

Transatlantic partnership: Discussions on trade have to move forward

AN INTERVIEW WITH JOHN B. EMERSON,
FORMER US AMBASSADOR TO GERMANY,
CONDUCTED BY EVELINE METZEN

About John B. Emerson

Former US Ambassador to Germany, John B. Emerson laid the foundations for his career studying law, philosophy and administration.

Before entering the political realm as President Bill Clinton's advisor on trade issues in 1993, Emerson practiced as a prosecutor in Los Angeles' City Attorney Office. Subsequently, Emerson entered the private sector and managed as President of Capital Group Client Services one of the world's largest investment management firms from 1997 to 2013. At a time of turmoil in German-US relations in 2013, President Obama appointed Emerson as US ambassador to Germany, for which he received the renowned State Department's Sue M. Cobb Award for Exemplary Diplomatic Service.

Convinced of the importance of strengthening the personal level of state relations and the transatlantic relationship, John B. Emerson is a member of several nonprofit boards, including the German Marshall Fund, the American Council on Germany (ACG) and Atlantik-Brücke e.V.

John, it's great to see you. Tell us, what brings you to Germany these days?

Thanks for having me. Actually, I come back to Europe quite frequently. I returned to the Capital Group, which is one of the most established asset management companies in the world and where I worked for 16 years before becoming ambassador. We're essentially a *Mittelstand* company, 85 years old, family founded in the third generation of family leadership and the largest active manager of mutual funds in the world. I come to Europe to meet with clients and financial institutions to talk about different investment opportunities as well as geopolitical risks. Day to day this involves speaking at conferences, meeting with clients and presenting to small client gatherings around the world.

It's also great that you can actually take the experience that you gained during your time here as an ambassador and bring it back to your firm to provide others with your knowledge.

That's part of what I wanted to do. When I'm here, I also have a volunteer role as the newly elected chairman of the American Council on Germany (ACG) and a newly elected board member of the German Marshall Fund. During my time here, I was deeply committed to the transatlantic relationship and I hope to continue in that capacity through my volunteer efforts.

Taking into consideration your level of commitment to transatlantic relations, what do you expect in this area for the future?

While we are in a period of some uncertainty, there is no more important relationship for



America or for Europe than these regions' relationships with each other, and that's because of our shared values. We just had a conference with ACG and Atlantik-Brücke about the state of the transatlantic relationship. At a poll conducted on the conference, more than two-thirds of Germans and two-thirds of Americans reiterated the importance of the transatlantic relationship and expressed the importance of our shared values, such as free speech and democracy. There was, however, a sense among those polled that those values appeared to be eroding somewhat, but there was also a sense that there is great opportunity for us to work together on global challenges such as fighting terrorism and addressing climate change. Through some of the work of AmCham Germany, ACG and Atlantik-Brücke, we can help to grow and deepen people-to-people and business-to-business relationships.

Due to societal changes within our countries, both the US and Europe are experiencing growing populist movements. Where do you see domestic challenges in our respective societies?

While globalization and the technological revolution have created millions of jobs and opportunities for great prosperity, a significant number of people have been left behind in this process. This led to some of the frustration we saw with Brexit and part of what led to the support of Donald Trump's election in the US. There's also a fear about cultural change, social liberalization and about immigration, which has been a reason for our continued economic success and our ability to reinvent ourselves over and over again. I hope the leaders of the EU and the US recognize this reality and begin to come to grips with it. What makes me the most nervous is the sense that there's an increasing lack of trust in fundamental institutions that have really provided the foundation for the growth, prosperity and peace we've largely enjoyed over the past 70 years, certainly in the transatlantic relationship.

Because we're facing the same problems in Europe and the US, it would actually be easier if we worked together to solve them. In many respects, the US needs allies to address these global problems. Do you think the US still has the leverage to form these alliances?

Let me address "America First": It isn't necessarily in America's interest if "America first" means "America alone." As a matter of fact, I don't think former presidents from Truman through Obama thought they were putting America second when they continually worked to develop multilateral institutions that make America stronger. Past presidents just had a sense that one way to put America first was to have America work in conjunction with its allies. It's important for the transatlantic relationship and for Europe to strengthen what it brings to the table as well. We're beginning to see a movement in that direction.

Let's focus on the opportunity side since you're dealing with investment all over Europe and the US. What can Europe do to strengthen transatlantic business relations?

I've never heard President Trump say he didn't like trade agreements; he just doesn't like bad trade agreements. Clearly, there would be some kind of opportunity. I'm concerned when I read in the press that some Europeans say that if these tariffs are imposed, we're not going to talk. The US and Europe should always be talking. I'm sure Europe has some of the same issues; what struck me the most was many of those issues were some of the same issues we were pushing during TTIP negotiations. That tells me there is a commitment and an interest in moving forward with discussions on trade.

We don't hear much about how Democrats are positioning themselves in the lead-up to the midterm elections in the US. Is the Democratic Party moving in a different direction; do they have a different agenda?

First of all, I think the midterm elections will be very close. Right now, you clearly see energy coming from the Democratic Party's base that's fueled by the last couple of years. These midterm elections are fundamentally going to be much more candidate-by-candidate choices than some kind of overall referendum on the direction of the country. You're going to have a high turnout among Republican voters who want to express their support for the president; and among Democratic voters who want to express their opposition to these policies. One thing we know for sure is that the day after the midterms, as is the case in our system, the presidential campaign will start.