

LETTER FROM BERLIN



Merz Asserts Himself

But does he have a game plan?

BY KLAUS C. ENGELN

On February 20, 2026, the U.S. Supreme Court issued its stunning decision to strike down the Trump administration's Liberation Day tariffs, and the U.S. president lashed out at the court and introduced new tariffs of up to 10 percent based on other laws. These tariffs in turn were struck down by a panel of judges. World trade remains in an epochal crisis.

At the time of the ruling, Germany's Christian Democratic Party was holding their party convention in Stuttgart. There, Chancellor Friedrich Merz was re-elected to the leadership of the CDU with an impressive vote of 91 percent of the delegates. Merz accepted the continuation of the party leadership and the chancellorship with the Social Democrats as coalition partners.

MERZ'S VISIT TO TRUMP

On his re-election day as party leader, Merz indicated that he would hold

talks with European allies on a joint response to the United States ahead of a visit to Washington to meet President Donald Trump. "We will have a very clear European position on this, because customs policy is a matter for the European Union, not for individual member states," Merz told ARD radio in an interview. "I will go to Washington with a common European position."

AFP reported of the interview, "Merz said he nevertheless expected German exporters to face fewer duties in the future and saw good news in the Supreme Court's ruling." Merz added, "There is a reassuring element in yesterday's Supreme Court decision: the separation of powers in the USA still seems working."

After the meeting, Merz said he had made clear to Trump, "An agreement that placed a greater burden on transatlantic trade than the agreement of August 2025 was out of the question for Germany and the European Union."

NO MAGA MOVEMENT IN GERMANY

At the opening of the Munich Security Conference on February 13, Merz—who recalled that he has been attending the conference for more than thirty years—noted that this year's meeting had a somber title, "Under Destruction," that "appears to suggest that the international order, which was based on rights and rules, is in the process of being destroyed. I fear we must put this even more bluntly: this order, as imperfect as it was even at the best of times, no longer exists."

By providing an English translation of his speech before the conference, Merz indicated he wanted his message to reach a broad audience.

The chancellor pointed to an uncomfortable truth: "A chasm, a deep rift, has opened between Europe and the United States."

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But Merz made one thing clear: “The MAGA movement’s culture war is not one we share. Freedom of expression ends here in Germany when words oppose human dignity and the Basic Law. And we do not believe in tariffs and protectionism, but rather in free trade. We adhere to climate agreements and the World Health Organization because we firmly believe that we will only be able to tackle global tasks by working together.”

THE UNITED STATES WILL NEED EUROPEAN TRUST

At one point Merz went into English to make certain his point was not missed by the Americans: “For three generations, trust amongst Allies, partners, and friends has made NATO the strongest alliance of all times. Europe knows deeply how precious this is. In an era of great power rivalry, even the United States will not be powerful enough to go it alone. Dear friends, being a part of NATO is not only Europe’s competitive

“In an era of great power rivalry, even the United States will not be powerful enough to go it alone. Being a part of NATO is not only Europe’s competitive advantage, it is also the United States’ competitive advantage.”

advantage, it is also the United States’ competitive advantage. So let’s repair and revive transatlantic trust together.”

But Merz admitted, “Russia’s gross domestic product currently stands at around two trillion euro. The European Union’s GDP is almost ten times higher than that. And yet Europe today is not ten times stronger than Russia. Our military, political, economic, and technological potential is enormous. But we are still far from exploiting it to the necessary extent.”

Merz finished, “We Germans know that a world in which only power counts would be a dark place. In the twentieth century, our country took that path to its bitter and evil end. Today we take a different and better path. Our greatest strength remains our ability to build partnerships, alliances, and organizations that are based on law and rules, founded on respect and trust, and believe in the power of freedom.”

TRUMP STICKS TO SUPPORTING EUROPE’S FAR RIGHT

A year ago on the eve of the German federal elections, when Trump’s vice president JD Vance spoke at the Munich Security Conference, he was met with shock and bewilderment because of his attack on Europe’s ideals and a call to embrace far-right political parties.

A year later, when U.S. Secretary of State Marco Rubio spoke at the conference, *Deutsche Welle* headlined, “Europe welcomes Rubio’s tone, but Trumpian narrative remains.”

As *Deutsche Welle*’s Matthew Ward Agius reported, “The U.S. secretary of state warned, as the Trump administration has done before, that Europe risked ‘civilizational erasure.’ And he espoused a general view that in a new world order, it was nations—not institutions—that would get an imperfect world on track. ... DW Chief International Correspondent Richard Walker said it appeared Rubio was trying to create ‘a Trumpian narrative of what the West actually is.’”

WHAT HAPPENED TO MERZ’S “WIRTSCHAFTSWENDE”?

In a timely piece, the German business daily *Handelsblatt* in February came



German Chancellor Friedrich Merz addresses the 2026 Munich Security Conference, telling attendees that the international order no longer exists.

out with a report on what Merz’s coalition government achieved in terms of the promised economic reforms in its first year. It begins, “A look at key economic sectors shows that little has changed. ... The German economy is indeed growing again. After three years of stagnation, the federal government forecasts that gross domestic product (GDP) will increase by 1 percent this year. ... In reality, however, it is the state itself that is on a growth trajectory. The expected increase is not self-sustaining. Two-thirds of the growth forecast for the current year is attributable to increased government spending on defense and infrastructure, which the federal government is financing with record debt. ... The potential growth rate, which indicates what an economy can achieve on its own, has just been revised downwards by the Ministry of Economic Affairs. It is now projected to reach only 0.5 or 0.6 percent annually until the end of the decade.”

It remains to be seen what Merz’s government can accomplish before important state elections coming in the fall. ♦