THE JOHN McCLOY
TRANSATLANTIC FORUM

Inauguration
4 November 2022

Keynote
Charles A. Kupchan
The Liberal Anchor of the World to Come:
The Enduring Strengths and Vulnerabilities of the West
THE JOHN McCLOY TRANSATLANTIC FORUM

The John McCloy Transatlantic Forum facilitates and promotes exchange and conversation between academia and the public. It is aimed at stakeholders from the worlds of politics, business, culture, and the media who are interested in transatlantic relations under the banner of a shared understanding of democracy. The impetus for the founding of the forum is an insight that has grown out of the current crises throughout the world, such as the war in the Ukraine, tensions with China, and populist movements in many countries: democracy cannot be taken for granted; it requires maintenance and development. The forum intends to be a place of debate that explores the forms, varieties, challenges, and potentials of democracy. – The forum belongs to the research group »Democratic Vistas. Reflections on the Atlantic World« based at Forschungskolleg Humanwissenschaften of Goethe University Frankfurt am Main.

JOHN J. McCLOY

John J. McCloy was the U.S. High Commissioner to the young Federal Republic of Germany. John McCloy’s belief in Germany’s integration into Western alliances and his strong commitment to building civil society through education and science contributed decisively to the country’s transition to a stable democracy after World War II. From 1949 to 1952, John McCloy and his family lived in Bad Homburg, in the neighborhood where the Forschungskolleg Humanwissenschaften is located today.
INAUGURATION OF THE
JOHN McCLOY TRANSATLANTIC FORUM
4 NOVEMBER 2022
FORSCHUNGSKOLLEG
HUMANWISSENSCHAFTEN

PROGRAM

Welcome
Matthias Lutz-Bachmann
Director of the Forschungskolleg Humanwissenschaften
Enrico Schleiff
President of Goethe University Frankfurt
Alexander W. Hetjes
Mayor of Bad Homburg vor der Höhe
Uwe Becker
Secretary of State for European Affairs, State of Hesse

Our Mission
Johannes Völz
Professor of American Studies, Goethe University Frankfurt

Remembering John J. McCloy
John J. McCloy II
Son of U.S. High Commissioner John J. McCloy

Keynote
Charles A. Kupchan
Professor of International Affairs, Georgetown University
«The Liberal Anchor of the World to Come: The Enduring Strengths and Vulnerabilities of the West»
Chair: Gunther Hellmann
Professor of Political Science, Goethe University Frankfurt
It is a great honor and pleasure to welcome you all to the Forschungskolleg Humanwissenschaften. Today we celebrate the inauguration of the Transatlantic Forum named after John McCloy who lived in the city of Bad Homburg as the first U.S. High Commissioner in the early Federal Republic of Germany.

The John McCloy Transatlantic Forum is part of the research activities of our institute, which is called the »Institute for Advanced Studies« of Goethe University Frankfurt and is made possible by the cooperation between the university and the Bad Homburg-based Werner Reimers Stiftung. When you, Mr. McCloy, lived in Bad Homburg in the late 1940s with your father and your family, your home was the former villa of Werner Reimers, not far from here. Allow me therefore to extend a warm welcome back to Bad Homburg.

The Rhine-Main-Region—including Frankfurt, Wiesbaden, and other cities—has not only been the hub of the American presence in Germany since World War II, it is also the center from which German-American cooperation and friendship have grown over the last eight decades. This was made possible not least by people like your parents, men and women who displayed vision and courage at a time when the future development of Germany as a whole was still uncertain. The recent past of Nazi terror and war cast a dark shadow. John McCloy helped the Germans to overcome the long-standing prejudice against the spirit of democracy, working to convince people of the virtues of liberalism, freedom, and peaceful interaction with other countries, especially with Germany’s neighbors in Europe. Through the close partnership and the enduring friendship between the United States and Germany, our country became a strong player in the world of democratic nations, an important pillar of the European Union, and a committed partner in the Atlantic alliance. Germany’s transformation from its former authoritarian orientation to a democratic politics started in the late 1940s and early 1950s, and cities like Frankfurt and Bad Homburg played an enormous role in this development—which makes us all the more proud to be opening the John McCloy Transatlantic Forum here.

In celebrating this occasion today, we not only commemorate history and the past, we also address problems we face in the present. In Europe and in the Americas the political system of democracy with the separation of powers and a liberal public sphere seems to be under pressure again, as it was in the 1930s. Our research focuses on problems we can identify within our democracies, such as the growing acceptance of anti-democratic behavior, anti-liberal activities, or populist ideas negating the true principles of democracy. The internet confronts us with new kinds of hate speech against minorities, and we can observe how the independence of the judiciary and even the separation of the powers are being questioned by right-wing politicians. These phenomena are acute not only in Europe and its neighboring states, but also in the Americas. Additionally, our democracies are endangered by the cruel reality of a new war in Europe, a war of aggression conducted by Putin’s Russia that disregards both the legally binding force of human rights and the political autonomy of sovereign states.

Against the background of these and other developments, the Forschungskolleg Humanwissenschaften has decided to deepen our understanding of democracy by examining the societal, cultural, and moral conditions for the flourishing of democratic systems on both sides of the Atlantic. For its name, the research group was inspired by a famous essay by the American poet Walt Whitman. In »Democratic Vistas. Reflections on the Atlantic World,« we aim—like Whitman in his day—to explore and better understand the true character of modern democracy and the conditions for a democratic way of life in the globalizing world of today. The John McCloy Transatlantic Forum we are opening today will act as the public face of the Democratic Vistas research group, as a venue for debates and meetings between scholars and members of civil society, including students and the next generation. Its purpose is to serve as an intellectual forum reaching across the Atlantic World, with speakers drawn from America, Europe, and beyond. In short, its task is to facilitate discussion and public reflection on how we can further develop, defend, and finally strengthen our democracies against enemies within and outside. And that is why we find the name of John McCloy to be so appropriate for this enterprise. We are proud that the John McCloy Transatlantic Forum is part of the program of our »Institute for Advanced Studies,« the Forschungskolleg Humanwissenschaften of Goethe University in Bad Homburg.
Enrico Schleiff
President of Goethe University Frankfurt

It is an honor to welcome you all to the inauguration of the John McCloy Transatlantic Forum at our Forschungskolleg Humanwissenschaften. Today, the Kolleg is one of our central locations for interdisciplinary research, for hosting special events, and for receiving special guests— including you, Mr. McCloy for hosting special events, and for receiving central locations for interdisciplinary research, wissenschaften. Today, the Kolleg is one of our and its contribution to democracy. To continue efit society. We are proud of our university

But today always requires a reflection on the past: Goethe University was founded in 1914 by citizens of Frankfurt. Less than twenty years later, the Nazis began to expel one third of the university’s professors, most of them Jewish. Many emigrated to the U.S.; only a few returned. After World War II, it was the Americans, especially High Commissioner John McCloy, who strongly supported Goethe University’s re-invention. Through their commitment to democratization and reeducation, they made the “new” Goethe University possible.

In the tradition of this “new” Goethe University, we provide ideas and knowledge that benefit society. We are proud of our university and its contribution to democracy. To continue making this contribution, we depend not least on our long-time friends as well as our strong and reliable partners in society and business. Here, I would like to mention Dr. von Maltzan in particular, who as a close friend of both the Kolleg and the university helped make today’s event possible.

Ladies and Gentleman, events like today’s require visions and visionaries! Among those present, I would particularly like to thank Matthias Lutz-Bachmann, Gunther Hellmann, and Johannes Völz. Thanks to you we founded a forum to address two questions that could not be more relevant today: the value and future of transatlantic relations and the further development of democracy.

The name of this forum—the John McCloy Transatlantic Forum—reminds us of the transatlantic moment in the history of Germany and the moment of democratization after the downfall of the Nazi regime. It is not by chance that our minister of foreign affairs, Annalena Baerbock, made this appeal in her speech at the New School for Social Research in New York earlier this year: «Wir müssen den transatlantischen Moment nutzen.»

We all know that we must seize this moment to meet the global challenges of our times: the climate crisis, global poverty, autocratic movements, and President Putin’s war in Ukraine. These dramatic developments require collective actions and are dependent on a new transatlantic momentum based on shared values. This new forum opens up a space to reflect on and discuss these pressing issues.

I would like to thank all the colleagues involved for taking the initiative in establishing the John McCloy Transatlantic Forum. I wish you profound and lasting success in your work.

I am delighted to join in the warm greetings of Professor Lutz-Bachmann and Professor Schleiff. I would also like to extend a very warm welcome from the city of Bad Homburg to you, Mr. McCloy, and to your family. It is a pleasure and an honor to have you here! I hope you will find enough time to visit the places in town that John McCloy knew as a child. I am told that you already visited the nearby «Haus im Walde,» where you lived with your parents and sister after World War II, yesterday.

I can assure you that the name of your father, John McCloy, is still held in very high regard in Bad Homburg. After all, it is thanks to your family that this town came to play a historically important role in terms of transatlantic relations and German-American friendship. I am convinced that these relations are more important today than ever. Especially in view of the current global political crises, we should always remember who our reliable partners are.

However, these transatlantic relations have been under strain in recent years. What do you do in a relationship when there are problems? Above all, you don’t start a war. Rather, I think you should do exactly what we are doing here today—you should sit down together, you should talk, and you should discuss the issues and challenges facing the relationship.

We are therefore very grateful for this initiative of the Forschungskolleg Humanwissenschaften to strengthen and further develop transatlantic relations by founding the John McCloy Transatlantic Forum. A more appropriate name for this forum than that of John McCloy would, in my view, be hard to imagine. It harks back to the beginning of transatlantic relations, which John McCloy played a significant role in rebuilding, and thereby closes a circle.

As the city of Bad Homburg, we take pride in the fact that the initiative for this forum was taken here at the Forschungskolleg Humanwissenschaften in our city. It is a great pleasure for us to have you with us at the opening of the forum. Once again: Welcome to Bad Homburg, John McCloy!
WELCOME

Uwe Becker
Secretary of State for European Affairs, State of Hesse
Video message

When John McCloy was living in Bad Homburg, he was aware of the young Federal Republic of Germany and its unique place in German-American relations. We know that the United States and Germany are connected by more than just political or economic treaties. We share the same values and virtues. When John McCloy was serving here as U.S. High Commissioner, he was aware that the future of this relationship as well as the future of Germany as part of the Western alliance would depend on great education and research. Both of these are still important pillars of German-American relations today.

When John McCloy was living in Bad Homburg, he was aware that the young Federal Republic of Germany had not known democratic values for decades. We were a young democracy, grappling with the failures of the Weimar Republic and the subsequent darkest chapter of German history. His service and his commitment made a strong and positive contribution to our young democracy. We have learned that we cannot take these values for granted. We have to work for democracy, human rights, freedom of opinion, and our close relationship with the USA every day.

I am very optimistic that this forum will contribute to a better understanding of how we can face current global challenges and respond to the questions of the future. This is why I am very thankful to the Forschungskolleg Humanwissenschaften and to the group »Democrat Vistas. Reflections on the Atlantic World« that initiated this forum for bringing together representatives of society, politics, business, and culture, all of whom share a commitment to strengthening German-American relations. I wish you fruitful discussions. Thank you very much for your attention.

In the fall of 2020, more or less exactly two years ago, Gunther Hellmann, Iris Koban, Matthias Lutz-Bachmann, and I, along with our friend and supporter Bernd von Maltzan, had a series of conversations which revolved around two observations. All over the world, liberal democracies were increasingly coming under attack; and the project that for decades had been known as transatlantic relations had lost much of its luster and support on both sides of the Atlantic. We felt that this state of things was rather bleak. But we also sensed that the situation called for a response, that the question of democracy in the Atlantic World required renewed attention. And we were convinced that at the Forschungskolleg Humanwissenschaften, we were in an ideal position to develop such a response and put it into action. Our aim was to come up with something fresh and out of the ordinary. Something that would speak to multiple audiences—to scholars who prize the Kolleg because it allows them to do research, individually and collectively, in a quiet and focused setting—but also to a broader public. After all, the transatlantic relationship, interwoven as it is with the project of democracy, is something that community members of different stripes and colors care passionately for, particularly here in the Rhine-Main area, with its proud history of being a forerunner of parliamentary democracy in Germany, with its historical role as a node in transnational networks of trade, and its unique place in German-American relations.

The idea that ended up exciting us the most was to devise not one but two projects that closely intersect. The first is a research project that brings together some thirty scholars from widely different disciplines in the humanities and social sciences, from Goethe University and neighboring universities, in order to study current challenges to democracy in the wider Atlantic world as well as suitable responses to them. In the future this project will also host the next generation of leading scholars—in the world of academia we call them Postdocs—who will have the opportunity to stay at the Forschungskolleg for a whole year to work with us. We launched this first project in January 2021, and we call it Democrat Vistas: Reflections on the Atlantic World. Many will recognize that our title pays homage to Walt Whitman and his 1871 essay Democrat Vistas, in which the poet, writing shortly after the end of the Civil War, approached American democracy as an experiment; an experiment in the pursuit of freedom, equality, and happiness. You don't have to be a scientist to know that an experiment is worthy of the name only if it can go wrong. Whitman, hav-
The broader public is even more central to the project — the John McCloy Transatlantic Forum — which we are proud to initiate today in the presence of so many distinguished guests. Democracy and transatlantic relations aren’t just matters of scholarly research. They need to be debated and kept alive in civil society. To this end, we will invite international speakers — practitioners and scholars alike — who know how to start conversations across the boundary between scholarship and the public, and across the Atlantic. I said earlier that in Bad Homburg we are situated in a superb location to do so. The McCloy family embodies German-American relations, going back generations. At a meeting between John — the High Commissioner who threw his weight behind the idea of integrating West Germany into a Western transatlantic alliance — and Chancellor Adenauer, it was Adenauer’s second wife Auguste who pointed out that the two were related through their wives: John’s wife Ellen was a distant cousin of Adenauer’s second wife Auguste. They shared a great-grandfather, Wilhelm Zinsser, who had migrated from Hesse to the U.S. in 1849. Which brings us back to the links between transatlantic relations, democracy, and Hesse.

During their years at Bad Homburg, the McCloys, who were fluent in German, became an integral part of the local community — a true achievement, given that their residence was in a restricted compound that was open to the public only for special occasions. But Ellen, our guest of honor’s mother, became a much beloved and honored go-to person, particularly for women all over Germany. In Bad Homburg, she became an honorary member of the Frauenverband, and she supported women’s day-to-day needs in those hard postwar years with tireless initiative, often acting as their spokesperson toward the U.S. occupation bureaucracy. But she was also a fabulous host, bringing glamour and stardom to Haus Hohenbuchen. As John once told me, among the many famous guests in their home were Cary Grant, William Holden, Curd Jürgens, and Jane Russell, who even made the McCloy residence her temporary home.

After their return to the U.S., the family would return to Germany many times, and their deep transatlantic ties would be carried on by the next generation. John II spent two years in the military in Friedberg in the early sixties, where one of the soldiers under his command was none other than Elvis Presley. And John, Laura, and their sons, Jay and Rush, later moved to Munich for several years. Indeed, the McCloy family embodies German-American relations, going back generations. At a meeting between John — the High Commissioner — and Chancellor Adenauer, it was Adenauer who pointed out that the two were related through their wives: John’s wife Ellen was a

The broader public is even more central to the second part of our project — Democratic Vistas is a project that is truly unusual. We have created a space for scholars of widely different fields — ranging from law, international relations, history, religion, literature to musicology — to exchange ideas. And the way we work is unusual, too. We aim to think outside of the ordinary academic protocols of normal science. Democratic Vistas is not about our next scholarly article. For Democratic Vistas, we meet in intense workshops in order to generate new perspectives, and we are just starting our own book series, directed at a non-specialist audience, in which we share these ideas with the broader public.

A new generation is taking over. Matthias Lutz-Bachmann, Johannes Voll, Charles Kupchan, Gunther Hellmann (from the left)
I was thrilled, honored, humbled, when I was approached to come here on behalf of my father to say a few words and to launch this forum. [...] I had prepared a number of comments, but I threw them away because I wanted to talk more about what was such a human factor in my father. He was a very humble man. He came here under instructions from President Truman to be strict and to be stern — but «don't hurt the German people.» My father threw the stern and strict away and interpreted the last comment as being that on which he would try to rebuild this country and the German-American relationship. [...] What I'd like to impart to you today, if I can, are a number of small vignettes of why he was what he was and why he made the impression he did. I asked dad one time what he was most proud of, and he said: »Well, that's very simple. I'm most proud that your mother got the ›Bundesverdienstkreuz‹ before I did.« And I said: »Well, okay, what was the most satisfying assignment you ever had?« He said: »That's very simple. That was my time in Germany. You have to remember that for many years in the War Department, I spent every day trying to figure out how to defeat Germany and knowing that in doing so, a lot of innocent people (women, children, soldiers etc.) would die. That's a very heavy burden. I spent many a night with wild nightmares thinking about the death we were causing on innocents. The opportunity is given to but a few people to make good on that. When I was offered the opportunity to come to Germany, the idea of rebuilding it, making — the word he always stressed — friends … We wanted friendship. From friendships a lot of things grow.« In all things, there are ups and downs, but he based his whole approach toward Germany on friendship and partnership. Not just in the major events or decisions that shaped our relationship but also in very personal ways, and I'd like to mention some of those. When we moved into the »Haus im Walde,« Mr. Reimers moved next door. Having been a member of the NSDAP, Mr. Reimers was somewhat shunned after the war. He couldn't get oil to heat his house. People wouldn't sell him food. He was ostracized. My father learned of this, and he went to the mayor of Bad Homburg and said: »This is wrong. This man is not a war criminal in any way, he happened to belong to an evil party just as many other Germans did. You can't treat him this way, that's not fair.« And all of a sudden, Reimers got his oil and his food and so on. One night my mother and dad and my sister and I were sitting at dinner, and the Military Police (MP) officer came in and said: »There's a man out here who wants to speak to you, Mr. McCloy.« Dad asked: »What's his name?« MP: »His name is Reimers.« Dad: »Oh, yes of course, let him come in.« MP: »Oh, no, I've got a concern. He's here with a sword in his hand.« Dad: »Oh, that's interesting. Send him in anyway.« We were gathered in the front hall of the building and Mr. Reimers came in with his sword. In very broken English he said: »If the roles had been reversed and we had not been defeated and had been the victors, I'm not sure that we would have treated you as you have treated me. And between friends there should never be weapons.« With that he took out his sword — the MPs immediately reached for their weapons — and broke the sword over his knee, and handed the pieces to my father. One of the other small but important examples of my father’s precept to do the right or correct thing is when, one day, he came home with two wonderful new bicycles. One for my sister, one for me. He said: »Now, you have eight weeks to introduce me to six German friends, not American, they have to be German.« I said: »Dad, that's not going to work because we are not allowed to fraternize.« He said: »I lifted that regulation today. Come on, get on your bikes, and go find your friends.« We weren't very successful. Germans certainly wanted to fraternize with Americans, but I'm not so sure they wanted to start with us, the High Commissioner’s family. And I was going to lose my bicycle if I failed. One day, I was sitting here in the Kurpark thinking that I’ve only got two weeks to go. Nearby, a young German boy of my age was playing with his

1 Werner Reimers was a Bad Homburg industrialist who had built the villa »Haus im Walde« (also known as »Haus Hohenbuchen«) for himself. After American occupation forces confiscated the villa, he built a new house in the immediate vicinity, today the offices of the Werner Reimers Stiftung and the Forschungskolleg Humanwissenschaften.
learned of this and, ashamed of it, refused to come to the house. My father recognized that Dieter wasn’t there. He asked me why and I told him. Then he said: »Come with me.« We got in the car and drove up to where Dieter lived. Dad walked in and Dieter’s mother was there. He said to her: I noticed that your son does not come to the house anymore. He’s a very fine young man and a very close friend of my son’s. It is not appropriate to visit the sins of the father upon the son.» Shortly after, Dieter came back. It was a very small example of the kind of outreach dad had to the German people.

My sons, my wife and I are honored beyond words to be here. To stand here and speak on behalf of my father is a very humbling experience. And I think, in closing, of all the great things he did in his life and all the wonderful events that he participated in—from his assignments as Assistant Secretary of War and as U.S. High Commissioner to solving the Cuban Missile Crisis to being on the Warren Commission and being the head of the World Bank, and so on—the very best thing he was, was a father. And that fatherhood translated to what he wished to do for Germany. For dad’s memorial service in New York, apart from former President Nixon and former Secretary of State Vance paying their respects, a great many German leaders came over, including Helmut Schmidt, Karl Carstens, Otto Graf Lambsdorff, to name but a few. In his eulogy, Schmidt said in substance that John McCloy was the godfather of modern Germany. And that’s what I think he really was.

So he had to come back. That was my friend number one. He had a sister who became my sister’s first friend. The chef in our house made up a basket of food every day. Cookies, candies, Brötchen and such. With Dieter, my new friend, we went down to the Kurpark and sat in the pagoda. And Dieter would see his friends and say «come over, he’s got food.» Thereby, we achieved my father’s required number of friends.

Unfortunately, the father of this friend of mine had been involved in war crimes. Dieter kite and the kite took a nosedive into the tree under which I was sitting. Like a monkey, I ran up that tree, got this kite and came back down. I held the kite up in the air and stuck my hand out. He wasn’t going to get his kite back until he shook my hand. I couldn’t speak German at the time, and he didn’t speak English but as children we understood each other. I told him to come up to the house because there was a carpenter who would fix his kite. [...] He came in. He never saw so much food in his life. And I told the carpenter to make sure he comes back tomorrow: «Tell him you can’t fix it in one day.»
T
day you very much for the very warm welcome here at the Forschungskolleg Humanwissenschaften of Frankfurt University. I am delighted, humbled, honored to be invited to speak to you at the opening of the John McCloy Transatlantic Forum. My special deep thanks go to the McCloy family for making all of this possible. This event marks and celebrates the German-American relationship and the transatlantic anchor of the democratic world that really has prospered and thrived since the days of John McCloy’s tenure in Germany during the early post-World War II era.

We gather at what I would call a moment of considerable opportunity and peril. Opportunity because I think this moment delivers a wake-up call. It is a wake-up call about a world that is becoming more ideologically and geo-politically divided. It is a wake-up call about the durability of the transatlantic community—which has gone through a rough patch over the last five, six, seven years. Things have taken a turn for the better now that Joe Biden and elites on both sides of this big ocean have renewed Atlanticism and transatlantic partnership. Vladimir Putin has helped; his tragic invasion of Ukraine has brought the transatlantic alliance back into the limelight. But we are not out of the woods yet. This is still a moment of political uncertainty on both sides of the Atlantic, which is why this is also a moment of peril. We need to make sure we take advantage of this wake-up call. We must ensure that we will emerge from this period of geopolitical division and of internal threats to our democratic societies in good shape.

When it comes to getting it right, I think that the transatlantic community, the community of democracies, is as important today as it’s ever been. And it really does go all the way back to the late 1700s. In 1778 the United States, which had declared independence but was losing its war for independence from Britain, overcame the Founders’ reluctance to form an alliance and reached out to the French. The message was: Help us, we are losing. And the French sent ships and money and gunpowder and troops and they turned the war around. And had it not been for the French we Americans probably would still belong to Great Britain and I would be standing here with a British accent. But, with the help of France, the United States won its bid for independence. That really was the beginning of this story. Soon thereafter, you have the French Revolution. And ever since the Franco-American alliance, and the birth of the United States as a democratic republic, the U.S., the French, the British, the Germans, and now our allies in Asia, Japan, South Korea, and others, really have succeeded in bending the arc of history towards greater freedom, greater dignity, greater civility, greater prosperity. And we could track events from the late 1700s to today: the birth of democracies, the spread of constitutional rule, checks and balances, growing prosperity, growing peace—it has been a remarkable success story.

However, and it is a big however, the arc has begun to bend in the wrong direction. And we are now living in a world in which 25 percent of the world’s population lives in countries in which democracy is backsliding. In autocracies, Russia and China in particular, life is getting more autocratic, not more democratic. Together, autocratic societies and democracies that are backsliding represent roughly two-thirds of the world’s population. Only seven percent of the world’s population lives in what we consider to be fully stable and democratic societies. So, in other words, we seem to be at an inflection point globally. This positive, progressive march of history has stalled, it has lost its momentum, it has shifted into reverse. And our paramount task today is to restore that momentum. And to make sure that the arc of history continues to bend towards greater freedom, greater dignity and greater democracy.

WHAT IS THE NATURE OF OUR PREDICAMENT?

So, what I’d like to do in the next 20 minutes or so is offer some reflections on why we seem to have arrived at a historical inflection point. What is the nature of our predicament? What has caused the arc of history to stall, to pause? Then I will conclude by offering a few thoughts on what we can do to get history moving again in the right direction. I am going to point to four tectonic shifts in the global landscape that I think can help us understand the moment that we are living through.

The first is the onset of the digital age. And I think we are in a socio-economic transition that is every bit as profound as the transition from the nomadic era to the agricultural era or the agricultural era to the industrial era. Our socio-economic foundations are changing. What we do when we get up in the morning is changing. How we feed our families and earn a living wage, that’s all changing. Because of automation, because of social media. It’s causing enormous changes inside our societies. It’s also redistributing wealth around the world and it’s doing so in a very rapid way. We have yet to understand the profound nature of social media. We know that Twitter and Facebook and other social media organizations have profound political effects. Exactly what those effects are, how we channel them, how we take advantage of them is very difficult to say.

Initially, conventional wisdom held that the information revolution would advantage the liberal democracies because they are the most adaptive and able to capitalize on it. The fast information highway meant that democracies would leave autocracies in the dust. Well, it has not really turned out that way. The Chinese—who keep a tight hold on social media, control the flow of information, and shape the political narrative—have certain advantages over democracies. My own country, the United States, is deeply divided. The nation is polarized in part because there are completely incompatible narratives of political life that circulate. Those competing narratives—in effect, alternate realities—are in part a product of social media. They also arise from the digital revolution. We are moving from a democratic societies. So, in other words, we seem to be at an inflection point globally. This positive, progressive march of history has stalled, it has lost its momentum, it has shifted into reverse. And our paramount task today is to restore that momentum. And to make sure that the arc of history continues to bend towards greater freedom, greater dignity and greater democracy.

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The first is the onset of the digital age. And I think we are in a socio-economic transition that is every bit as profound as the transition from the nomadic era to the agricultural era or the agricultural era to the industrial era. Our socio-economic foundations are changing. What we do when we get up in the morning is changing. How we feed our families and earn a living wage, that’s all changing. Because of automation, because of social media. It’s causing enormous changes inside our societies. It’s also redistributing wealth around the world and it’s doing so in a very rapid way. We have yet to understand the profound nature of social media. We know that Twitter and Facebook and other social media organizations have profound political effects. Exactly what those effects are, how we channel them, how we take advantage of them is very difficult to say.

Initially, conventional wisdom held that the information revolution would advantage the liberal democracies because they are the most adaptive and able to capitalize on it. The fast information highway meant that democracies would leave autocracies in the dust. Well, it has not really turned out that way. The Chinese—who keep a tight hold on social media, control the flow of information, and shape the political narrative—have certain advantages over democracies. My own country, the United States, is deeply divided. The nation is polarized in part because there are completely incompatible narratives of political life that circulate. Those competing narratives—in effect, alternate realities—are in part a product of social media. They also arise from the digital revolution. We are moving from a
been one big superpower: the United States, supported by its allies in Europe and in East Asia. That structure led to considerable geopolitical stability as well as confidence in our way of life. We were told, when the Berlin Wall came down, that history was over. Game over. Our liberal democratic capitalist system had won and there would be no more ideological debates. History was going to get boring, Francis Fukuyama told us. Unfortunately, we do not live in a boring world. In fact, I think we are seeing the return of not just ideological division, but geopolitical division, and the main driver of that change is the rise of China and the emergence of what looks like a two-block world, with Russia and China on one side, the liberal democracies of the world on the other side.

The war in Ukraine has speeded up the onset of that world. Because it has led to the return of militarized rivalry between the liberal democratic world and the autocratic world. And it has pushed Russia into the arms of China, big time. Russia was already building a strong partnership with China. Now I think it has no option. Because Russia is now being cut off from Europe — in political, diplomatic, strategic, and economic terms. And so, its one game in town is China. China, I think, has been somewhat ambivalent about the war in Ukraine. And that is because China has risen on the back of geopolitical and economic stability. This is not a war that is encouraging geopolitical and economic stability. In fact, I think for the first time in a long time we are witnessing deglobalization. We are all watching what is happening to Russia, the sanctions, unplugging Russia from the global economy. And we are seeing the dark side of globalization, which is vulnerability. I do not think that there will be a full decoupling of Western economies from China. But we are moving into a world in which the relationship with China is getting more adversarial.

I worry not only about growing competition with China, but also that dealing with China could strain the transatlantic partnership. As we speak, your chancellor is in China. This visit comes only a few weeks after the United States announced a ban on the sale of semiconductors to China. Which was a huge, huge issue. I would not underestimate the impact of that. And reality really says to the Chinese, not only do we object to what you are doing in Hong Kong, in Xinjiang, in Taiwan, in the South China Sea, but we intend to arrest your rise and hamper your technological advance. And that really does, I think, suggest that we are headed into a difficult world in which it is going to be hard to forestall the return of militarized rivalry between two big blocks.

Now I think that we will end up most likely in a world that is more multipolar than it is bipolar. It is interesting to me that most of the world right now is not taking sides amid the war in Ukraine. The Indians, it’s very interesting to note, have joined the Quad, the lineup of democracies against China. But they are not condemning Putin’s invasion of Ukraine. They are buying energy from Russia, they have been buying weapons from Russia, and they joined the Shanghai Cooperation Organization — a body led by Russia and China. All of Latin America, all of Africa, all of the Middle East, South Asia, South East Asia — they are not enforcing sanctions against Russia. And that is because they are not sure where to put their marbles. Two-thirds of the world today trades more with China than with the United States. So if you are in Nigeria or South Africa or Brazil or Argentina and you are figuring out where you want to go, and whether you are going to side with an autocratic bloc or you are going to side with a democratic bloc, your answer for now is: I am not going to tell you. I am not going to choose. I am going to wait and see how this game unfolds. So, I think what we will have here is probably a world where there are two big blocs, but much of the rest of the world is going to play it day by day. One day here and the next day there. And that’s a very complicated world. It is very different than the world of the Cold War, when we really did have one big bloc here, one big bloc there, and we knew on whose side just about everybody was.
I would also point out another important difference with the Cold War, which is that in China I think we are looking at a real competitor of a sort that the Soviet Union never was. The Chinese will soon have the world’s largest economy. The Soviet Union topped out at about 55% of American GDP. The Soviet Union was good at building industrial products, but they never really turned the corner to become an innovative, technologically advanced country. As John McCain famously put it, Russia remains a gas station with nuclear weapons. In contrast, China has an impressive high-tech sector. China has world class companies when it comes to drones, to AI, they have a good payment system that they are developing. So, this means that they have an economic model that, at least for now, is working. And that is one of the reasons that the Chinese government enjoys a reasonably high level of support among the Chinese population. Will that model continue to work, will the Chinese be able to continue to move poor members of their society into their middle class? We do not know. The Chinese economy is slowing down. Its zero-Covid policy has been very, very hard on the Chinese economy and on the Chinese people. But at least for now they have a model that seems to work. We are fast headed toward a world in which the country with the largest economy will be an autocratic China.

The third element of the tectonic change we are experiencing is that I think we are moving into a world that for the first time in history will be globalized and interdependent, but without a captain at the helm. And that is because globalization and interdependence really emerged in a world ordered by Pax Britannica and then Pax Americana. It was on the back of the Royal Navy, run from London, that we really were ushered into the world we live in today. It was in that era that the cable line, the telegraph, and the global shipping corridor opened up. Then Pax Britannica came to an end with World War I. After World War II, Pax Americana took shape, and Washington rather than London was the anchor of a globalized world. But now we are moving into an era in which we are increasingly tethered together and face a series of pressing global challenges, but no longer is there a solid anchor of that system. And that’s simply because, as I said, we are moving into a more multipolar distribution of power — but we remain deeply interdependent. Whether it’s climate change, nuclear proliferation, global health and pandemics, global commerce, controlling the cyber sphere — these are issues that cannot just be managed by Washington or Berlin or London or Tokyo or Beijing or Moscow. They are issues that require broad-based international cooperation. And I think one of the features of this moment is that the demand for global governance to tackle these challenges and the supply of global governance are getting increasingly out of sync. We need to figure out how to work with these big global challenges in a world that is becoming more geopolitically and ideologically divided. Are we going to be able to build cooperative linkages across ideological dividing lines and succeed in tackling these issues?

The final factor that has brought us to this historical inflection point is our own internal digestion, or to put it differently: the threat to democracy from within. And to me this is the biggest surprise. Had we been here 20 years ago, I would have said, yes, China is going to have the world’s largest economy, we are going to move into a world of greater multipolarity and ideological division. What I would never have told you 20 years ago is that the United States would elect Donald Trump as President and I would live in a society as polarized, as divided, and as angry as ours. Britain, too, has been tied up in political knots. I do not think anybody saw this coming. What is the source of this? I think it goes back to the onset of the digital age and the degree to which changes in what people do to earn a living have led to socioeconomic uncertainty, a declining quality of life, less optimism and more insecurity. This plight is in part the result of policy choices. I think in the 1980s we made some misguided decisions based upon overconfidence. We allowed neoliberal orthodoxy to call the shots, leading to deregulation, free trade, and the scaling back of social protection. As a consequence of these policy choices and of automation and technological change, we really have seen a hollowing-out of the American middle class.

Decades ago, the largest employer in the United States was General Motors. The average worker at General Motors earned thirty dollars an hour in today’s wages. Today the largest employer in the United States is Walmart. The average wage of a Walmart worker is around thirteen dollars per hour. So, a substantial fall-off in the real wages of an average American worker. In 1950, the CEOs at America’s top companies on average earned twenty times the wages of their employees. Today the CEOs of America’s top companies earn 287 times the wages of their average employees. I come from Wisconsin. When I grew up in Wisconsin it was about as centrist and decent a place as you could find. It was all about cows and cheese and the Green Bay Packers. Now it is divided, angry, unhappy place. And that’s to a significant degree because many of the little towns I used to go to as a kid — Beloit and Oshkosh, and Racine and Janesville, and many more such places — are not in good shape. American towns like these used to have factories, they had thriving main streets, they had busy public schools. A good number don’t have those things anymore. And that’s in part because there has been a turn away from industry to service, automation has replaced workers, and we haven’t yet figured out how to deal with these changes. The policy instruments needed to address them are not in place. We will figure it out. We figured out how to operate in the industrial era. But it takes time and we are early in this new digital era.

I think the United States and the United Kingdom are particularly hard hit. Harder than Germany. And that’s for several reasons. One, Europe has preserved a form of social democracy that keeps its citizens at a higher level, a higher living standard than the Anglo-American economies. Number two, I think your multi-party democracies have served you well. In the United States there are only two main parties. If you are an angry voter on the right, you pull the Republicans further and further to the right, if you are an angry progressive you pull the Democratic party further and further to the left. And there is no one standing in the middle. Here, the angry voters have places to go. You can go to AIP, you can go to the Five-Star-Movement, you can go to the Brothers of Italy. Yes, the Social Democrats and the Christian Democrats have lost market share, but they are still standing in the center. And they still call the shots. And in many respects, I think Europe is more politically healthy than either the UK or the United States as a result.

WHAT DO WE DO?
WHAT IS THE WAY FORWARD?

Point number one, I think that our priority here is to get our own houses in order. Rebuilding liberal democracy, rebuilding transatlantic solidarity starts at home. We need to understand and unpack the digital economy and its socio-economic implications. We need to make sure we know what average Germans and average Americans and average Italians are going to do ten years from now to earn a living wage. I think we have just seen in Italy what happens when inflation is out of control. The outcome of that recent election — the victory of the far right — was heavily influenced by energy prices and the cost of living. In less than one week, I am guessing, the House of Representatives will fall into the hands of the Republicans, and a good number of those Republicans could be America-First Republicans. And the main reason that the Republicans are likely to take back the House is the economy. I think that Biden has some good ideas about how to address the underlying economic problems, such as investing in getting broadband internet into the heartland, in healthcare, in education, in technology. But he had very narrow political margins. When F.D.R. introduced the New Deal, he had huge mar-
Charles Kupchan in conversation with Johannes Völz

gins: a big majority in the House and a big majority in Senate. He went big because he could go big. Biden went big, but he couldn’t deliver because he lacked support in Congress. He just did not have the consensus—even within his own party. And as a consequence, he scaled back and he did the best he could. Now the war in Ukraine has really distracted him from his domestic priorities and the task of rebuilding economically and politically. We need to make sure that we get back to that agenda as soon as possible.

Second, I think we need to do what we are doing in this room today: to revive, renew, and consolidate, for the next thousand years, the transatlantic alliance. This is our best hope for the future. As I said, the United States and its democratic partners around the world have bent the arc of history in the right direction. If we are going to continue doing that, we must do it together. Europe alone, the U.S. alone, Japan alone—it’s not going to work. And as a consequence, we need to ensure that we stay lashed up to each other.

Third, I think we do need to tackle the question of immigration. Because it is an issue that is as toxic as or more toxic than inflation. And I think it is very difficult to untangle identity politics from economic insecurity. When you are making twelve dollars an hour and you can’t feed your kids, you are much more likely to blame the immigrant family that moved in next door than if you are making thirty dollars an hour and have no problem feeding your kids. So, the salience of identity politics and economic insecurity go together. But, at least in my own country, we do not have a functioning immigration policy. It’s a mess. We don’t know who’s coming, we don’t know who’s going. I’m actually strongly pro-immigration. I think we need more immigrants. But we also need control and a functioning system. We need to know that the borders are secure. We need to know who’s coming in. We need to have legal procedures. Because if we don’t take these steps, then I fear that the illiberal populists and the anti-immigrant voices will continue to grow louder.

Fourth point, we must find a way of restoring political civility. Gunther Hellmann mentioned the essay that I published a few days ago in the New York Times calling for negotiations, and ultimately, diplomatic efforts to end the war in Ukraine. I am afraid now to open my email or look at social media. Literally. For the last 48 hours, I have received a torrent of insulting criticism. And I don’t think this is a particularly controversial piece. I support doing everything we can to help Ukraine defend itself, coupled with diplomatic efforts to end the war. But we have lost the art of political civility. Things are better here in Germany. I recall I was here last December at a conference at Schloss Elmau—a beautiful place, some of you may know it. There was a panel at that conference consisting of Mr. Laschet, there was Wolfgang Schmidt, and the third person was Franziska Brantner. It was a civil, thoughtful, respectful conversation even though it came just after the election. And I was crying—because that kind of conversation almost never happens in the United States these days. But such exchanges are essential; democracies need to start by making sure our liberal democratic societies are rock solid. If we do that, if we get our houses in order, I am sure that we can figure out how to deal with Russia and how to deal with China. And I am confident that our democratic system will ultimately prevail.

Why? Because that is what we did last time and what we are here to commemorate. We got our houses in order. John J. McCloy and his colleagues said, our system will ultimately prevail against their system because our system works and delivers. And we will wait them out. We now need to make sure that our system does in fact perform and outperform the competitors and we will wait them out. But we need to start by making sure our liberal democratic societies are as healthy, as anchored, as centrist, as it were in the days of your father, John J. McCloy. I will stop there. Thank you very much.
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