



To: President Donald J. Trump

From: Andrea Montanino

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Re: Europe—Key Partnership for American Prosperity

BACKGROUND: THE OPPORTUNITY

- Your visit to France is a perfect opportunity to reaffirm the importance of transatlantic relations and establish once and for all that Europe is your main partner.
- President Emmanuel Macron, together with the new German government to be elected this fall, will provide new vision and an improved economic framework for Europe: You have the opportunity to present the interests of the United States to President Macron before the process takes root.
- To best serve American interests, you should encourage a stronger, more integrated Europe:
 1. **Making America Great Again will be more effective in partnership with an economically strong Europe.** More than 40 percent of American investment abroad is in the European Union's twenty-seven member (EU27) countries (compared to only 1.5 percent in China). Around 45 percent of foreign investment in the United States comes from the EU27. Additionally, the EU27 is by far the largest recipient of US goods. Thus, a stronger Europe makes a big difference for American profits, American corporations, and American jobs.
 2. **Solving the most pressing issues of our time—Syria, Libya, Ukraine, the migrant crisis, and terrorism—will be more easily accomplished with a strong Europe.** Only a stable, strong Europe has the capacity to work with the United States in solving problems that emanate mainly from countries at its borders. A weakened Europe would invite further terrorism and more Russian aggression, allow conflicts to spread, destabilizing the region and the US economy, and add more weight to US shoulders.
 3. **Continued US leadership in global economic governance is only possible with a strong partner that shares US values.** In the 1960s, the United States alone accounted for around 40 percent of global GDP; today it accounts for around 20 percent. The United States benefits from partnering with the EU to preserve the majority vote at crucial multilateral organizations such as the International Monetary Fund (IMF), World Trade Organization (WTO), the World Bank, and leads discussions in fora such as the Group of Seven (G7) and G20, in order to continue to lead and shape global economic governance. Together, the United States and the EU have almost 45 percent of the votes in the IMF and the World Bank. Four out of seven G7 countries are European. Given the size of the two economic areas and the shared common vision on economic fundamentals, the United States and the EU are natural partners.

THE DANGER

Europe is not standing idly by while the United States conducts a comprehensive review of its trade strategy. The EU is currently negotiating several trade deals, most notably with China, Mexico, and Japan—reaching an agreement with Japan just last week. This is a positive development, underscoring the strength of the EU as a negotiating partner. It also means that if the United States does not act soon and take steps toward closer economic cooperation with the EU, we will be left on the sidelines in global trade negotiations. Without involvement from the United States, other players will fill the vacuum that is created and dictate the rules of the game.

RECOMMENDATIONS: CLOSER COOPERATION FOR GROWTH, GEOSTRATEGIC STABILITY, AND GLOBAL LEADERSHIP

During your meeting with President Macron, you can send a message to the world: The United States understands that a stronger Europe means a stronger America, and we support the European Project.

To advance America's strategic interests:

- **Open negotiations for a “Pact for Jobs and Growth” that will build on the useful elements of the Transatlantic Trade and Investment Partnership (TTIP).** Abandon the acronym “TTIP,” which has proven toxic with US and European citizens, focus on win-win subjects, such as simplified rules for small and medium enterprises and e-commerce, and reduce unnecessary regulatory differences in economically significant product sectors, e.g., in the pharmaceutical and automotive sectors. Make the pact a better deal by basing it on a more general framework, a “living agreement,” through which the United States can work to develop future areas of consensus.
- **Make clear your willingness to cooperate with the EU in multilateral fora.** Multilateral institutions such as the IMF, WTO, and World Bank favor economic stability and create the macroeconomic conditions for increased growth in the United States and Europe. Given the singular authority of a united US and European voice in these fora, strengthening the transatlantic alliance means you will be able to continue shaping the rules of the global economy to suit US interests.
- **Support a strong and united Europe by engaging with European institutions and their leaders and endorsing European integration.** Europe, able to speak with a single voice, offers the most fertile and stable ground for business and investment, which, in turn, will result in more jobs and growth in the United States. “America First” does not mean America alone; a stronger Europe will ensure a safer and wealthier America.



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