

Transcript: Trump shifts power from shareholders to bosses

Marc Filippino talks to Andrew England and Stephen Foley

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Marc Filippino, Andrew England and Stephen Foley

This is an audio transcript of the [FT News Briefing](#) podcast episode: [‘Trump shifts power from shareholders to bosses’](#)

Marc Filippino

Good morning from the Financial Times. Today is Wednesday, September 17th, and this is your *FT News Briefing*. The UK and US are getting buddy-buddy over crypto. And Israel’s begun its ground invasion into Gaza City. Plus, we’ll explain how the Trump administration has shifting power away from investors and towards CEOs.

Stephen Foley

Well, there’s a feeling actually that the balance has shifted too far in recent years in the wrong direction.

Marc Filippino

I’m Marc Filippino, and here’s the news you need to start your day.

The US and UK are set to announce closer co-operation on digital assets. That's according to people familiar with the matter. The idea is to get on the same page when it comes to cryptocurrency regulations. UK chancellor Rachel Reeves and US Treasury secretary Scott Bessent discussed all this during a meeting on Tuesday. US President Donald Trump is in the United Kingdom this week. There was mounting pressure ahead of the visit from crypto groups to include digital assets and blockchain in the deal. The Trump administration is embracing digital assets. British regulators, meanwhile, have taken a more cautious approach.

[MUSIC PLAYING]

Israel began its offensive on Gaza City yesterday. On the same day, a UN commission declared that Israel has been committing genocide in the Gaza Strip. The war has caused a humanitarian crisis, and this latest incursion sent hundreds of thousands of people fleeing Gaza's biggest city. Our Middle East editor, Andrew England, is here to walk us through the latest news. Hi, Andrew.

Andrew England

Hi, Marc.

Marc Filippino

Andrew, Israel has been planning its Gaza City offensive for a while now. How did we get here, and what's been happening this week?

Andrew England

Yeah. Well it's been . . . Israel has been launching strikes on Gaza City for some time now. It announced weeks ago that it planned to reinvade the city, which is the largest in the strip, to continue its fight to destroy — in the words of Israeli Prime Minister Benjamin Netanyahu — Hamas, and to secure the release of remaining hostages. So what actually happened yesterday was Israeli forces launched the ground invasion into Gaza City. So about two divisions were deployed and this is the start of the ground invasion that Palestinians had long feared and that Israel has long wondered that who is gonna do.

Marc Filippino

So what are things like right now on the ground in Gaza?

Andrew England

In the Gaza Strip, they're in a very dire situation, getting worse each day. So, you know, you've had 23 months of conflict in the strip. This is after Hamas's October 7 2023 attack on Israel. Most buildings in the strip have been damaged or destroyed. The enclave's 2.1mn population have been displaced multiple times. There's been severe shortages of food, of medicine. And now with the Israeli forces launching the land offensive on the city, you know that slightly displace up to 1mn more people who are seeking shelter there. At least 300,000 people have already left the city, and if Israeli troops go deeper into it, that will obviously push more Palestinians out.

Marc Filippino

It's gotten so bad that this UN report that I mentioned is calling Israel's actions in Gaza a genocide. What does that mean exactly? And what's the significance of the charge in this particular paper?

Andrew England

Yeah, it's a UN commission, essentially a commission of free experts, which was appointed by the UN Human Rights Council. They've concluded that Israel's actions in Gaza meet four of the five acts required to meet genocide, which is a legal term. This comes after human rights groups, you know, there's the International Human Rights Watch, you know, Israeli group, B'Tselem, Holocaust Scholars, Genocide Scholars . . . Others have called it genocide. Obviously, Israel repeatedly denies this and it says the UN commission report is based on false claims, based on Hamas propaganda, et cetera, et cetera. But these reports do have consequence and keep adding to the scrutiny and criticism of Israel's conduct in its war against Hamas.

Marc Filippino

Andrew, what are you looking out for over the next few days, few weeks?

Andrew England

Ah well, we'll be watching to see what happens to the Gazans who are being driven out of Gaza's City. I mean, Marco Rubio, the US secretary of state, was just in Jerusalem and stood alongside Netanyahu at a joint press conference and was essentially supportive of what Israel is doing. So there doesn't seem to be any pressure from the US, the one power that has significant leverage over Israel to put a halt to this offensive. So, I guess we just be gauging how damaging it is and what are the consequences.

Marc Filippino

Andrew England is the FT's Middle East editor. Thanks, Andrew.

Andrew England

Thank you.

[MUSIC PLAYING]

Marc Filippino

Mario Draghi, the former European Central Bank president called out the European Union yesterday. He said the bloc's economic competitiveness is dwindling because Brussels hasn't acted quickly enough. Specifically, Draghi was talking about a report he authored for the bloc last year. It contained more than 380 recommendations to get competitiveness back on track, but only 11 per cent of them have been implemented. That's according to the think-tank European Policy Innovation Council. Now to put this into perspective, the US economy expanded eight times faster than the EU's last quarter. European officials say that EU leaders have been distracted, and they've pointed out they've been busy with things like avoiding a trade war with the US, dealing with China and keeping the Trump administration bought in on Ukraine.

Now, you may have heard earlier this week that President Trump called for US companies to cut down the number of earnings reports that they put out, but that's just one example of a wider power shift that's happening in corporate America that's going from shareholders to CEOs. Here to explain is the FT's Stephen Foley. Hi, Stephen.

Stephen Foley

Hi there. Great to be here.

Marc Filippino

Good to have you. So Stephen, give me a breakdown of what changes the Trump administration has been making that are creating this power shift.

Stephen Foley

There's a number of changes that the Securities and Exchange Commission have been, either making or proposing to make, some of them quite technical actually, but, they do change the landscape. There's been a widespread review of regulatory disclosures launched just a couple of weeks ago, and today we'll be meeting at the SEC to discuss the possibility of curbing the ability of shareholders to sue companies.

Marc Filippino

Got it. What else is the administration doing though?

Stephen Foley

Well, you pointed out in the intro, didn't you, that Donald Trump has floated the possibility that companies might not need to report every three months, reducing that to every six months. That's a proposal that the SEC has said it will take up as a priority. And on the same day that the president made that proposal, the SEC also blessed an interesting new voting system that the oil company Exxon wants to impose, which for retail investors who opt in, it'll automatically vote their shares in the way that management want.

Marc Filippino

Stephen, why is the Trump administration doing this?

Stephen Foley

Well, there's a feeling actually that the balance has shifted too far in recent years in the wrong direction and away from companies who are trying to just manage their businesses that they are having to spend far too much time defending against frivolous class action lawsuits that have been launched against them or too much time dealing with proposals put forward by special interest groups who have hijacked the democratic process inside companies.

Marc Filippino

And why are people saying that these moves are taking power away from shareholders and giving it to companies?

Stephen Foley

Well, it depends how far they go. And of course there's going to be a debate about that. I spoke this week to the corporate governance professor at Columbia Law School, John Coffee, whose view is that the US has been a standout venue for raising capital. It's known for its lower cost of capital, because of the higher level of transparency and the ability of shareholders to go to court for remedies. Now that's something that will be tested as the Trump administration rolls out these proposals.

Marc Filippino

Stephen Foley is the FT's US accounting editor. Thanks, Stephen.

Stephen Foley

Thank you.