

Interview with Samantha Armytage, Sunrise Channel 7

SAMANTHA ARMYTAGE:

Good morning and welcome. Firstly, on this latest Paris attack, have you heard anything more on this from your advisers?

PRIME MINISTER:

The account you've just had from Keith Suter is the advice I have had from our counter-terrorism coordinator who I spoke to just a moment ago.

Our prayers are with the family of the police officer that has been killed and we pray for a quick recovery for the police officer that has been wounded.

As Keith said it has all of the hallmarks of a terrorist attack, but at this stage the, I am advised that the French prosecutor is on the scene and they'll obviously be making further announcements as they investigate the crime.

SAMANTHA ARMYTAGE:

Paris is a big tourist destination – is it safe for Australians to go to France, to Paris at this point?

PRIME MINISTER:

Well they should pay attention, every Australian should pay attention to the travel advisories on the Department of Foreign Affairs and Trade website. They're updated all the time and particularly in, well everywhere, but especially in Europe at the moment, to pay close attention to your surroundings, be alert, but above all follow that travel advisory because it is updated all the time in the light of events.

SAMANTHA ARMYTAGE:

Okay, let's move home now. Let's talk about values. The changes to the citizenship test, is this just a political move? Are you just trying to harness supporters of Pauline Hanson? Liberal Party supporters who may have moved to the right?

PRIME MINISTER:

This is all about the very essence of what makes us Australian and, what makes us the most successful multicultural society in the world. We see so much division around the world. So much disharmony, and yet here we are, so diverse, such a success. Why is that? It is because we define our nationhood by common political values. Shared political values. And we should celebrate

it.

SAMANTHA ARMYTAGE:

If we are so successful as a multicultural nation, why do we need the changes to the citizenship test?

PRIME MINISTER:

Because we want to reinforce our success. Because we want to ensure that when people apply to be Australian citizens, they speak English. I think that's a pretty good idea.

SAMANTHA ARMYTAGE:

Fair enough.

PRIME MINISTER:

That they be a permanent resident for four years and that they share our values and they include freedom, the rule of law, democracy, a commitment to the equality of men and women. Mutual respect. A fair go.

SAMANTHA ARMYTAGE:

Yes, fair enough, but some of these new values are illegal in Australia.

PRIME MINISTER:

They are not new values. They are not new values-

SAMANTHA ARMYTAGE:

Singling things out like marrying a child. Hitting a woman. They are actually illegal.

PRIME MINISTER:

Of course they are.

SAMANTHA ARMYTAGE:

How will this new citizenship test stop things like that happening in some houses, households in this country?

PRIME MINISTER:

What it will do is bring to the forefront the values that we share and push back against those who reject our values. We believe, and we are proud to believe, and we stand for and our laws stand for the equality of men and women. And we say no to domestic violence. We say no to the disrespect of women. It doesn't always lead to domestic violence, violence against women and children, but believe me, as well know, that is where all violence against women and children begins.

SAMANTHA ARMYTAGE:

Where has this new 'Australia first' push come from? Where was this 12 months ago?

PRIME MINISTER:

The values I am talking about, I have been talking about for 20 years. You could go back to when I was chairman of the Republican movement back in the 90s and I used to talk about the Australian values that united us. I've always talked about the fact that unlike many other countries who define themselves by race and ethnic background, by religion, we do not. We are defined by our commitment to the shared political values. I believe in them, and I know Australians do too. Now, why should we be ashamed of what makes us Australian, if we are proud of those values, if we're proud of our nation, then lets make it part of our citizenship process.

SAMANTHA ARMYTAGE:

Okay – Mike Pence arrives in Sydney tomorrow. What are you two going to talk about?

PRIME MINISTER:

We will be talking about a range of issues, but obviously top of the agenda will be regional security. North Korea is going to be right at the top of the agenda. Also of course, the global battle against terrorism. Our shared commitment to destroy the Islamic State, Daesh in the Middle East. And obviously issues of trade and other matters. Security is right at the heart of it. And I think it is very good, we're really appreciative that so early in this new Trump Administration, the Vice President has come out to the region and visited Australia.

SAMANTHA ARMYTAGE:

Are you disappointed the President himself didn't come?

PRIME MINISTER:

We would always welcome the visit from the President, but the President has got many calls on his time and frankly this is the earliest visit to our recollection of an American Vice President in a new administration. So, this shows that the Trump Administration is committed to the region. They're committed to Australia, and we are close allies.

SAMANTHA ARMYTAGE:

Okay – finally, I want to talk to you about Tony Abbott. And I know it pains all of us to do this.

PRIME MINISTER:

You are right there.

SAMANTHA ARMYTAGE:

It keeps overshadowing everything we talk about-

PRIME MINISTER:

It doesn't have to – we can focus on the issues that are important to Australians.

SAMANTHA ARMYTAGE:

However, it does and there is this leaking that keeps going on. Is he doing a Rudd? Does he want your job? How do you contain him?

PRIME MINISTER:

My job as Prime Minister is to deliver for the Australian people and to ensure that-

SAMANTHA ARMYTAGE:

It has got to be annoying to have a former prime minister sitting on the backbench interrupting.

PRIME MINISTER:

There are many potential distractions in my job but my focus is to concentrate on delivering for the Australian people, ensuring that we have strong economic growth and opportunities.

SAMANTHA ARMYTAGE:

He's not letting that happen.

PRIME MINISTER:

Well, you know something? I am delivering.

We have got more legislation through the Senate, vastly more than anyone, all of the people – you would have had so many experts on this show, and they would've said Malcolm won't get anything through the Senate. And look what we've done. We have got through our election agenda, agenda through the Senate.

Do you know, more than half of Australians work for businesses that have now got a tax cut to encourage them to invest more and employ more to grow. We have done that.

We have got industrial reforms through.

We have got our child care reforms through. This is the biggest reform in child care in decades and we delivered that through the Senate.

SAMANTHA ARMYTAGE:

And yet, we still keep talking-

PRIME MINISTER:

You do. I don't.

SAMANTHA ARMYTAGE:

Well, we don't know what's going on behind the scenes. Hawke and Keating didn't like each other. Howard and Costello didn't particularly like each other. They all seemed to make it work for a time. Can you and Tony Abbott do that? Find a happy place?

PRIME MINISTER:

I look forward to all the members of my party room, all the members, whether they are on the backbench or the frontbench, working together and getting out there and talking about the success of the government's policies and the government's delivering of the policies and the programmes that are securing our future.

SAMANTHA ARMYTAGE:

Prime Minister, if it was me, you are a much more patient man than I am. I'd be much more outspoken on this if I were you but I will let you go.

PRIME MINISTER:

Thank you so much, great to be with you.

SAMANTHA ARMYTAGE:

Thank you for your time, we appreciate it.

[ENDS]

[Interview with Leigh Sales, ABC 7.30](#)

LEIGH SALES:

With me now is the Prime Minister, Malcolm Turnbull. Welcome again.

PRIME MINISTER:

Great to be with you.

LEIGH SALES:

What is the actual problem you are trying to fix here?

PRIME MINISTER:

What we are doing is re-enforcing the citizenship which is at the foundation of our nation, ours the most successful multicultural society in the world.

LEIGH SALES:

If it's so successful, what's the problem?

PRIME MINISTER:

Leigh, we can never be complacent and we want to be more successful.

Let's be clear – we don't define ourselves, like many other countries do, by race or religion or ethnicity. We are defined by a commitment to a common set of political values. They are, as you had me saying on the introduction – freedom, equality of men and women, mutual respect, the rule of law, democracy, a fair go. That's our Australian values. And they are shared with many other democracies but they are in and of themselves unique. There is something uniquely Australian about them. We're proud of them. We're committed to them. We should celebrate them and we should put them at the core of becoming an Australian citizen.

LEIGH SALES:

In a speech at the start of February, you opened by mentioning all the new citizens on Australia Day, you praised multiculturalism and at no point did you mention a problem around Australian values or English language skills or anything like that. What's changed in the 10 weeks since then other than your growing need to shore up your political stocks?

PRIME MINISTER:

I'm disappointed you are so cynical but I'm used to it-

LEIGH SALES:

I can run you through the opinion polls if you'd like? You set them as a benchmark yourself.

PRIME MINISTER:

You know something, what this is about, the vast majority of Australians are pleased to see that we are standing up for Australian values. They know that it's good – even Bill Shorten agreed with us – they know it's good for people applying to be an Australian citizen to be able to speak, and read and write English. They know that's a good thing.

And asking them or requiring them to be a permanent resident for four years instead of just one year, that means there is more time to integrate, to be part of the Australian community.

We're catching up with the rest of the world. In the United States, the

period is five years. In Germany it's eight.

So we have had a fairly administrative approach to citizenship. What we are doing – John Howard took a very important step in 2007 – and what we are doing is building on John's work to re-enforce the values that are at the core, the democratic values-

LEIGH SALES:

Did you decide that these changes needed to be made in the past 10 weeks? Because, as I say, you had that opportunity there, you were discussing this 10 weeks ago and-

PRIME MINISTER:

Well, as you know, Australia is a parliamentary democracy and the Government's a Cabinet Government-

LEIGH SALES:

And so when did you decide?

PRIME MINISTER:

This matter has been discussed in the Cabinet for a considerable time.

LEIGH SALES:

How long is a considerable time?

PRIME MINISTER:

For months. Months. Very carefully considered, I can assure you.

LEIGH SALES:

One of Australia's most successful business leaders and greatest philanthropists is the founder of Westfield, Frank Lowy. When he came here as a refugee, he understood only a little English – I checked with his office today. Today with that level of skill, he would be unlikely to qualify for citizenship. Is that the sort of Australian we are happy to miss out on, Frank Lowy?

PRIME MINISTER:

Again, that's not a fair comparison because what we are saying is that a person comes to Australia, they're a permanent resident for four years and they're expected, if they want to be a citizen, to have competent English.

LEIGH SALES:

Sorry, if I can just interrupt – but what if they are like Frank Lowy, they're working madly to get up a deli, running a business in Western Sydney, working all sorts of crazy hours – they might not have time to go to English

language classes.

PRIME MINISTER:

It is in their interests to do so and they can maybe take longer before they make their application to be an Australian citizen. Remember, the starting point for applying to be an Australian citizen is being a permanent resident, so they're not prejudiced, but to take on that additional honour, that additional privilege of being an Australian citizen, it is perfectly fair and it is in their interest to have a competent level of English.

LEIGH SALES:

How will somebody demonstrate proof of integration, as you'll require?

PRIME MINISTER:

We have a discussion paper out about that at the moment. We are looking for views. I hope your viewers will pick it up off the immigration department's website.

LEIGH SALES:

I am looking for your views on that-

PRIME MINISTER:

Well my view-

LEIGH SALES:

As the Prime Minister.

PRIME MINISTER:

Let me explain, what people should demonstrate is that they are engaged and integrated with the Australian community so they would be able to say, well, they have children, the children are at school, they might be part of the P&C, they might have joined a club, they might have joined an association, they might have joined a surf club, they might have joined a service club. In other words, demonstrating that they're involved in the broader Australian community. Again, that's a great incentive. That is what sociologists call bridging capital. It is encouraging people to reach out and become engaged.

LEIGH SALES:

Let me ask you to run through some examples – are Jews who celebrate Hanukkah integrated into Australian cultures and values?

PRIME MINISTER:

Of course they are. Of course they are.

LEIGH SALES:

Is a woman who wears a head scarf integrated?

PRIME MINISTER:

Leigh, what you are asking me to say is a woman who wears a head scarf is not integrated.

LEIGH SALES:

No, I am not asking you to say-

PRIME MINISTER:

Wearing a head scarf is a feature of a woman's life, wearing a particular garment-

LEIGH SALES:

I'm not asking you to say anything. But there would be, do you think most Australians would consider a requirement for a woman to wear a head scarf in public to represent Australian values?

PRIME MINISTER:

People are free to wear whatever item of clothing they like. Bear in mind, I say again and again, whenever I talk about Australian citizenship and Australian values, I say that the foundation of our success, our extraordinary success, is mutual respect. That means – it is a two-way thing – you respect others in their diversity and they respect you. It's also about respecting the equal rights of men and women. That is vitally important.

LEIGH SALES:

If you want to talk, say, about, as Barnaby Joyce did today about Judeo-Christian values underpinning Australian society, Christianity doesn't advocate equality for women. Wives submit to your husbands and so forth-

PRIME MINISTER:

Alright – well, I can tell you, the values of modern Australia – I hope you agree with this – certainly assert that men and women are equal. That is the law of our land. It's our value. It's in our DNA. And we say, and I say as Prime Minister of Australia, that part of our extraordinary nation, part of our values, is respect for women and children and the respect for the equal rights of women.

LEIGH SALES:

I want to ask about the values that are driving-

PRIME MINISTER:

I'm surprised you are challenging me this on the ABC but there it is!

LEIGH SALES:

I want to-

PRIME MINISTER:

I don't think your heart's in it, actually, Leigh. I think you agree with me.

LEIGH SALES:

I want to look at your personal values that are driving your choice of policy.

PRIME MINISTER:

Sure. Yep.

LEIGH SALES:

Before you became Prime Minister, your image was that your values put you in the small 'L' liberal tradition of Alfred Deakin and Malcolm Fraser. Can you today name one policy position that you hold that aligns with that tradition rather than the conservative wing of your party?

PRIME MINISTER:

My values are the same as they have always been. When I was-

LEIGH SALES:

Can you address the question which is policy?

PRIME MINISTER:

My policies, all of them, are about giving people greater freedom, greater opportunities to develop and grow-

LEIGH SALES:

Are any of those at odds with the conservative wing of your party? Because they used to be, for example, on climate change.

PRIME MINISTER:

Leigh, I have just been in Tasmania announcing work to begin on doubling the generation capacity of Hydro Tasmania, which is the largest provider of clean, green hydroelectric capacity in Australia, bigger than Snowy Hydro.

We are going to work on increasing the capacity of that hydro system to provide the storage, the large scale storage, 2,500 megawatts of storage. You know what that does? That makes renewables reliable.

You talk about energy. That is ensuring that we are able to have the storage and the back-up to support the intermittent renewables like wind and solar.

So I am actually getting things done.

My energy policy is not governed, as perhaps you might like it to be, by ideology. I'm not interested in left or right. I'm interested in lowering the pressures on Australian families by ensuring that energy is affordable and reliable and, of course, we meet our emissions reduction targets.

LEIGH SALES:

The Federal Budget is in a few weeks. In a sentence can you tell viewers what its defining theme will be?

PRIME MINISTER:

What we will be doing is ensuring that we continue to support strong economic growth. Without that, we can't remain a first world economy with high wages and a generous social welfare safety net. We will be ensuring that those vital services on which we all depend and that provide us with security are afforded and paid for. We will be bringing the Budget back into balance.

LEIGH SALES:

Will Scott Morrison retain the Treasury portfolio in your next reshuffle?

PRIME MINISTER:

Of course he will.

Look, Scott is doing an outstanding job. You know, it is such a disappointment, I have to say, that you are focused on the politics when we should be talking-

LEIGH SALES:

You are in the business of politics I'm afraid, Prime Minister.

PRIME MINISTER:

I know I am in the business of politics, but can I say to you – your viewers they are interested in energy. They want to know about how we are reducing the cost of energy-

LEIGH SALES:

They are interested in policy and politics and we were talking about policy, now we are going to talk about politics. Is it fair to say it is open warfare between you and Tony Abbott?

PRIME MINISTER:

Totally unfair. It is a ridiculous thing to say.

LEIGH SALES:

Well, there has been a leak today showing that polling in his seat was going really badly for him until you shored it up. He has been keeping up a running commentary of the performance of the government. How is that not open warfare?

PRIME MINISTER:

My job as Prime Minister is to deliver on my commitments to the Australian people. I'm not interested in personalities or politics of that kind.

LEIGH SALES:

Is it fair to say we will only see the end of the Turnbull/Abbott warfare in the same way that we saw the end of the Rudd/Gillard warfare which is when your government and all of the key players lose an election and are banished?

PRIME MINISTER:

Well Leigh, I'm focused on delivering for the Australian people. We just won an election last year, less than a year ago. We won the election. And look what we have done – you and many other wise people in the media said we wouldn't get anything through the Senate. Poor old Malcolm, you said, he's hardly got any seats in the Senate. Only a one seat majority in the House.

We have got through tax cuts and for more than half of the employees – the employers of more than half of Australian workers.

We have secured the restoration of the rule of law to the building and construction sector. That was said to be impossible.

We have delivered on our VET fee reforms.

We have delivered on our child care reforms.

We have delivered on all of those things and many more which most said were impossible.

So I'm governing. I'm delivering. That's what I'm doing.

LEIGH SALES:

Before we run out of time, the US Vice President Mike Pence will be here in the next few days for a visit. The latest fake news from the Trump team was the USS Carl Vinson was powering towards the Korean Peninsula when it was not. How can the Australian Government put any faith in anything that officials from the Trump Administration say?

PRIME MINISTER:

I look forward to meeting the Vice President. I want to say It is very noteworthy that this is a very early visit – I believe the earliest visit by a Vice President to Australia in a new administration. It shows – many people, including wise people in the media were sceptical of the Trump

Administration's commitment to the region-

LEIGH SALES:

Sceptical of their reliability of their statements-

PRIME MINISTER:

The region, the commitment is very real. And of course, the focus this week is on North Korea and I'd say what I've said before is that the eyes of the world are now on Beijing.

LEIGH SALES:

Do you trust him?

PRIME MINISTER:

They have the leverage and the influence to stop this reckless and dangerous conduct by the North Korean regime.

LEIGH SALES:

Do you trust the judgement of Donald Trump and Mike Pence?

PRIME MINISTER:

I do, I trust the judgement, the wisdom of the American Government, the President, the Vice President. I say to you, it is, the United States Government will see changes of leader, of course, as indeed do all governments but the central national interest of the United States remains the same. Our Alliance with the United States is vital. The commitment is so deep on both sides, it will survive many prime ministers and many presidents. That commitment is rock solid just as is America's commitment to security and stability in our region.

LEIGH SALES:

Prime Minister, thank you, we'll see you around Budget time, no doubt.

PRIME MINISTER:

Thanks so much.

[ENDS]

Speech by Commissioner Moscovici at the Peterson Institute for International Economics, Washington DC: “Europe’s pivotal year”

Dear Adam,

Ladies and gentlemen and friends,

Thank you for inviting me once again here to the Peterson Institute. It’s always a pleasure to join you because I know how involved the Peterson is in the transatlantic relationship and also in the fight for a strong Europe and especially a strong eurozone. A year has passed since I last stood in this room and there have been one or two notable changes in the world since then, as we all know, and not least here in Washington.

The challenges that lie ahead for Europe now are mostly of a political nature. 2017 will be, in the political field, a pivotal year for us. On March 29, as you know, Theresa May triggered the so-called “Article 50” to begin Britain’s exit from the EU. And we must be quite clear: this exit will happen no matter what we hope, no matter what we expect, no matter what our feelings are, it will happen. Elections in large Member States – first in France, with the first round of the presidential election this Sunday, three days from now. Now the UK again in June, then Germany, and finally Italy most likely early next year, will shape the political landscape in Europe for half a decade. And some of the decisions made here in Washington will also drive Europe’s policy response in a number of areas – including defense, trade, taxation, or the fight against climate change. Finally, there is the other fact that Russia has decided to move once again into a directly or indirectly aggressive stance on the foreign stage.

I am confident that Europe can emerge stronger from the current and upcoming challenges – as long as we know where we are headed.

First, a few words about the economy. My message to you a year ago was simple: the European economy was continuing to recover, but at a pace that none of us could be satisfied with. The good news is that the recovery has been firming and broadening across sectors for the past year. The EU economy is now in its fifth year of recovery. EU GDP is expected to continue expanding at 1.8% this year and also next year. For the first time since the crisis, we forecast growth in all EU Member States across our three-year forecast horizon. Unemployment has fallen to an eight-year low. In the eurozone, the aggregate fiscal stance and the government debt-to-GDP ratios are expected to fall further in 2017 and 2018. In short, we are making progress. I remember coming here for the first time as finance minister five years ago. In those meetings, Europe was a problem. Now it is becoming part of the solution. And clearly there is stability there and it is a part of the

world in which people can put their confidence.

But let's be clear: while our economy is strengthening overall, the picture remains highly diverse from country to country, particularly within the eurozone. Several banks are still experiencing high levels of non-performing loans, which ultimately have a negative impact on bank lending to the economy. Investment is improving at last, also thanks to the so-called Juncker Plan, but it is still too low: we have an investment gap in Europe which is wide. Public debt levels remain very high in some countries, and with unemployment still at 9.5% in the eurozone there is really no room for complacency, especially when we think about the fate of the youngsters in some countries inside the eurozone.

These are issues that must be taken seriously even if the situation is clearly improving.

Now, let's move to politics, or political economy. I am convinced that reversing socio-economic divergence in the eurozone is the prerequisite to ensuring the sustainability of our single currency – and to containing rising populism which is, as you know, a common challenge to all European countries. I would further argue – and this is perhaps a provocative statement – that the incomplete governance of the eurozone has produced or contributed to economic divergence rather than convergence between and within its members. And this divergence has in turn fuelled populism, which still has its roots in economic discontent. There is cultural discontent, but the cultural discontent comes from the economic discontent.

France, my home country, will go to the polls on Sunday in an election that has people biting their nails well beyond my country's borders. And it is a paradox that while the vast majority of French citizens feel a strong attachment to the single currency, over 65%, polls indicate that candidates who think that France should or could leave the euro – Marine Le Pen on the far right and Jean-Luc Mélenchon on the far left – are supported by approximately 45% of the people answering these polls. This is indicative mostly of the climate of anger, discontent, dissatisfaction in my country but also the ambivalence felt by citizens about the single currency, which is of course not confined to France.

Let me be clear. European citizens and companies give credit to the single currency for simplifying their travels and cross-border business, and for stabilizing European economies during the crisis and fostering cross-border trade.

But citizens are at the same time disappointed that it has not given more of a boost to their own wellbeing. Because the euro is not only a monetary project – it is also supposed to be a political promise of prosperity and social fairness. And they are right, as evidenced by the fact that growth and employment have returned to their pre-crisis levels in the United States, while the eurozone is still struggling to regain its footing. In the words of former Commission President Jacques Delors, which I share, *"the euro protects but it does not stimulate."* It was said more than 20 years ago and it is still very current.

A two-speed eurozone has emerged, with regional clusters of excellence (for example in southern Germany, Austria, Luxembourg, parts of the Netherlands, Flanders in Belgium, or northern Italy) and areas that are now clearly lagging behind. The legacy of the economic crisis – i.e. ballooning public debts, aging infrastructures, the erosion of public services, the degradation of human capital – is both pro-cyclical and unevenly distributed in the eurozone. If this situation persists, it is hard to be optimistic about the prospects for the euro over the next five-to-ten years. So my message this year is that we need to address it, quickly and decisively.

There are telltale signs that the overall dynamic in the eurozone is not sound. Italy's public debt is twice that of Germany. Germany's current account surplus is twice the eurozone average. German unemployment is half the eurozone average. And with this economic and thus social divergence, policy preferences are also becoming more and more polarized, both within and between Member States.

This seems to indicate that our economic governance is not producing the right policy mix – partly because we do not have the right policy *tools*.

During the crisis, eurozone governance was strengthened significantly as you know. We established the European Stability Mechanism which is a precious tool; we began to build the Banking Union, with already a single supervisor, a new framework for bank resolutions, and strengthened prudential regulations. And we also significantly strengthened the coordination of economic and budgetary policy – that is among my responsibilities as Commissioner.

These were and are important innovations, and the eurozone is stronger today as a result of them. But they have not proved sufficient to reverse divergence in the eurozone, which is what we need to do to deliver real economic dynamism. That requires, in my view, a deep reform of our Economic and Monetary Union. I'm convinced that we need a governance architecture and tools that we do not have at our disposal today, tools that actively foster convergence within the eurozone and allow us to act in the general interest of Europe and Europeans.

Concretely, I believe a more cohesive eurozone must rest on three pillars:

- **First, a fully-fledged Banking Union which we do not have yet,** to ensure that the banking sector in the eurozone is reliable and that non-viable banks are resolved without recourse to taxpayers' money and with minimal impact on the real economy. Work is ongoing with Member States on further risk-reduction and risk-sharing measures to strengthen the Banking Union. It is slow and it is painful, I must say, because striking the right balance between responsibility and solidarity is a challenge, as always in the EU.
- **The second pillar is stabilization and convergence tools.** We cannot just sit and wait and pray for convergence to happen in the long run. If it is not happening, then let's make it happen. And the sooner, the better! We all know what the answer is: clearly a fiscal capacity for the euro area. Work has also been ongoing for years to refine the concept. I

remember I heard developments about that in 2013 as finance minister. The thinking today is much more mature than it was in the aftermath of the crisis. It is now a matter of political choice. But we are ready to make the right proposal.

- **And the third pillar: we must enhance democratic accountability.**

Decisions affecting the wellbeing of millions of Europeans cannot be made behind closed doors, late at night, by a bunch of finance ministers. I represent the Commission in the Greek talks, and I have had dozens of those meetings which were secret and which would have really seemed strange to people if they had been inside the room. These decisions must be based on a still-to-be-created sense of general interest within the euro area. They should be subject to stronger democratic oversight and accountability mechanisms. The European Parliament – to make it clear, I was twice a member of this parliament – cannot be an afterthought – it must be at the heart of efforts to strengthen the legitimacy of eurozone decision-making. And my strong belief is that we also need a minister – if the word ‘Minister’ creates some fear here and there, let’s call it a ‘High Representative’ – for Economy and Finance in the eurozone who could, as is the case for external policy, be at the same time a member of the Commission and chair of the Council, i.e. the Eurogroup. I advocate for a Commissioner who at the same time chairs the Eurogroup, and I think this is the right way to handle things.

How is this going to play out? The Commission will present a reflection paper on deepening the Economic and Monetary Union at the end of May. It will be built on the Five Presidents’ Report of 2015 and will contain ambitious ideas. It will be guided by the principle that greater risk-sharing and greater risk-reduction are not opposed but must advance in parallel – indeed, they are two sides of the same coin. The fact that this is an election year must be seen as opening new possibilities: there could be a window of opportunity later this year, after the French and German elections, to move forward decisively and I believe it is essential that we do so.

Delivering real economic dynamism via a deep reform of the economic governance of the Economic and Monetary Union , I’m conscious that I’ve been a politician for too long – just to rely on institutions will not be enough to contain populism, but it is part of the answer. In addition, Europe will have to deliver better results on at least two fronts:

- **First, it must better protect its citizens.** And by that I certainly do not mean economic protectionism. I mean that European citizens need to feel secure – and I am talking here about security in its most simple form. Europe cannot provide all the answers to the issues raised by terrorist attacks on our soil, or the refugee crisis, but obviously Europe can provide some of them. And just as importantly, we must ensure that the benefits of globalization flow to all parts of society. We have our Pennsylvania, Wisconsin, Michigan voters in the east of France, who used to be social democratic voters and now tend to choose the National Front. They feel they are the losers of globalization. They feel that they are ignored by politicians. This cannot last forever if we want to

beat populism. Europeans feel vulnerable in a globalization process that does not distribute extra points of growth fairly.

- **Second, the EU must become more accessible and democratic as a response to those who falsely urge voters to “take back control”** – a motto for various populists. I have discussed democratic accountability in the context of the eurozone but this is a wider issue. Transparency, exemplarity, robust parliamentary oversight procedures must be developed, whether we are legislating on the single market or on agriculture.

Taken together, these elements may help fight the descent into populism in Europe, which is very much a political priority for the Commission as a whole, for the President of the Commission Jean-Claude Juncker, and for me personally. Last month Geert Wilders’ anti-Islam Freedom Party was defeated by Dutch voters, who drew a line in the sand over the spread of populism in the Netherlands. But in France Marine Le Pen – who I’m very confident won’t be the next President of France, I’m sure this cannot happen – continues to score highly in the pre-election polls, while populist governments in Hungary or Poland repeatedly deviate from European values. Populism is not the winner in Europe, but the game is not over. The pro-Europeans have not won the game. And we really need to not only win a battle, but fight a war. An ideological and political war.

Let me wrap up with a word on the US. The transatlantic relationship, as you mentioned Adam, must remain strong. Both the US and the EU must remain committed to the multilateral system, to open economies and free trade, to fighting climate change – and sticking to the international agreements in this field, the Paris agreement, is decisive. And finally to rejecting protectionism. That, too, should be part of our agenda for economic revitalization and fighting populism.

The new administration here in the US has yet to define precisely its policies in a post-campaign context. It’s already 100 days ago now since President Trump took office. We in Europe are watching closely, with the same objective as before: finding common ground and room for cooperation. We are attached to a number of key concepts – open societies in open economies, multilateralism, inclusiveness, the fight against protectionism and climate change – and this will guide us as we engage constructively with the new administration here in Washington and this is the message I will carry with me to Steven Mnuchin, Gary Cohn, or in the framework of the G20 meeting which will take place tonight here in the margins of the IMF meetings. I am confident that we will be able to find common ground, at least I really hope we will.

Thank you.

[Tories selling off Green Investment Bank is 'politically dubious'](#)

Ed Davey, former Liberal Democrat Secretary of State for Energy and Climate Change, has accused the government of engaging in a “politically dubious” act announcing the controversial sale of the Green Investment Bank to an Australian bank in a cut price deal.

Mr Davey, who is seeking the Lib Dem nomination for his former seat of Kingston and Surbiton, likened the £2.3bn agreement to “selling off the family silver”.

Ed Davey said: “Selling the Green Investment Bank is environmentally irresponsible, and on the eve of an election is politically dubious. The government clearly hopes to avoid parliamentary scrutiny.

“The Toxic Tories are getting closer to Donald Trump every day and their record on renewable energy since 2015 has been pathetic. Only the Liberal Democrats are fighting for the environment.”

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[ESMA discusses market-based finance in latest Banque de France Financial Stability Review](#)

ESMA expects market-based finance to grow in the future driven by a strong potential for demand facilitated by a supportive policy environment and the limited ability of banks to finance the economy. The development of market financing as a complement to bank financing must be accompanied by an adequate and effective prudential framework because of the systemic nature of these activities.

In this article, the ESMA analyses how European legislation on securities markets already include a number of microprudential tools available to supervisors, which need to be taken into account when designing macroprudential tools for ensuring the stability of market-based finance.