business News, it was said that fears that one of the bigger EU countries could default on its obligations towards Ireland, the gap between bond yields in EU countries had reached the highest level in the 12 years that the euro had been operational. Adam Shaw said there were bond auctions which would test the level of market unease. French finance minister Christine Lagarde was quoted

as saying that the need was to strengthen the eurozone so problems could be spotted earlier and dealt with. Jane Sydenham from Rathbones said the markets were trying to get on the front foot. She said the ECB needed to send a signal to say they were serious about holding the eurozone together.

In a Business Update, Adam Shaw said that lenders were pushing up interest rates because they were worried about the prospects of loans being paid back. Jeremy Stretch is the chief market strategist at the bank CIBC, said the eurozone was in a great deal of trouble because of the higher interest rates. He was asked if the euro could continue. He said the euro was a political construct and it depended how much the politicians were prepared to underwrite the cheques. Adam Shaw said the power of the markets was greater than that of governments. Mr Stretch responded that this was true up to a point but politicians were currently determined to underpin confidence, at least for the next two to three years.

December 2

In Business News, Adam Shaw said that Jean Claude Trichet, of the ECB, was expected to issue a statement declaring Europe's determination to solve the crisis in the eurozone. Peter Westaway, of Nomura, said that the problem was that the ECB did not make very explicit statements about the number of bonds they intended to buy. He said this was a long term problem which governments needed to sort out and the problem was that the markets did not feel the solutions were credible. He warned that unease was spreading, with bond prices in Spain, Italy and Germany all falling, but said that the euro would survive because the political will for it to do so was strong.

James Naughtie interviewed Tim Yeo about a ratcheted CO2 limit for power stations emissions being proposed by a Commons select committee. Mr Yeo said it could be introduced – with tightening impact – over 10 to 15 years. David Porter of the Association of Electricity Producers said his members were already de-carbonising, and were worried that £200bn of investment to meet the EU-ETS cap and trade scheme would be undermined by the proposed new standards. He said it would be a signal that the EU-ETS scheme was not working. Tim Yeo responded that the aim was the prevention of new build high carbon power stations. He said there could be no agreement on the tightening of the EU-ETS scheme because it would need all 27 members and that would not happen.

December 3

Justin Webb asked Elena Salgado, Spain's finance minister, about the danger of her country needing a rescue package. She said it definitely did not need one. Mr Webb said that had been the Irish response. Ms Salgado said that Spanish banks had been through stress tests and it proved financial supervision was much better. Mr Webb asked if she had sympathy with the German people's view that they did not want to be involved in future bail outs. She responded it was important to think of Europe, and the euro had benefited everyone including Germany. Mr Webb said in future it might

not be because it could be unsustainable. Ms Salgado said the need was to stimulate growth and improve economic governance as well as devise a common economic policy.

December 4

At 8.10am, James Naughtie spoke to ex-Charlemagne columnist in Brussels, David Rennie about the future of the euro. Mr Rennie argued that the big problem was that countries like France and Germany could not agree on what further integration there should be in Europe. Mr Naughtie suggested that the drive for further integration had actually run out of steam over the past two years or so. Mr Rennie suggested that Britain was in denial about the euro, and Germany, for its part, wanted to solve problems by making a German Europe. France, for its part, wanted common borrowing levels, the elimination of low taxes. He added that there was an economic need for integration, but the political will was not there, against a background of rising scepticism among the public in countries like Germany. He observed: "...the economics are pointing towards something much bolder at the moment".

Peter Sutherland, ex-chairman of BP and a former European Commissioner, said that despite the recent stresses, the euro would survive. He claimed that problems of political integration were not as great as presented by Mr Rennie, and said there was a "significant degree of European integration everywhere". He added that most people saw Europe as a huge success. James Naughtie said there were people who did not want to go further with integration, even in Europe. Mr Sutherland countered that the recession had made people understandably nervous, but policy makers knew that the success of the euro was bound with the EU, and if things went wrong with the euro, the EU itself would be under threat. He added that the euro was needed to balance the world economy.

December 6

Jonty Bloom said that the plans were being considered for the issue of European bonds, and he speculated that they could work quite well. He explained that this would allow Ireland and Portugal to borrow at a European rate which would be tied to the quality of the German economy. This would replace the current system under which everyone had to borrow at the rate they could, based on their own economy. He said it would bring down the cost of borrowing for everyone. Evan Davis said the Germans might not like because it would mean they were underpinning the borrowing of everyone. Mr Bloom agreed that the Germans had reservations and the German courts were preventing progress. Mr Bloom also commented on an IMF report which called for more flexible markets and "fiscal consolidation" to avoid more borrowing. Mr Bloom added that the amount of support put into rescuing Ireland did not look enough because there could now be a need to help Portugal.

In the Newspaper Review, it was noted that the FT had a story which covered the row about E-bonds.

Business News reported fresh splits in Brussels over dealing with the eurozone crisis. Adam Shaw said that Luxembourg and Italy were calling for the launch of E-bonds, but Germany was worried. Austin Hughes of the KBC bank, noted that the Irish budget, due that day, would take 4% of GDP, and there were worries about the social impact. Simon Brazier of Threadneedle Investments commented on a report that the governor of the bank of England, Mervyn King, had warned that Britain could be marginalised if eurozone countries moved towards political union. Mr Brazier said the remarks were made some time ago, and Mr King was now happy to be on the periphery of Europe.

December 7

Bulletins said that the founder of WikiLeaks, Julian Assange was meeting the British police to discuss a European Arrest Warrant issued by Sweden.

Mark Simpson said the toughest budget in Ireland's history, aimed at saving 5bn euros in the next year, would be announced. He claimed it would be "absolutely horrible", with child benefit cuts and increased taxes. He said there was no guarantee of it winning parliament's approval.

Newspapers mentioned the Julian Assange warrant.

In Business News, Adam Shaw said Germany was resisting at grass roots level the launch of the E-bond. He interviewed academic economist Marcus Kerber, who was challenging the bond in the German courts. Mr Kerber maintained that the bailout of Greece could be illegal because the euro was not set up to deal with deficits. He confirmed he believed the bailouts could be stopped. Mr Shaw asked whether it would be a Pyrrhic victory because if he won, the euro would collapse and that would harm Germany. He accepted it could create huge losses for the German taxpayer, but the removal of the euro would lead to Germany becoming competitive again.

Julian Chillingworth, of Rathbones, commenting on claims from the Office of Budget Responsibility that the euro might collapse, said that the key issue that would be debated more and more was whether you needed – for a successful monetary union – combined fiscal and monetary policy "and that needs to be across the whole of the members of the euro group".

At 8.45am, in a Business Update, John Fitzgerald from ESRI, the Economic and Social Research Institute in Dublin, said the first cuts were part of 15bn euros over three years. He said everyone in Ireland was drawing in their horns, adding that although the economy would grow the next year, unemployment would stay high. He added that Ireland was an open economy and that would help. He ruled out a return to a high growth rate

At 8.45am, Justin Webb looked at the prospects of Julian Assange being extradited under the European Arrest warrant. It was said that the terms of the warrant required that before he was extradited, he would need to be charged; it could not be used purely for questioning purposes.

December 9

In Business News, Dominic Laurie said that the EU now wanted to scrap all telecom roaming charges by 2015. Telecoms consultant Matthew Howett said that this was not a market that was functioning properly and “required the Commission to intervene”. He said the issue was whether the Commission intervened again at the retail level, which would be controversial.

At 8.16am there was a brief mention that the EU had tried to limit freedom on the internet (discussed in connection with Julian Assange and WikiLeaks).

December 10

Business News included an item about new European rules about bank bonuses – compelling a proportion to be paid in shares - likely to be endorsed by the FSA.

In the newspapers review, there was mentioned an FT item about Conservative back-benchers being unhappy about David Cameron’s stance on Europe.

At 7.19am, Robert Peston explained the new rules about bank bonuses. He said established banks were concerned that the intention was to make the rules global in reach.

December 11

In an item about oil prices, it was noted that the dollar was expected to strengthen against the euro in 2011 because of the “structural weakness of the eurozone”.

December 13

Business News examined a forecast that the EU economies would be divided into three in 2011 – those with growth about 3%+, 2%+ and those that would shrink. Adam Shaw, noting that Slovakia was one of the few countries in the top tier underlined the plight the euro was in. He explored whether this would lead to a formal split in the euro. Marie Diron of Ernst and Young said not. She predicted that the eurozone would continue to muddle through.

December 14

Bulletins noted an Amnesty International report which condemned the EU for paying Libya to stop immigrants crossing from North Africa to Europe.

An item about Silvio Berlusconi noted that Italy was desperate to “stay out of the emergency ward of the euro”.

It was noted that Chatham House would discuss whether the rise of China spelt inevitable decline for Europe. Richard Youngs said that EU had failed to put in place a farsighted policy to respond to decline in Europe. Steve Tsang said that Europe’s decline could be exaggerated and the rest of the world still aspired to European values. Mr Youngs added that the EU was turning too inward and was not doing enough to support human rights round the world. Mr Tsang said it was vital for Europe to become more “unitary” and function as a unit on the international stage.

December 15

Bulletins said the Irish parliament would vote on the EU-IMF bailout, with some MPs saying that the rate of interest (6%) was too high.

Mark Simpson predicted that the Irish Dáil would pass the bailout legislation.

Clive Coleman discussed the operation of the European Arrest Warrant in the light of the Julian Assange extradition attempts. He said it was originally introduced on the basis that all justice within the EU was equal, so someone would therefore get a fair trial wherever it happened. He noted that Mr Assange could only oppose it on technicalities (e.g. was it properly served). He added that Mr Assange’s had nevertheless indicated that he would oppose the warrant because it had been politically motivated. Mr Coleman was asked by Justin Webb is there was a re-think going on about the warrant. He replied that there had been a lot of criticism, from groups like Fair Trials International, mainly for the warrant being deployed to deal with minor offences.

An item noted that the EU might take action against the prime minister of Kosovo over allegations that he had criminal gang connections.

At 7.16am, it was noted that David Cameron would address his backbenchers amid concerns that his EU-related policies were not tough enough. There was a quote from Andrew Bridgen MP:

I’m a politician; I’m merely the custodian of power for a brief moment of time. Sovereignty is not mine to give away, it belongs to the people. I would have liked to have seen a stronger referendum lock. I don’t want to see the sovereignty of our great nation bled away in a death of a thousand cuts, and I will not stand idly by and watch that.

At 7.23am, barrister Julian Knowles further discussed the European Arrest Warrant. He claimed it had been used in trivial offences, including the theft of piglets and not being nice to a prison cellmate. He said the problem was that the warrant did not distinguish between (for example), serious and trivial cases of theft, on the ground that “theft” could merit many years in jail. Mr Webb noted the government was reviewing the operation of the warrant, but suggested that the problem was that it was not just a legal matter, but also a political one. Mr Knowles said the review would take a long time, and would then face the difficulty that to be changed, it would put the UK in breach of its “European obligations”, so it would not be as straightforward as changing domestic law. Mr Webb asked if this meant the UK would be effectively banned from such change. Mr Knowles said the Home Office would be against change, but the Met would welcome change because of the amount of time spent on trivial cases.

Evan Davis said that Moody’s was reviewing the credit rating of Spanish bonds.

December 16

In Business News, Patrick Armstrong from Distinction Asset Management discussed possible changes in the EU treaties to create a permanent bailout mechanism. He said the most likely outcome was that Germany would press for the ECB to be able to buy bonds in troubled countries. The possibility of a bailout for Spain was also discussed.

Gavin Hewitt said the latest EU “summit” would consider a safety net for troubled countries. He said the emphasis would be keeping treaty changes small enough not to require referendums. He added that the UK government line was that proposed changes would not affect Britain because it was not in the euro. Mr Hewitt also speculated that the EU measures announced so far had led to serious austerity measures, but despite this, Ireland and Greece would probably need their debts restructured. He said that in this context, it was hard to see what solution could be offered.

December 17

Bulletins said that EU leaders had agreed to make small changes to the Lisbon Treaty, paving the way for a permanent bailout mechanism. Gavin Hewitt said that David Cameron had insisted that the UK would not foot the cost of future bailouts. He added that Mr Cameron had also sought to limit future increases in the EU budget.

Jean Stephens of accountants RSM International said in the Business News that new EU regulations proposed by the European Commission would continue to improve operations in the sector, but her firm wondered whether the costs involved were worth it. It was also mentioned that the Bank of England had warned that a collapse in bond markets could put earnings of UK banks under threat, and

mortgage rates could also be forced up. Lesley Curwen added that the bank believed that that if a eurozone country defaulted on its debts, bond prices could snap back.

Jonty Bloom said the Lisbon Treaty change amounted to two sentences, and the hope was that they could be approved by parliaments. He conceded that Eurosceptics were nevertheless likely to press for referendums. He noted David Cameron's insistence that the UK would not pay towards future bailouts.

Nils Blythe noted a Bank of England warning that the UK could suffer because of the eurozone problems through exposure to debt. He said that the bank wanted much stronger bank stress tests. Robert Peston also reported on this at 7.14am.

John Humphrys noted that it was a great time for "those who have opposed the euro" and those who said "thank God we never joined". He asked Gavin Hewitt if the UK would be required to bail out the euro in future EU financial crises. He replied that a permanent mechanism came into effect in 2013 and as the UK was not a member of the eurozone, it would not then be liable for contributions to the mechanism. He added that there was IMF involvement and Britain was a member of the IMF. He said that currently there was a pot of 60bn euros to which Britain did contribute, operated under article 122 of the Lisbon Treaty. He said that David Cameron now believed he had a "belt and braces" guarantee that after 2013 this would not be used for future bailouts. He stressed that although the wording was loose, Downing Street was confident of the agreement.

APPENDIX II

SELECTION OF EU STORIES NOT COVERED BY TODAY

October 1 Ireland's deficit was set to reach 32% of GDP, prompting worries that the country may had to turn to the EU for help (**Times, Guardian, Telegraph, Mail, Express, FT**); Vince Cable had warned MEPs that if they did not cut the EU budget, there would be a backlash (**FT, Mail**); higher insurance premiums could result from a new EU directive (**Mail**); the EU was taking BT court over its use of browsing history technology (**Mirror, Telegraph, FT**); the EU could take the UK to European Court of Justice over limits to tax refunds granted to multinational companies (**FT**).

October 4 Future prospects for the euro were bleak because there was no fund to deal with stress in the eurozone (**Sunday Telegraph**); the EU was to open a new £25m office in London; (**Sunday Telegraph**); the European Parliament had doubled entertainment allowance (**Sunday Times**); France had deported Roma people, despite objections from the European Commission (**Sunday Telegraph, FT**); over 1,000 hedge fund managers had left the UK, depriving the taxman of £500m in revenues, because of the new 50p tax rate (**FT**).

October 5 Government proposal to split the FSA risked undermining Britain's role in the Pan-European Securities and Markets Authority, according to the Lib Dem Sharon Bowles, chair of the European Parliament's Committee on Economic and Monetary Affairs (**FT**); Ofgem had warned that £32bn was needed to hit the EU's renewable energy targets (**Times, Guardian and Independent**); Libya had resumed calls for 5bn euros a year to curb the flow of immigrants (**AFP**).

October 6 William Hague outlined plans at the Conservative party conference for the government's new European Union bill, including a sovereignty clause and referendum lock (**Evening Standard**); EU energy commissioner wanted powers to decide cross-border planning disputes (**Handesblatt**); the European parliament had frozen an £18.6m budget for creating 118 new posts in the new European external Action Service, until EU foreign minister Catherine Ashton explained why the posts were necessary (**European Voice**).

October 7 The EU seemed to be closer to new hedge fund rules including the issuing of "passports" allowing approved managers to operate throughout the EU (**FT**); the cost of the EU Galileo project had rocketed by a further 1.5bn euros, and would cost the European taxpayer 20bn euros over 20 years (**FT**); The European Parliament had contracted AFP to mount coverage of the EU institutions in six languages at a cost of 10m euros (**The Parliament**); William Hague's announcement of a sovereignty clause (**Mail, Guardian, Daily Express, Sun**); China had hit back

at the EU “summit” that its currency was too low (FT); banks could have to offer current accounts to all, irrespective of their credit interest, according to new EU rules (**Daily Telegraph**).

October 8 Germany would outline details of a permanent bailout mechanism for the eurozone (**Independent, Times, Express**); Baroness Ashton (the UK’s E commissioner as well as foreign minister, had failed to attend a crucial debate in Brussels about the UK’s £3bn rebate – which many EU elements were trying to scrap - because she was in Mauritius (**Times, Telegraph**); the EU was trying to impose tougher restrictions on bankers’ pay, leading to fears about competitiveness (**Guardian, Mail, Times, FT**); the EU’s tax commissioner had submitted a paper proposing the introduction of a Financial Activities Tax, generating 25bn euros, but leading to fears that banks would relocate (**Guardian, Mail, Independent**); the EU had been accused of preventing access to cheap generic medicines by aggressively pursuing trade agreements with pharmaceutical companies (**Guardian**); the UK could soon be using a French lab to service its nuclear warheads (FT) .

October 11 France was pushing hard to give the soon-to-be created European Securities and Markets Authority the exclusive power to issue so-called ‘passports’ – EU-wide marketing rights – to funds based outside the EU, and also directly supervise these funds under the AIFM Directive. The UK could possibly cave in on such new powers for ESMA, in return for keeping the ‘passport’ provision in the Directive (FT); the US had pressured the EU over bailout plans for Greece, according to Alistair Darling (FT); new EU rules on bankers’ bonuses agreed by the Committee of European Banking Supervisors (CEBS) had attracted widespread criticism amid fears they could force businesses to relocate outside the EU (FT, Guardian, Telegraph, Mail, Express, Independent on Sunday, FT); Peter Mandelson was channelling book royalties into a private firm in order to keep his EU payoff (Sunday Times); the coalition was divided over the EU’s proposed free trade agreement with India, which would lead to looser immigration rules (Telegraph); more than 40,000 children received UK child benefit under EU rules, despite living in other member states (Telegraph); proposed EU rules to remove sex discrimination in the insurance market could lead to pension cuts for men (Independent on Sunday); a group of UK business associations had asked that the EU’s REACH directive governing the chemical industry could be temporarily suspended because it exposed UK industry to significant risks (FT).

October 12 The European Commission was gearing up to introduce new rules extending a ban in smoking in public places across the entire EU (EUobserver); après conference had been called of after MEPs and the Belgian Presidency failed to agree the terms of a new directive governing hedge funds (Guardian, Telegraph); a new survey had found that the EU working time directive was damaging the standard of medical care from doctors (Times); Greece was in negotiations to extend the period of its EU loans (FT).

October 13 MPs would discuss the EU budget but had no power to veto increases (Telegraph, FT); MEP plans to extend EU maternity leave to 20 weeks had come under fire from the British government (Telegraph); Portugal might have to tap into the EU bailout mechanism (Times, FT); the EU was to toughen up rules governing offshore oil and gas drilling (Guardian); third parties could

be given the responsibility for appointing and paying for the audit of EU companies and organisations considered systematically important (**Times**) .

October 14 – the government had said during a parliamentary debate that they would be looking for a freeze in the EU's 2011 budget, and an amendment from Douglas Carswell asking for a reduction in how much the UK gives to the EU had been defeated (**Telegraph, Mirror**); 250 MEPs had taken a £350,000 study break in Madeira (**Telegraph**); CO2 emissions generated in the production of imported goods and services into the EU had increased by 42% (**Guardian**); the UK faced a clash with the European Commission over the REACH chemicals directive (**FT**); following the Hungarian toxic chemicals spill, the EU would test the efficacy of its recent legislation forcing polluters to pay (**FT**).

October 15 – German leading economic research institutes were pressing hard for the adoption of a new EU bailout mechanism for failed economies (**FT**); Italy had joined France in the defence of the CAP (**AFP**); George Osborne and his French counterpart were expected to hold talks to thrash out an agreement on the AIFM directive (**FT**); the European Court of Justice had ruled in a 15-year-old legal battle involving three British lecturers working in Italy (**Telegraph**); the NHS had stopped monitoring hospitals' compliance with the EU working time directive (**Times**); British business leaders had urged MEPs to vote against the EU's 20-week provision for maternity leave (**Telegraph**).

APPENDIX III

UKIP TRANSCRIPTS

Transcript of BBC Radio 4, Today, 6th November 2010, Interview with Nigel Farage, 7.52am

EVAN DAVIS: UKIP has a new leader – or, actually, it has its old leader back again. Nigel Farage was re-elected to the top of the party yesterday, there were about 10,000 votes among party members and he got most of them. He's had, literally, a pretty up and down year, I think it's fair to say, with surviving a plane crash on polling day and he is with us now. Good morning, you're looking very well, actually.

NIGEL FARAGE: I've been a very, very lucky boy indeed, to get through the accident, and now to take on this job again at what I think is a very good time.

ED: Yeah. Do you see any connection between UKIP and the Tea Party movement which has been making such waves in the United States? I mean, I can see all sorts of similarities, because it's not just about Europe, is it, UKIP really . . .

NF: No, no.

ED: You talk about immigration and taxes and bloated government.

NF: It's about government. It's about too much government, it's about the fact we're not having our say, it's about the fact that the political class in this country, Labour, Liberal and Conservative now appear to be the same party, almost indistinguishable from each other. So there are similarities there. The difference, of course, is the Tea Party is happening within the Republican Party, where as UKIP is outside the mainstream.

ED: But if we do accept some comparison, you're Sarah Palin, in a way, aren't you?

NF: *(laughs)* Well, I don't know whether I'd accept that comparison! But I, I certainly . . .

ED: Do you admire her? Do you admire the Tea Party?

NF: Yes I do. Very much so. I think they're right. I think there is, across the Western world, there is too much government, we're all paying too much tax, and we're not being listened to.

ED: You say that one of the differences, of course, is the strategic one – they have really, let's use the word, infiltrated the Republican Party, you have chosen not to, for example, work within the Conservative Party, which is probably where you would do it if you were to do it. Maybe that would be a more effective route to get the objective you support?

NF: I don't think so, no. I'm afraid the Eurosceptics within the Conservative Party, whether it's in Brussels or in Westminster, now are very isolated bunch, they're not being listened to at all. UKIP got two and a half million votes in the last European elections, a million votes in the last general election. I think, that given that Cameron has given up on virtually every Conservative principle, we got a chance of picking up many more votes and it's by applying that pressure that we might get what we want, which is a referendum on our membership of the EU.

ED: But you're, you're quite likely, even I think with an alternative vote system in this country, it's going to be quite an uphill challenge to get a single Parliamentary seat isn't it, in Westminster? I mean, you can't just be winning these European votes, because you know I know that the European Parliament doesn't hit the mainstream in this country the way that Westminster does.

NF: We've come from nowhere to coming second across the entire United Kingdom in the last European elections, nobody would have believed that's possible. I see us now on virtually every single issue, UKIP is the only party standing and saying what most people really think. Of course we should be controlling our borders; of course we shouldn't be pouring £50 million a day down the European drain. Issue after issue, and I think there's big change coming in British politics and UKIP could be a real catalyst for that.

ED: But why do you think the Tea Party movement is more successful in the US than UKIP has been here? Because everything you're saying may be true, but it's still not as big an effect, not making the same shockwaves on British politics that the Tea party has in the States.

NF: No, I mean, we've succeeded in European Elections. We haven't yet done it properly . . .

ED: You haven't broken through outside that yet?

NF: No, I accept that fully, we've got a lot to do, and that work starts today, we've got to raise money, we have got to grow as an organisation, but I'm confident that the policies we're campaigning on are now very popular amongst British people. Frankly, just talk to the man in the pub, you can't tell the difference between the coalition government and the Labour opposition.

ED: Talk to the man in the pub is a very interesting phrase. In a way, there's a degree of anger in the country, there is a degree of anger in the United States. People feel frustrated with all sorts of things, don't they? And in a way, do you see your party as a party for angry people?

NF: I think when we founded it, it would be fair to say that UKIP was 'disgusted of Tunbridge Wells', there's no doubt about that, in the early 1990s we were. If you came to a party meeting now, you would see a much younger generation of people that are turning up, that are supporting UKIP and there's a positive message. And the positive message is we want our democracy back, we want to control our own destiny, and we want the UK to be part of the global economy, not inextricably linked to the European backyard. So, no, there is a very positive vision for the future.

ED: But I mean, anger is really the motivating force for the party, isn't it?

NF: Well, you could argue that with all politics, couldn't you? You could argue at each election we vote for another party because we're cheesed off with who's in office. Look, we're not . . .

ED: (*interjects*) Are you angry?

NF: I am not an angry old man, I'm a businessman who's turned to politics, because I think our political class have completely let down and never, ever, put the national interest first. We've come a long way, we got further to go, just watch us.

ED: Nigel Farage, thank you very much.

**Transcript of BBC Radio 4, Today, 16th October 2010, UKIP Leadership Election,
7.18am**

JUSTIN WEBB: The candidates vying to be the next leader of The UK Independence Party held their final public hustings last night. The contest was triggered, of course, by the resignation of Lord Pearson, who declared himself unsuited to party politics. The former leader, Nigel Farage, is in the running alongside David Campbell-Bannerman, the economist Tim Congdon and the former boxer Winston McKenzie. Ross Hawkins reports.

WINSTON MCKENZIE (*shouting*) Make communication, (*sounds of laughter from audience*) communication feed the nation! Let me hear you say, 'communication'!

AUDIENCE: Communication.

WM: Thank you.

ROSS HAWKINS: Labour's leadership hustings might have won more headlines this autumn, but UKIP's own contest hasn't lacked passion. This has been a smaller affair, of course, but at last year's European Elections, UKIP was more successful than Labour, which is why the choice of UKIP members gathered here matters. They must decide whether to choose a new leader or to re-elect Nigel Farage, who stepped down from the job to fight the House of Commons Speaker, John Bercow at the general election. He lost, and was badly hurt in a crash on polling day. This week he was invited onto Question Time. One of the other candidates successfully protested, and Mr Farage missed out on a BBC1 appearance. He isn't very happy about it.

NIGEL FARAGE: Well, Mr Bannerman clearly thinks that his own ambition and his own ego matter more than the interests of the party, and frankly, I'm appalled by that. I think the act of getting hold of Question Time and saying it was all wrong and against party rules, was just an act of envy.

RH: Envy of you?

NF: I think so.

RH: The man who complained to the BBC about Nigel Farage's invitation was the deputy leader, MEP, and candidate David Campbell-Bannerman.

DAVID CAMPBELL-BANNERMAN: The point about this is that it was not professional for anyone of the leadership candidates to go on that programme. I would have turned it down as well, because we're in the middle of a leadership election, and people need to understand, you know, that

the consequences of that decision could have been very damaging to our long term relationship, you know, I'm thinking long-term, with the BBC.

RH: Mr Campbell-Bannerman says he is the only candidate who believes in formulating a full set of policies. Well-known economist, Professor Tim Congdon, who once advised the Treasury and now aspires to lead this party declined to enter the Question Time debate. His campaigning point is that UKIP needs to do more work in Britain rather than in Brussels.

TIM CONGDON: So we have this paradox that our greatest political success is that we have these MEPs. And I don't want to be an MEP, I want to bring the fight back to the UK. That is my main, if you like, unique selling point in this, in this leadership election.

RH: The main selling point of Winston McKenzie, a former boxer, could be a varied political experience. He's been a member of the Liberal Democrats and Veritas, and he stood as an independent in the London Mayoral Elections. But he's promoting – in robust terms – Britain's relationship with the Commonwealth.

WM: Their fruits, their apples, bananas, pears, oranges, everything go the . . . yams, green bananas, everything goes to rot in the streets, while we turn our faces – all heads turn to Europe and down the straight we go like sheep!

RH: The previous man in charge of UKIP, the former Conservative peer Lord Pearson had a rather more muted style. He left with the unique admission that he was not much good at party politics, those in this hall and their fellow members now have to find a leader who is.

APPENDIX IV

WORKINGS OF THE EU

At various points during the survey period, BBC correspondents and presenters sought to explain elements of the working of the EU. These are listed in full to illustrate the extent to which Today provided listeners with such background information.

October 1 Clive Coleman explained that the European Court of Justice had ruled that Sharon, the mother of a disabled daughter had been discriminated against under the Equality Act because her employers had not been flexible about giving her time off work and had labelled her lazy. This was the only reference to the ECJ in the item, which discussed the general operation of the Equality Act.

October 23 MEP Sidonia Jedrzejewska, of the European Parliamentary budget committee, was asked why the Parliament was seeking a 6% budget increase. She said they had been approved in 2006. She added that the Lisbon Treaty had introduced “several tasks” for the EU that were new and attempts were now being made to find the resources; member states did not want to pay “which I find unfair”. She added that much more was being done for the same money in a framework set in 2006. She claimed that British universities benefited enormously from elements of what was being offered that was linked to structural policy. She said that in this context, the asked-for increase should not be a surprise.

Daniel Hannan MEP was also part of the same exchange and he strongly disputed the need for the increases.

October 27 Nick Robinson said that David Cameron would tell key EU leaders that, “providing it doesn’t involve any transfer of power from Britain to Brussels”, he would not stand in the way of treaty changes to strengthen the eurozone, though he would warn that the move would likely trigger referendums in other countries. He would add that parliamentary approval could not be taken for granted.

October 28 Correspondent Matthew Price discussed a meeting of the European Council (“the top strategic body of the EU”). He said David Cameron had wanted a freeze on the EU budget but was climbing down to accept a 2.9% increase in the face of intransigence from other leaders. He added that the UK government’s real goal, though, was to freeze the budget between 2014 and 2020. Evan Davis suggested he had a unique opportunity because France and Germany wanted treaty change and that could be used as leverage. Mr Price agreed, and expanded that the French and Germans wanted a permanent mechanism for dealing with sovereign debt crisis. He opined:

Now, because it’s within the Eurozone, it clearly doesn't directly affect Britain, although Britain, of course, says it wants stability in the Eurozone. And because it doesn't directly

affect Britain, it is the opinion of lawyers for the British side of this, the Brits here in the European Union, it's their opinion that the British government wouldn't actually have to agree to any treaty changes. So it's kind of easy for David Cameron, he can say to the Germans and French, look, I'll support your measures, you should do what you need to do to get stability in the Eurozone, by the way, at the same time, let's talk seriously about limiting the budget.

At 7.09am, Justin Webb said:

This could be a very interesting day in Brussels. European leaders will discuss their budget for 2011 with David Cameron saying current plans are unacceptable, there is also the question of future rescue plan to Eurozone countries that get into trouble - the Germans want European treaties governing the euro to be rewritten, opening the prospect of nations and hold referendums, a plan which could destroy the European Union according to the Hungarian Europe minister. Well, Gavin Hewitt is our Europe editor and he is on the line now. Gavin, let's start with the Eurozone side of all of this, because it does on the face of it seem rather reckless, simply to enter into another huge round of political negotiations just after the last one was settled, and look at how difficult it was to settle.

Gavin Hewitt explained that Britain would attempt to influence the longer term (after 2014) budget rather than trying to get a freeze for 2011, because that was unrealistic.

At 7.31am, Evan Davis said:

Should David Cameron play hardball in Brussels today? He's off to the European Council, now that's the European institution dominated by the leaders of the member States, it was given a new formal status in the Lisbon Treaty and it's responsible for setting the direction of the EU. What the Germans and French want is a new treaty to set new rules for the eurozone, but for that they need British approval. So should we give it? What Britain wants, or what the British government wants, is a smaller EU budget.

Nick Robinson said that David Cameron could be asking for the repatriation of powers in return, but he wasn't; he was going to agree to a change in the treaties because it would not affect the UK. He added that the budget was not even on the agenda, but Mr Cameron had pushing hard that it should be "because in an age of austerity we look ridiculous increasing our own by 6%"

Mr Robinson said that cynics would say that Mr Cameron was fighting about the budget to distract from the fact that he was not having the fight that many Eurosceptics wanted him to have. He added that this aside, the prime minister needed just one country to switch sides to achieve a "sort of deadlock" that would lead to a budget freeze. Mr Robinson claimed this was the first step in Britain's battle over its budget rebate. He explained that Britain's contribution to the EU was scheduled to rise from £3bn to £9bn by 2014 even before discussions began on actually ending the rebate, a move which "all other countries in Europe would like to do".

This was followed immediately by an interview with Europe minister David Lidington, who claimed that the new EU foreign service would save costs over the piecemeal operations in this sphere that had previously applied.

October 29 Jonty Bloom said in the bulletins that the EU had agreed at a “summit” tougher regulation of countries in the eurozone and that Germany had insisted on treaty changes to enforce this. He said the president of the European Council had been give the delicate job of working out how this could be done without having to ratify the treaty again in 27 countries. Later, Mr Bloom said that Germany wanted voting rights taken away from countries which did not meet financial rules, a “radical change” in the Lisbon treaty that could set off referendums. He added that Mr Cameron had not achieved much on the budget because most member states had not wanted 6%. Evan Davis asked:

...who does make the ultimate decision? I mean, can the Council of Finance Ministers, for example, stop it going about 2.9 – they can't veto that?

JB: Well what they can do is if the negotiations drag on past December, David Cameron will get what he wants, because if there isn't an agreement between parliament and the member states then this year's budget is basically repeated next year, at the same level, and is frozen. So in a sense, if the negotiations break down, Britain will have got what David Cameron said he was going to get over the weekend.

At 8.16am, Evan Davis interviewed William Hague what had been achieved at the summit. He claimed that Mr Cameron had stopped a 6% increase, had secured an opt-out from any sanctions on member states arising from treaty changes to reinforce the eurozone and, after 2014, “in unprecedented language”, budgets must reflect efforts of member states to control deficits and debt. He also claimed that a freeze between 2011 and 2014 only narrowly missed a blocking vote.

November 10 It was noted in business news that the EU had fined airlines £690m for fixing cargo prices.

November 12 It was reported that the EU states were at loggerheads with the European Parliament over levels of future increases in the EU budget.

November 15 Matthew Price (6.10am), giving the background to continued struggles about the EU budget, described the European Commission as the “civil service if you like” of the EU. He said that the European Parliament, which “got more power” as a result of Lisbon wanted a 6% increase in the EU budget and to ensure increases through 2014-2020, while many countries, including the UK, were opposed. He claimed that despite this, because of the opposition of countries like Germany, the increase was pretty much nailed down at 2.9%. He added:

The argument now is about power. You'll remember the Lisbon Treaty, that tortuous treaty that eventually came into force almost a year ago now, under that treaty Parliament, the European Union Parliament got more power and what they're looking for, if they agree to, as

they see it, an increase of just 2.9%, they'd prefer closer to 6, they want certain guarantees that when discussions begin on laying out how much money the EU will have spend for its multiannual financial framework, the amount of money it gets for 2014 to 2020, they want to nail down that they will be a part of that, and that is where the disagreement begins.

Gavin Hewitt, reporting from Dublin, said categorically that Britain would not have to pay for the Irish bailout. He stated:

. . . it would be a similar situation to that of Greece, it did not involve UK money, so if there was a bailout, this would not involve us. It's not clear at this stage exactly where the money would come from, but I think you would come from an EU Commission fund, but certainly British money, at this stage, would not be involved in the Irish bailout.

Evan Davis explained that the Irish did not want a bailout that involved their bonds being supported by the EU, but help from the financial stability mechanism aimed at rescuing the banks. He added that they also did not want foreigners coming in to rule their country.

November 16 At 7.09am, Evan Davis spoke – as part of a package from Dublin – to an Irish tax-driver, who noted that being a member of the EU meant that Ireland could not print euros, and being helped by other euro members meant the loss of “a little bit of your nationhood”. An Irish author also mentioned briefly loss of sovereignty. Stephanie Flanders was asked if the Irish need for help proved there was a flaw at the heart of “the whole euro project”. She replied:

Well there was one basic flaw that they were trying to have three things be true: that you could never leave the euro, that you could never default on your debt, and you would never get bailed out by other countries. It was never plausible that those three things could be true, one of them has to give, and I suppose the decision now is are you going to get bailed out in the way that you shouldn't be bailed out, or are you going to default on your debt.

JH: Or are you going to leave the euro?

SF: Or are you going to leave the euro. But that does seem, if you look at the debts of these countries, that would be the least good option for any of them. They're all painful, but that is the worst option.

November 17 Nick Robinson, discussing the Irish bailout, said that George Osborne cared passionately about Ireland, “because it is in our interest that there is stability in our principle export market in Europe” and because UK banks had stakes in Irish banks.

November 18 It was noted that a consequence of an Irish bailout could be that the UK government ended up owning Claridge's hotel because it was currently owned by the Irish banks.

French finance minister Christine Lagarde insisted that the bailout was about whether Ireland would be able to stand on its own two feet. She refused to be drawn on whether the country would be allowed to keep its current low corporation tax rate.

Stephanie Flanders, confirming that a bailout would happen, said that this would not have been triggered had Germany not forced discussions about sovereign debt and had not sent warnings to bondholders (and holders of government debt) that they would not always be bailed out.

November 19 In business news, Professor of economics and law Jagdish Bhagwati also assessed the chances of reviving the Doha trade talks. He noted that everyone wanted European subsidies to go down but doubted that this would have much impact. Mr Laurie asked if he thought the CAP was a disgrace. He agreed that it was, and suggested it was due for review, a process that was partially underway.

Correspondent John Moylan looked at the prospects of the bailout leading to a rise in corporation tax in Ireland. He noted that “some kind of conditionality” would have to be accepted.

November 22 John Redwood argued that the Irish bailout underlined the need for the UK to have a different relationship with the EU. Douglas Carswell argued that help should only be given to Ireland by the UK if the former left the Eurozone.

At 8.49am, Sarah Montague asked financial consultant Graham Bishop and Douglas McWilliams, chief executive officer of the Centre for Economic and Business Research, about the process of leaving the euro. Mr McWilliams pointed to structural problems within the currency including that Germany had to bail out weaker countries. He added:

There isn't one. There is no treaty mechanism to leave the euro, except to leave the European Union. And part of the design of the . . . of going into the euro was absolutely explicitly, to have the single set of notes and coins, which takes a long time to print and prepare. And if you as a country want to get out, the moment you hear a whisper that the Greeks are printing new notes, anyone with any sense in a Greek bank will take their deposit out, for no cost, and move it to Germany or wherever. And the banks in that country where they're printing notes will collapse within weeks.

DM: It's difficult to pull out on the way down, it's something they a poison kill built into the structure, which makes it difficult, and Graham's quite right about that. I think it's much easier to pull out on the way up though. I bet there is a warehouse somewhere with a whole load of deutschmarks which could be put into the market if the Germans decided they were to have their own currency again.

SM: So that's the most likely scenario, that there'd be a return to the deutschmark in Germany?

DM: I think Germany pulling out is much more likely than a weak country pulling out.

November 24 In business news, Simon Maughan of MF Global said that Ireland had been run badly and now needed to be run from outside, and predicted that those providing the bailout cash they were going to demand “an awful lot greater say in the way politics are run”. Adam Shaw asked if this would be a step change in the way the EU was run. Mr Maughan said he thought there was a “hardcore element in the middle of the EU that actually welcomes this kind of crisis, because it gives them precisely the opportunity to take over the sovereignty of some of the peripheral nations”.

November 29 In business news, Dr Gerard Lyons of Standard Chartered suggested that the Irish bailout package might not be enough to stop contagion, but did stop the rot in Ireland. He indicated that a major problem was that a unified interest rate did not fit all, and if the eurozone was to survive, it needed also to be a full political union. He said that without political union, the euro would come under increasing pressure under the next two years and create splits between the centre and periphery.

November 30 In business news, Adam Shaw noted that despite the Irish bailout, concerns were increasing about Portugal. He interviewed economist Tony Creszenzi, a former MEP. He was asked whether some sources welcomed the problems because it brought political union on the agenda. He said that such an approach was not welcome, and he warned that if there had been federal union, the backwater states would have sunk. He thought pressure for a bailout for Portugal from the ECB was unlikely to materialise.

December 1 Jonty Bloom discussed with John Humphrys the new EU foreign affairs office, operational from that day.

JONTY BLOOM: Yes, they won't quite allow to call it that, but it is in everything but name a foreign office. It'll have the equivalent of embassies and ambassadors around the world. Very many of them, more than nearly any other country could possibly have, and of course their own foreign secretary in Catherine Ashton, who's actually called the High Representative for Foreign Policy and Security.

JH: But they don't have a foreign policy?

JB: Well, they don't have an individual foreign policy. There's been a lot of criticism that this is actually a duplication of the efforts of 27 member states, but there's an awful lot that the European Union does do on its own in foreign policy terms. For instance, it's taking the lead in negotiations with Iran about its nuclear policies. It does a lot of . . . it negotiates on behalf of trade for all 27 member states, so it'll be doing more of that. So it does have quite a few things it does, but it isn't a country in its own right really, this in an attempt to make it more like a country in its own right, but it isn't.

JH: It isn't (*laughs*) but it does have a foreign policy. It doesn't have the wherewithal – I suppose this is the main point isn't it – it doesn't have the wherewithal to prosecute that policy, unless every member country agrees that it should. It doesn't have its own army.

JB: No it doesn't, but it, you know, it has an awful lot of money, it takes quite a strong lead, as I said, in trade negotiations, but also in things like aid, emergency relief, things like that, negotiating with Third World countries about access to European markets, all those kinds of things are powerful reasons for having their own policies. They're a powerful influence on the world, it's not just the military that achieves things.

JH: So, to go back to that question that allegedly was asked by Henry Kissinger, 'When I want to call Europe, who do I phone', does he phone Lady Ashton, Catherine Ashton?

JB: I don't know, actually. Funnily enough we asked that of the EU's new ambassador in Washington, who do they call, and he said, 'Oh, well, they can talk to all 27, but they can also phone me if they want to'. So they are pushing that line, that if you want to speak to the EU as a whole, there is now someone to talk to. But whether people actually do phone them up, well, that's to be seen.

French finance minister Christine Lagarde argued that there was a need to strengthen the eurozone so that problems could be spotted earlier and dealt with.

December 4 David Rennie, a newspaper columnist, argued that the big problem with the future of the euro was that France and Germany could not agree on what further integration that there should be in Europe. James Naughtie suggested that the drive for further integration had actually run out of steam over the past two years or so. Mr Rennie suggested that Britain was in denial about the euro, and Germany, for its part, wanted to solve problems by making a German Europe. France, for its part, wanted common borrowing levels, the elimination of low taxes. He added that there was an economic need for integration, but the political will was not there, against a background of rising scepticism among the public in countries like Germany. He observed: "...the economics are pointing towards something much bolder at the moment".

Peter Sutherland, ex chairman of BP and a former European Commissioner, said that despite the recent stresses, the euro would survive. He claimed that problems of political integration were not as great as presented by Mr Rennie, and said there was a "significant degree of European integration everywhere". He added that most people saw Europe as a huge success. James Naughtie said there were people who did not want to go further with integration, even in Europe. Mr Sutherland countered that the recession had made people understandably nervous, but policy makers knew that the success of the euro was bound with the EU, and if things went wrong with the euro, the EU itself would be under threat. He added that the euro was needed to balance the world economy

December 7 Academic economist Marcus Kerber explained why he was taking the government to court for its support of bailouts. He argued that the euro was not set up to deal with deficits. Julian Chillingworth, of Rathbones, commenting on claims from the Office of Budget Responsibility, said that the euro might collapse, said that the key issue that would be debated more and more was whether you needed – for a successful monetary union – combined fiscal and monetary policy “and that needs to be across the whole of the members of the euro group”.

At 8.45am, there was discussion of the European Arrest Warrant in connection with the request to extradite to Sweden the WikiLeaks founder Julian Assange on charges of sexual misconduct.

December 15 Further discussion (by Clive Coleman, legal correspondent) of the EAW in the context of the Julian Assange case. There was a second item featuring barrister Julian Knowles.

December 16 Gavin Hewitt said the latest EU “summit” would consider a safety net for troubled countries. He said the emphasis would be keeping treaty changes small enough not to require referendums. He added that the UK government line was that proposed changes would not affect Britain because it was not in the euro.

December 17 Bulletins said that EU leaders had agreed to make small changes to the Lisbon treaty, paving the way for a permanent bailout mechanism.

Jonty Bloom said the Lisbon treaty change amounted to two sentences, and the hope was that they could be approved by parliaments. He conceded that Eurosceptics were nevertheless likely to press for referendums. He noted David Cameron’s insistence that the UK would not pay towards future bailouts.

John Humphrys noted that it was a great time for “those who have opposed the euro” and those who said “thank God we never joined”. He asked Gavin Hewitt if the UK would be required to bail out the euro in future EU financial crises. He replied that a permanent mechanism came into effect in 2013 and as the UK was not a member of the eurozone, it would not then be liable for contributions to the mechanism. He added that there was IMF involvement and Britain was a member of the IMF. He said that currently there was a pot of 60bn euros to which Britain did contribute, operated under article 122 of the Lisbon treaty. He said that David Cameron now believed he had a “belt and braces” guarantee that after 2013 this would not be used for future bailouts. He stressed that although the wording was loose, Downing Street was confident of the agreement.

APPENDIX V

CONSERVATIVE TRANSCRIPTS

Transcript of BBC Radio 4, Today, 28th October 2010, European Summit, 7.31am

EVAN DAVIS: Should David Cameron play hardball in Brussels today? He's off to the European Council, now that's the European institution dominated by the leaders of the member States, it was given a new formal status in the Lisbon Treaty and it's responsible for setting the direction of the EU. What the Germans and French want is a new treaty to set new rules for the eurozone, but for that they need British approval. So should we give it? What Britain wants, or what the British government wants, is a smaller EU budget. Well, we'll talk to the Europe minister in a moment but first our political editor Nick Robinson. Nick, just set out if you would the sort of choices facing David Cameron and the logic of each choice?

NICK ROBINSON: Will the choice is to define what you mean by hardball, Evan, because there's hardball and there's hardball. If you're a hardline Eurosceptic, you think that David Cameron should say today, 'You guys want a new treaty? No forget it, we're going to veto if we don't want it, we don't think Europe should do more' Now there's another form of hardball. You could say, yes you can have your treaty to improve the way the eurozone operates, but only if you give us, if you give Britons some powers back and if I, David Cameron, give the British people a referendum. Well, he's not going to say either of those things, Evan, what he's going to say instead is yes to a treaty because it won't really affect Britain, he'll claim, but can we start talking about the budget – and that's pretty important, Evan, because the budget, let's be clear, isn't even on the agenda today. It is not an item for discussion at today's European Council. What happened yesterday is that the prime minister has been phone bashing other European leaders saying, please can we talk about this, because in an age of austerity we look ridiculous increasing our own by six percent.

ED: And I mean, there's an argument about the budget for 2011, but that, to some degree is very small beer compared with the bigger decisions coming up.

NR: And that in this sense explains David Cameron's tactics at the moment, because yes, he's having a fight now, now a cynic would say he wants a fight on the budget to distract from the fact he's not having the fight that many Eurosceptics would want him to have. He would argue privately though that this is the beginning of a much bigger battle. So today he tries to argue to limit the increase in the 2011 budget, the European Parliament want an increase of 6%, European governments proposed 2.9%, David Cameron just needs one country to switch sides to have the chance of producing a sort of deadlock - because in Europe they have to come to a deal the Parliament and the

European government a deadlock would mean that the budget was frozen pretty much as it is. But this is just step one on a battle over Britain's budget rebate, remember what Margaret Thatcher used to call 'our money'? Now, he's not taking her handbag, but I think it's in back of his mind, he even mentioned that famous Fontainebleau summit from the 1980s and with good reason - Britain's contribution to Europe increases from about three billion pounds to nine billion pounds by 2014 and that is before discussions begin on actually ending Britain's rebate all together, which all other countries in Europe would like to do. So he has a ferocious fight on his hands and believes, I think, that if he can make some progress on today's budget it at least sets the right foundation stone, the right framework if you like for the wider battle.

ED: Nick thank you very much indeed. Well, let's talk to the Europe minister, the Minister for Europe David Lidington, he's with us in the studio.

DAVID LIDINGTON: Good morning.

ED: Good morning to you. I want to start with a very specific thing which is the report that the offices of the new headquarters of the EU's Foreign Service will be costing €12 million a year to run. Now that seems quite a sort of a lavish office if you like at a time of great austerity, is that to your knowledge a correct report, and is that something you find . . .

DL: Well, we haven't seen the full details yet of exactly what's proposed. What we're hearing from Baroness Ashton who runs the service . . .

ED: Our rep out there . . .

DL: Our British commissioner there is that the new arrangements, she argues, are going to be significantly less costly than the current ones where you've got bits of the Commission, bits of the Council dealing with foreign relations all in separate offices separate staffs, bring them together, save money by eliminating duplication. Now I've been arguing, William Hague has been arguing very, very strongly in our meetings with counterparts that Brussels has got to move towards making those savings as soon as possible, that's what the voters expect to see.

ED: Right, well let's talk about your approach or the government's approach to this: they want a treaty change, isn't this the time to start saying 'whoa, whoa, whoa, we want some things out of you as well'?

DL: Well, it's far from clear that there's a consensus even within eurozone countries for a treaty change. Germany is pushing very strongly for this and I can understand Chancellor Merkel's concerns about that - there's the worry about the German constitutional courts saying that the current interim bailout mechanism is illegal, and Germany which has been paying to subsidise the more profligate eurozone countries, you know, wants some assurances for the future, I can understand where they

are coming from. But there's an argument even within the eurozone about whether a treaty change is the right way forward or not. What David Cameron is going to be focusing on is saying, look we have these reports in front of us today which are saying the eurozone - and everybody else for that matter - at these times has really got to demonstrate that they've got their borrowing and their spending and their budgets under control because over-borrowing led the eurozone and Britain into crisis in the first place, therefore discussion about the 2011 budget, discussion about Europe, the European Union's spending and overspending is actually central to this debate.

ED: Well, I mean I think you will know and we all know that among, in your party in particular there are a lot of people who take a more . . . who think the priority is not just the budget, the priority is getting powers back. Your manifesto said, 'We'll work to bring back powers over legal rights, criminal justice and social and employment legislation' - this is your chance to do it.

DL: Well, the coalition programme says that we will, as a government, re-examine the balance of competencies between the European Union and member states. The position today, I mean, you won't expect me Evan to sort of go into great detail about the prime minister's negotiating tactics, when he's about to go into a meeting with his fellow heads of government.

ED: (*speaking over*) But you've . . . you've been quite clear.

DL: What he's going to . . . What he's going to be focusing on is saying that whether it's 2011 or whether it is the more important long-term deal over the European budget, this really is something which deserves the highest priority from the leaders of all member states. And we can't simply talk about arrangements at the EU level, we've got to ensure that every government within Europe and the European institutions take responsibility for getting their own spending under control.

ED: I mean, that is sort of nice words, but to be absolutely clear, it's the budget which is the priority, not getting powers back. If I'm reading between the lines of what you've just said, that's because the coalition agreement effectively said, no more power to Brussels no less power to Brussels, we'll just freeze it where it is. You would love to be doing it on the other issues, the power issues but actually you're in a coalition, you didn't gain the election so . . .

DL: Well, the coalition programme says what the coalition programme says, I've just described. But we don't yet have any consensus, even within the eurozone, that there should be treaty change, let alone have any text in front of us. What we've been absolutely clear about is were there, at any stage to be a proposal for treaty change we'd certainly look at the small print and we are not going to sign up to any treaty change which transferred powers from the United Kingdom to Brussels institutions.

ED: Well, it's interesting you say that because there is some I mean, the, the task force to the European Council which looked at this whole issue does talk about changes to strengthen economic governance in the EU and the euro area, now that 'EU and euro area' implies it would be a treaty change that did affect not just the eurozone but might have implications for countries in the EU but not in the eurozone.

DL: But Evan, if you look at the task force report, I have my copy in front of me too

ED: (*speaking over*) You've got it as well, well done.

DL: Then you will see more than once there is a very explicit reference to the United Kingdom being outwith the scope of any sanctions, any penalties.

ED: Right, okay. Can I just ask, do you regret raising expectations on this issue as a party going around, barnstorming around, talking about the rebate as something that you'd be able to get, talking about freezing the budget when actually you've really conceded a 2.9% increase as almost inevitable next year, talking bargaining powers back, it's not really going to be achieved, is it?

DL: I think that we can achieve much better economy and efficiency within Europe. I find talking to my ministerial counterparts around the EU that there is growing worry about the lack of accountability on the part of the European Parliament and other institutions to ordinary voters who are seeing, country by country, public services, welfare payments, public sector salaries squeezed because of financial necessity. And it's not just in the UK that voters are looking at EU institutions and saying why aren't they sharing some of the pain that we're all having to put up with.

ED: David Lidington, Minister for Europe thank you very much indeed.

Transcript of BBC Radio 4, Today, 28th October 2010, EU Summit, 8.16am

EVAN DAVIS: On the political theme, David Cameron said he wanted the EU budget to be frozen a few days ago, he must be disappointed with the outcome of the latest European Council meeting - it's accepted now that the budget will rise by at least 2.9%. Or maybe the prime minister never thought the budget freeze was achievable at all, he just wanted to sound, avoid sounding too acquiescent on the issue of Europe? Well, the rhetoric here in the UK is often far removed from what is going on in Brussels. Let's clarify the rhetoric and the reality with William Hague, the Foreign Secretary; he joins us now, good morning.

WILLIAM HAGUE: Good morning.

ED: Are you disappointed with the outcome of this Council? I mean, the budget wasn't actually on the agenda, and it does appear that David Cameron has not managed to muster any coalition around the idea of a freeze?

WH: Well, the Prime Minister has achieved three very important things last night at the European Council. One is to secure the agreement of ten other countries among the other 26, that the 6% rise to the EU budget for 2011 that the European Commission wanted and the European Parliament approved will be blocked. Those governments will not agree to anything more than a 2.9% increase.

ED: That had been agreed before, of course. Carry on, carry on that was number one but I just wanted to point out that had been agreed.

WH: (*speaking over*) Well that had not remotely been . . . sorry that had an absolutely not been agreed before.

ED: By the finance ministers.

WH: That, that is a very important development. And the readiness of other countries to sign a letter with the Prime Minister was a new development yesterday. The second thing is that he ensured that its put beyond doubt that there is a full British opt out from any sanctions on European member states arising from any treaty change to reinforce the Eurozone. And the third point, which is relevant to your budget point is that when the next financial perspective, now that is the European budgets from 2014 to 2020 is negotiated over the next 18 months, he has secured unprecedented language, unprecedented agreement at the dinner last night that the European budgets must reflect the efforts of member states to bring deficits and debt onto a more sustainable path. And this is where we have a real leverage, because the agreement on that is by unanimity, and this is the most important thing of all because it is the budget stretching three years ahead, affecting billions of pounds.

ED: Right, and so that one is all to play for, so to speak. On the idea of the 2011 budget, when David Cameron said he wanted a freeze, Justine Greening said it in a debate in Parliament again the other day, I don't think anyone really thought it was achievable, and was it achievable? Because it must be disappointing if it isn't going to be achieved, if it was achievable?

WH: Look, clearly we wanted a freeze, of course we would have preferred a . . . we voted for a freeze when it was originally discussed. Now, was that achievable? Well, it was almost achievable, there was almost a blocking minority. It's important to point out that the budgets, the annual budgets are settled by qualified majority voting, we do not have the power now to veto such a budget so we have to form alliances, we almost had enough allies to freeze the budget, although . . .

ED: (*interrupting*) That was back in the council of finance ministers.

EH: Yes.

ED: Yeah, yeah, yeah.

WH: What the Prime Minister now has secured among the heads of government is more than enough allies to make sure that the proposal of the Commission and the Parliament are rejected and that the rise is limited to 2.9%. And that for us is the beginning, as you can tell from what I'm saying, of now a much longer road over the next 18 months, to get some real sense into how the European budget is set for the longer term.

ED: We had one of your MEPs on earlier, Roger Helmer, who just said, look, it's very straightforward, you just simply say, 'We're not going to pay anything more than we paid last year, we are freezing our contribution'.

WH: Well look, I know Roger Helmer . . .

ED: I'm sure.

WH: . . . very well, and he would not be satisfied with any government that didn't withdraw altogether from the European Union. No British government has withheld payments because we operate within the rules of the European Union and what we're trying to do here is to build the alliance, win the arguments, to ensure that this, what has been a very irresponsible approach to spending within the European Union is brought to an end. And he can be absolutely assured that for the coalition government internal EU matters over the next 18 months as this financial perspective is settled, getting the EU to get a grip on its own finances is our top priority.

ED: And a higher priority than the repatriation of powers, because there are a lot in your party who'd say, look, quite frankly, we'd rather you put your efforts and vetoes and your bargaining chips onto the stake of getting money (*corrects himself*) getting powers back, rather than sending less money.

WH: Well, we are a coalition government and the central . . .

ED: Right.

WH: . . . programme of the coalition is to get our own British finances under control, and of course it aids that enormously, if we can get the European finances under control . . .

ED: (*speaking over*) Couldn't be clearer, couldn't be clearer.

WH: because (*unclear*) hundreds of millions, billions of pounds for the British taxpayer.

ED: It's the money that counts?

WH: Our top priority, I don't want to leave anybody in any doubt about that.

ED: I mean, one of the funny things about this whole debate over Europe is the way it's conducted in Britain on issues which are not actually exercising anyone else in the continent, like the budget which no one else was talking around. I wonder whether there is a sort of problem that in a way we have to have rhetoric, tough talk before we go out there, like, 'we'll have a freeze,' and we'd already decided there isn't going to be a freeze. Whether that in a sense raises expectations in the UK of the power of the British to affect things like budget negotiations in which we, you know, we only have 12% of the population, 8% of the vote over there.

WH: Well look, when it comes to that longer term the budgetary agreement, we do have a great deal more power than we have over these annual budget negotiations. So I don't think it's true to say we're raising expectations . . .

ED: But . . .

WH: But, and are we . . . and let me point this out to: we're not just talking about these things in the European Union, the Prime Minister and I, at last month's European Council, secured from the rest of the EU trade concessions on trade with Pakistan in the aftermath of the floods, which are very important to Pakistan, and very much in the national interest . . .

ED: Of course, other issues as well.

WH: . . . of this country. So we are not just spending our time talking about these internal European Union issues.

ED: Let me give you an example of another area where we have an almost like a sort of unrealistic UK debate on this issue, you've announced plans for a sovereignty bill, I think, which would allow Parliament to express its will and its determination that it will be the final decider, it will have final sovereignty over any issue and what it gives it can take away, correct?

WH: A sovereignty clause in the forthcoming bill that brings in a referendum . . .

ED: (*speaking over*) What is the point in that?

WH: . . . if any powers are transferred.

ED: If Parliament doesn't have final sovereignty, then passing a law that says we do have final sovereignty is meaningless. And if Parliament does have final sovereignty, then really no need to pass a bill saying it, have you?

WH: That is to put clearly into statute law what should be clear in common law.

ED: It's already true, is it? And you just want it sort of written down?

WH: Well, we want it again, beyond doubt, as other European countries do . . .

ED: But it is beyond doubt, isn't it? Or if it is in doubt, if it is doubtful, what . . . you know, by passing a law, you can't increase the sovereignty of parliament can you?

WH: Well, you can do what the Germans have with their basic law, and their Constitutional Court, which ensures, in a way that is written down in law that ultimate sovereignty resides with Germany, with the German parliament and with the German courts, and that that ultimate sovereignty cannot be transferred to the institutions of the European Union. And so we are going to do that in our own way in the British constitution, that is increasingly written down of course, we have had an unwritten constitution for . . .

ED: Indeed.

WH: . . . for centuries, but now you could say approximately half the British constitutional law is written down in some form. Well then, in that environment, we think that the ultimate sovereignty of the Westminster Parliament should also be clearly written down.

ED: We'll come back to this issue, I'm sure. William Hague, thank you very much.

WH: Thank you.

Transcript of BBC Radio 4, Today, 20th November 2010, Interview with William Hague, 8.09am (Extract)

It is the final day of the Nato summit in Lisbon following agreement to develop a missile defence system to cover all 28 countries in the alliance from long-range attacks and terrorism.

JOHN HUMPHRYS: Alright, let's see if there's something we can agree on here, that is Europe, the euro and all of that, and the problems that it faces. You, as a pretty passionate Eurosceptic, must be a bit queasy about bailing out Ireland to save, at least in part, to save the euro, with British money that is?

WILLIAM HAGUE: Well I'm a very long standing opponent of the euro, and I think everything we've said about, that I was saying ten, eleven, twelve years ago about not joining the euro has been vindicated. You used to give me quite a rough time about that. But I hope you've now come to agree with me here.

JH: (*laughs*) I asked you constructive questions, Foreign Secretary.

WH: (*laughs*) But it is, the euro is there, we're not in it, we're definitely not going to be in it. But more than 40% of our exports go to the Eurozone, of course we want it to be stable. In the case of Ireland there is an added dimension, which is the strong interconnectedness of the Irish economy with our own. Everybody can see, I think, British people fully understand how much the banking systems are intertwined and Ireland is a major trading partner. So we do stand ready to assist in the case of Ireland, although let me stress that no formal request has been made for that assistance. There are meetings that are going on, on a precautionary basis now, but we have not yet received any formal request to assist.

JH: I just wonder whether there's a little twinge of sympathy from you, towards some of your former brothers in arms, Conservative MPs, who say, in effect, the message from Westminster to Irish politicians must be that we're not going to vote a penny to bailout the euro, the message should be, 'give them whatever help they need for an orderly return to sterling', that's the message, you must be a bit sympathetic to that?

WH: Well I don't think that would be one of the conditions attached, because we do want to stabilise people's current situation. I don't mind what people do in the future, with what currency they belong to, but it's very much in our interests and the British national interests for the Eurozone to be stable, however much we point it out, all the faults it would have, and I pointed them out more than most. The fact is, it exists, and we do not . . . and a very serious problem in the Eurozone affects our economy, the jobs and the businesses of people in our country.

JH: Could it collapse?

WH: Well, I hope not.

JH: (*speaking over*) Hoping is one thing, do you think it will?

WH: No one has pointed out more of the problems over the years than I have, in having a currency where we lock together the exchange rates and interest rates of countries with different economies.

JH: (*speaking over*) Sounds as if you think it could.

WH: But I very much hope not . . .

JH: Yeah, but it sounds as if you think it could?

WH: Who knows? If an economist knew that, let alone a politician, they would be very gifted people. But clearly we want to make sure that there is stability in the Eurozone and irrespective of the Eurozone there is a particular case for assisting Ireland, if Ireland asks for that assistance.

JH: William Hague, many thanks.

Transcript of BBC Radio 4, Today, 22nd November 2010, Irish Economy, 8.10am

EVAN DAVIS: Well, the details are hazy but it's clear that as part of the great Irish bailout Britain will be lending Ireland about £7 billion. Now, if all goes to plan, if Ireland paid it back with interest, it may not cost us anything at all. If it all goes pear shaped and Ireland failed to pay anything back at all, unlikely as that is, it's a bill equivalent to over £100 for each of us in this country. Support for a euro we didn't join, from our country, that according to our Chancellor has been on the brink of bankruptcy. Well, the Chancellor, George Osborne, joins as now, good morning.

GEORGE OSBORNE: Good morning.

ED: Maybe you can just set out the facts as you understand them at the moment, I know details sort of TBA, what is the extent of UK commitment to this bailout?

GO: Well what we have committed to do is to, obviously, be partners as shareholders in the IMF, in an international rescue of the Irish economy. We've also made a commitment to consider a bilateral loan - that reflects the fact we're not part of the euro, and don't want to be part of the euro, but Ireland is our very closest economic neighbour, and so I judged it to be in our national interest to be part of the international efforts to help the Irish.

ED: And the total amount we're talking about, I mean, we're saying £7 billion, £7 billion plus, little more than £7 billion?

GO: Well, it's around that. It's in the billions not the tens of billions, but the details of the entire package, not just the UK contribution, but the Eurozone contribution, the IMF contribution, that is all being worked out as we speak, and we should, by the end of the month at the details of that.

ED: So even the rate of interest that Ireland will pay on that loan, we wouldn't know that yet, but it's likely to be something around the rate of interest at which you're going to be borrowing the money anyway, I suspect?

GO: Well, the rate of interest will be worked out as part of the package. There is a long established practice for the IMF to charge a particular rate of interest. I imagine the conditions around the UK bilateral loan will be very similar to those of the rest of the international package, but obviously, I don't want to make a commitment on this radio programme.

ED: What is your answer to those who are worried about the UK tax payer being effectively burdened with financial commitments to a euro which we didn't join? I mean, let's just take as an example words of your own backbencher, Douglas Carswell, on this program a little earlier, let me just play you what he said.

DOUGLAS CARSWELL: The other week it was an extra £430 million for an extended EU budget contribution, now we discover we're liable for six or seven billion to bail out the euro. You know, this is at a time of savings at home. I think that the arguments against monetary union are getting stronger and Britain needs to look at this from our own point of view. We keep on being told we're not in the euro, but the euro turns out to be as much a debt union as a currency and monetary union. And it seems that we are part of that debt union.

ED: Well, that was Douglas Carswell. What's your answer to that, because it does look a little bit as though we are bailing out the euro to some extent, aren't we?

GO: Well, I would say that it's in our national interest to help Ireland, I mean, that's what we're doing and the reason why it's a bilateral contribution is precisely to recognise the fact that this is a particular economic relationship between Britain and Ireland. We export more to Ireland than we do to Brazil, Russia, India and China put together. Obviously, there is a land border with Northern Ireland, the Irish banks are very involved in the Northern Irish economy, and indeed, to a part, in the British economy. So, you know, there are some very particular close economic relationships with Ireland, and I think it would not have been in Britain's national interest if Britain had not been part of the package put together by the international community to help our closest neighbour. You know, Ireland is a friend in need, and we're here to help.

ED: We should say also that, of course, it's not just a matter of helping the Irish, part of what one might say you're doing is bailing out UK banks to some very large extent who are owed money by the Irish, tens of billions of pounds of money, as it happens.

GO: Well, our two economies are connected, and our two banking systems are interconnected. One of the Irish banks actually issues sterling banknotes in Northern Ireland. So there are close connections, that's why I judged it to be in Britain's national interests to be part of the international rescue effort. And let me make this broader point about the euro, look, I was one of the people in this country who was strongly against Britain joining the euro, so I was making all the same arguments that many other people are making about the euro, but 'I told you so' is not much of an economic policy. You know, we've got to deal with the situation as we find it, and it's in Britain's interests that we get some stability in Ireland; it's in Britain's interests that we are good neighbours when we can afford to be, and I would argue that it's precisely because of the actions the British government has taken over the last six months that we have moved Britain out of the financial danger zone and we are part of international rescue efforts, rather than being the recipients of international rescue efforts.

ED: The Foreign Secretary, William Hague, on this program, when asked if the euro would survive, said, 'who knows?' What's your answer to that question?

GO: Well, look, I think it's in everyone's interests that we make the Euro work. As I say, 'I told you so' is not much of an economic policy. You know, we've got to make this single currency work to the members of the single currency, they, of course, take primary responsibility for this. It is a bilateral loan to Ireland to reflect the fact that we don't want to be part of a permanent bailout mechanism for the euro, and those negotiations about that permanent mechanism will take place later this year. You know, we are, I should just point out, we are actually also part of a European Union mechanism . . .

ED: Indeed.

GO: . . . which will be used in this context. I didn't commit Britain to join that, my predecessor did, I can't extract Britain from that at the moment, but I can make a commitment that we're working to ensure that Britain is not part of the permanent bailout mechanism for the euro.

ED: But you don't regret the fact that we're part of that European Union . . . not the big ECB backed one, but part of the European Union one. I mean, you're happily bailing out Ireland, and that's, you know, the biggest recipient of money from that one.

GO: Well, there is a smaller EU mechanism, what's called the European Union mechanism. Yeah, actually, I was not particularly happy that Britain had signed up to that, that was my predecessor Alistair Darling who did that, we're part of it and really now is not the time, when we're dealing with the very real practicalities of the Irish situation, to try and pull ourselves out of that. What I'm saying is, let's look at, when we look at the permanent bailout mechanism, let's make sure that Britain is not part of that, because we're not part of the euro, and the euro, in the end has to work out how it is going to deal with these sorts of situations in the future. But that's quite a, at the moment, faced with the very real problem of Ireland, that is a little bit theoretical, and it's the sort of thing we can turn to later this year.

ED: I mean, one way of looking at this, and not a completely idiotic way of looking at it is to say it just cements what we have seen from the beginning of this crisis, which is, with one exception, of Lehman Brothers, private sector losses have just not been allowed to occur. Banks have gone bust up and down, round the world, and yet private recipients, private lenders have not had to bear any loss, it always comes back to tax payers. Is it not a matter of regret that when you have the worst banking crisis in the world in half a century, that the private losses are so small and the tax payer burden is so large.

GO: I think I agree with you. It is a matter of regret. But in a way, Lehman Brothers was a test case – it proved to be much more than a test case, because it, you know, it added to the economic problems. The attempt to pose losses on the senior creditors of banks has led to greater economic instability. So policymakers including my predecessor, you know, stayed away from doing that. Now,

I think when you look forward, I think there's a very, very important debate to be had in this country and elsewhere, about how you make sure people who lend to banks, not just the people banks lend to, but the people who lend to banks, how they should bear their share of the responsibilities when those banks get into trouble. And that is about having new mechanisms for allowing banks to fail, so that banks are not too big to fail, to use that phrase.

ED: But there was also Angela Merkel who said, you know, private bondholders must be able to lose money as well as taxpayers in the rescue systems of the future.

GO: Well, I think that's a debate for the future, and I think you need to have mechanisms that ensure the banks are not too big to fail. But, you know, that is a debate about the future. We have to deal with the present, as the world as we find it. And we have this situation in Ireland, a very closely-connected economy to the UK, and the judgement is that if we were to impose, today, losses on the senior credit holders of banks, there will be people who will lose money who . . . some of the junior debt holders look like they, you know, are involved in this, but the senior credit holders to the banks, you know, they are the . . . to impose losses on them, in the judgement not just of me, but many, many other people the IMF, the other European Union member states, you know, would make a bad situation worse.

ED: Right, we wish we weren't here, but we are and we just have to live with it. While we're talking about banks, can I just ask one question about another issue – it's on the front page of the Financial Times, which is there's a law to impose transparency, getting banks to disclose bonuses of a million pounds or more. Vince Cable apparently very much supports this measure, the FT tells us you're preparing to water it down. Have you any comment on that?

GO: Well, I think David Walker who wrote this report about requiring greater disclosure of bank bonuses has just written an article in today's Financial Times, which I've just had the chance to read, and he says in that article that it would be a mistake for the UK to act unilaterally. I mean, since he is the person who came up with the proposal, I think we should at least listen to what he's got to say and make our decisions. But the first thing we've got to do is listen to what he's got to say, consider his new insight into this, I mean, he points out that he had expected other countries in Europe, and indeed in North America to follow suit, they haven't. There are European rules being developed in this area, and it might be better for Britain to promote this internationally rather than just unilaterally.

ED: Chancellor, thank you very much indeed. Let's get a few words from Nick Robinson, our political editor. Nick, it is tricky for this government, isn't it, that Europe keeps gnawing away in the background and sort of leaps forward and takes a bit every now and then.

NICK ROBINSON: It is and the fear of Eurosceptics is that the view in Europe has always been that every crisis is an opportunity – an opportunity to leap forward to use your phrase Evan, and I

think the fear is that while the government participates in this European bailout, as well as making a bilateral one, plans will be being made around Europe to say, 'Ah-ha – the solution to this problem in future will be to have more money dedicated to European bailouts and to have more powers to European institutions as well'. Now, George Osborne said to you in a memorable phrase, I thought, 'I told you so' is not much of an economic policy. But some on his backbenches would quite like it to be the starting point of an economic and European policy, because they think that every crisis should be an opportunity for Euroscepticism, in other words that you should go to Europe when it's in trouble and say, 'Okay, you want our help, this is what we want'.

ED: And I suppose the difference between the pragmatic position this government is taking and some of the sceptics is the government have basically decided they don't like and don't want euro-crisis, whereas some others are in the position of saying, 'Look, if the euro breaks up, if the euro gets into trouble, if Ireland had to leave the euro, for example, these are things not things we should consider to be disastrous outcomes'.

NR: That's exactly right. It is, to use Bill Clinton's phrase, 'the economy, stupid' that separates them. The Eurosceptics are driven largely, but not entirely, by a determination to use any crisis to reshape Europe; the government is thinking, 'Oh my goodness, we think the growth figures are a little bit better than we feared, and the last thing we need is a major economic crisis on our doorstep in Ireland – let alone one spreading throughout the Eurozone which is our principle trading partner.' But I think each time a story like this emerges, it has huge economic significant first and foremost, but underneath the issue of Europe is gnawing away at this government – whether it's the EU budget, whether it's this European bailout, whether it is a call for more treaty obligations. David Cameron once told his party, 'stop obsessing about Europe' – they're going to find it hard.

ED: Nick, thank you very much indeed.