



American German Business Club Berlin e.V.  
The President

08 May 2013

## Deutsch-Amerikanisches Treffen Lions Halensee – Alumni Phillips Academy Andover

### Es gilt das gesprochene Wort.

Dear friends from Andover.  
Mr. President. Lieber Thomas Waterstradt.  
Ladies and gentlemen.

It's a great honor and similarly pleasure to speak to such a distinguished audience.

My friend Julian Herrey asked me to say some words about "Contemporary German-American Relations" and after the announcement of U.S. President Barack Obama and representatives of the European Union about "Transatlantic Trade & Investment Partnership" (TTIP) I would like to change the headline of my speech to "Contemporary European-American Relations".

But: Wouldn't it be better to think about "American-European Relations"?

This evening I would like to focus firstly on the interdependence of political and military issues and secondly on the economics of the relationship in the context of European fragmentation and the Euro crisis. |

The well respected U.S. strategist George Friedman (a Texan) wrote in his last letter, "Geopolitical Weekly", "U.S. – European relations. The first is that there is no American relationship with Europe because Europe is no longer an idea but a continent made up of states with diverse interests. There are U.S. – French relations and U.S. – Russian relations, and so on."

I can give you examples of business and military interests from different EU countries travelling through the U.S. during these days.

Again Friedman: „The second thing is that there can be no confederation without a common foreign and defense policy. You can have different taxes, but if when one goes to war they don't all go to war, they are nations cooperating as they fit.“

And the last example is not Mali, the last example will be Afghanistan.  
You will see the U.S. and German troops will be leaving the country last. –

The 2008 global financial disaster did not divide the Americans and Europeans nearly as much as it divided Europe.

The relationship between European countries – less among leaders than among publics, that means political extremists, too – has become poisonous.  
The Euro is a symbol that something terrible has happened to Europe, and each country is holding someone else responsible.

As many countries are blaming Germany as Germany is blaming for the crisis.  
Alas! Germany.

There can be no trans-Atlantic alliance when one side is in profound disagreement with itself over many things and the other side has no desire to be drawn into the dispute.

Nor can there be a military alliance where there is no understanding of the mission, the enemy or obligations.

NATO was successful during Cold War because the enemy was clear, there was consensus over what to do in each particular circumstance and participation was given.

An alliance that does not know its mission, has no meaningful plans for what problems it faces and stages "come-as-you-are parties" in Libya and Mali, where invitations are sent out and no one "Répondez s'il vous plait" returned, cannot be considered an alliance.

Last weekend in the city of Nuremberg (what a sign and today May 8<sup>th</sup>) at the convention of the Liberal Party FDP, one partner of the Berlin Government of Chancellor Angela Merkel, you could hear two remarkable sentences about German foreign policy given not by Foreign Minister Guido Westerwelle but by the Leader of the Liberal Parliamentary Group in German Bundestag Mr. Rainer Brüderle.

1. The German foreign policy has to be linked with the security policy.
2. "Partnership in Leadership" (you remember these famous words of U.S. President George H. Bush) means directed by interests and acted in solidarity.

I repeat: Brüderle not Foreign Minister Westerwelle.

Let us combine this new statement with the initiative "Transatlantic Trade and Investment Partnership" (TTIP).

Given the sheer economic weight of the trading partners, this announcement has already transformed the landscape for global trade policy.

Given the figures of 2011:

18% of U.S. exports went to the EU,  
16% of U.S. imports came from the EU.

Direct investments from the EU accounted for almost 40% of total foreign direct investments in the U.S. Companies from the EU provide jobs for 6.4 million workers in U.S.

The figures for Germany: 600,000 German workers have U.S. employers, more than 650,000 U.S. workers see German companies' logos.

Most important: Transatlantic trade is driven by intra-industry trade and by transactions between associated companies.

It is estimated that transactions between associated companies account for more than 75% of German exports in the automotive sector and chemical industry.

There is common understanding that the best way to boost trade and investment is to reduce technical barriers. The burden on trade due to technical barriers is estimated between 7% to more than 100% depending on goods and calculation methods.

These figures are published by the German Economic Ministry.

So, there is enormous potential for agreements to mutual advantage.

Such agreements could comprise:

- The aviation industry,
- The automotive industry,
- The electronic industry with focus on mutual recognition of safety / security and consumer standards,
- A common framework for data privacy (i.e. new media).

The networks for trade, investments and services for global production chains require mutual understanding of competition policy, capital movement, and property rights. Competition policy also means consideration of joint projects in third countries.

There are strong arguments – if there is the adequate political will – that agreements to mutual advantage in these sectors could be achievable.

But dismantling cultural barriers requires education, ignorance does not equal bliss where barriers to trade and growth in economic welfare are concerned.

**How can organizations like AGBC-Berlin contribute to the issues of**

- Politics/Military and
- Economics and European national interests?

A short report about our activities in Alabama written by Angela Drees, Vice President AGBC-Berlin seems to be a good example:

**“Germany Does It Again!**

Airbus is about to do the same thing to the Gulf Coast region of Mobile, Alabama, that Mercedes did to the region around the University of Alabama at Tuscaloosa almost twenty years ago.

Mercedes, followed by Honda, Hyundai and dozens of automotive suppliers, ushered in a wave of foreign investment that catapulted Alabama to become the nation’s fourth-largest auto manufacturing state.

Airbus is on track to do the same for Alabama’s aerospace industry, which already employs more than 80,000, primarily in the Huntsville area.

Airbus plans to assemble A320 single-aisle jets in Mobile beginning in 2015, but the project is already having an impact far beyond the state’s borders. The factory, which will employ about 1,000 at full production of four planes per month, is Airbus’ first manufacturing site on U.S. soil, expanding the European company’s global reach and giving it a strategic foothold against rival Boeing Co..

**Finally:** Driven by AGBC-Berlin’s new members that are “State of Indiana – European Office”, “State of Tennessee – European Office”, and “State of Virginia – European Office” my club, the AGBC-Berlin offers support for U.S. Federal States in political affairs to the German Government and administration, to political parties and associations of companies.

Thank you very much for your attention.

Udo von Massenbach  
President  
American German Business Club Berlin  
P.O. Box 08 04 27  
10004 Berlin, Germany