

A Place of Possibility™ Episode 18

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Hello?

How are you today?

I'm well, happy St. Patrick's Day!

It is St. Patrick's Day, It is! And you're not wearing any green.

Uh oh, are you going to pinch me?

Actually, I have, look at that. There you go, a pocket square, my pocket square has a little bit of green, right? Do you have to wear green if you're Irish? I don't know if everybody knows. Richard is part Irish.

My mom was half Irish.

Yeah. In fact, growing up, I don't know if people know this, they called him Murphy because he was born into an Italian family with red hair. Like what's this-
Who's this albatross?

So, I see you have your Ukrainian mug.

I do, yes, in support of Ukraine. And thank you for the segue into our topic today. We are here to talk about, Russia's invasion of Ukraine. We are really excited about our guest today. It is John Emerson. John works in global distribution as Vice Chairman of Capital Group International.

He has 20 years of industry experience with Capital Group. He most recently served as the United States Ambassador to the Federal Republic of Germany. In 2015, John was awarded the state department, Susan M. Cobb award for exemplary diplomatic service, which is given annually to one non-career ambassador.

And in 2017, he was awarded the CIA medal and the U.S. Navy's distinguished public service award. Prior to accepting the ambassadorial posting, John was president of Capital Group Private Client Services. Before joining Capital, he was Deputy Assistant to President Clinton where he coordinated his economic conferences, served as the president's liaison to the nation's governors, and led the administration's efforts to obtain congressional approval of the GATT Uruguay Round Agreement and the extension of China's MFN trading status.

Additionally, he was appointed by President Obama to serve on his advisory committee, for trade policy and negotiations. Before working in the Clinton white house, John served as Los Angeles' Chief Deputy Attorney and was a partner in the law firm of Manatt, Phelps, Rothenberg, and Phillips. John holds an honorary Doctor of Laws degree from Hamilton College, a Juris Doctor degree from the University of Chicago, and a bachelor's degree in philosophy from Hamilton College.

John is currently based in Lausanne. Ambassador, welcome to A Place of Possibility. We are just thrilled to have you here to help our listeners better understand what is going on in Ukraine right now. We're so excited. Unfortunately that bio was so long we don't have any more time, John. Ambassador, I'm sorry, I shouldn't be calling you, John. It's ambassador.

You can call me John. I only use *Ambassador* when I'm trying to get restaurant reservations.

Fair enough. All right. That's great. So first off you were the U.S Ambassador to Germany from 2014 to 20, what was the end? 2017? 2013 to 2017, which put me there when the whole Ukraine crisis started.



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Wow. Okay. Had the opportunity to visit Kyiv and the wake of that to work with the Ukrainian, the fledgling Ukrainian government, which, formed a democracy after Yanukovich who really was the kleptocrat who would, was sort of a Putin crony who'd been running that. Yeah. So, it was a very interesting time.

Yeah. Well, so that begs the question, you know, what's the deal with Vladimir Putin? I mean, it seems like he's a throwback to another century, you know, what is he doing in the 21st century? Have you personally met him? You know, I haven't, I would have when, Germany hosted the G Seven back in 2015, but because it was after the Ukraine crisis, began when Putin annexed Crimea and moved into the Donbas.

He was kicked out of the G, it used to be the G Eight, and they made it the G Seven so I did not have an opportunity to meet him. However, I was working very closely with Angela Merkle. She knew him quite well. And in fact, they spoke one another's language with nuance, you know, she'd grown up in the former east, former Eastern Germany and where they learn Russian, not English as their, as their second language.

So, obviously I, through the, not just our intelligence efforts, but obviously through, her and her national security advisor and the ongoing negotiations for the Minsk Accords., I had some insights into him through that.

Yeah. Wonderful. It's easy to throw around comparisons with Hitler with him, but what's, what's the deal with him? What's he trying to accomplish? What's the end game do you think? Yeah, I mean I always hesitate, having lived in Germany and met many who survived the Holocaust with these Hitler analogies, but maybe a Stalin analogy is more appropriate in his case. But, I think there's several things going on.

I mean, first of all, this is a guy who has said repeatedly that the greatest tragedy of the 20th century was the dissolution of the USSR, not two world wars, not the Holocaust, not the dropping of the atomic bomb, but the dissolution of the Soviet Union. Secondly, he's always believed - in fact, he wrote a long essay to this effect just about a year and a half ago - that Ukraine was part of Russia; that Ukraine was a made-up country that Russia really, the first major city of Russia was Kyiv. And that Ukraine belongs certainly in the orbit of Russia if not belongs as part of Russia. So, you have that philosophically, the third thing is just in terms of, his own and survival and, and geopolitical interests.

The last thing he wants to see is a major populous nation on his border. That turns into a thriving westward-leaning democracy. And the reason he went in and grabbed Crimea and infiltrated the Donbas when Yanukovich fled back in 2014 was because there was talk about Ukraine joining the EU and when Yanukovich exceeded to Putin's demands and said, well, no, no, no, we're not going to do that.

They had a public uprising on the night end. Remember the snipers, were, killing, killed over a hundred people just who were innocent protesters out there. And, and that's when Putin acted because the last thing he wants to see is a popular Democratically driven uprising to throw out an autocratic ruler on his border because he doesn't want the Russian people to get any ideas.

That's why, when Lukashenko in Belarus lost his election Putin moved in to support him while the guy I'm blanking on his name, the president of Kazakhstan just a few months ago. Uh, there were protests all over. He sent troops in to suppress that, and he doesn't want to see that in Ukraine, which begs the question of what's his ultimate objective?

I think it was ultimate objective here is regime change because the Zelenskyy is clearly moving in that direction and doing everything, he can to make sure that Ukraine is a broken country, maybe even a partition country. And so, there's no way that it can move westward or be a thriving economically, successful democracy.



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Interesting. So, we've seen reports that the Russians actually expected the Ukrainians to welcome them and throw down their arms, you know, a big percentage of them is that you think that was legitimate, that they actually thought, and you certainly aren't getting that.

You know, it happened a little bit in Crimea. Yeah, and it happened a little bit in the Donbas. I mean, there were still lives lost, Russian soldiers killed and all that, but the fact of the matter is there were, you know, Ukraine, you know, oddly enough, one of the great things that Vladimir Putin has managed to accomplish is taking a country that was largely pro-Russian and turning it into a country that now hates Russia, uh, much the way Poland hates Russia and, in any event, but particularly the Eastern part of Ukraine with those separatists areas and all that, you had a lot of former Russian citizens who live there and, uh, and, and that did happen. And I think there were two fundamental miscalculations that he made one, and we can talk in more detail about both of them if you're interested, but one is clearly how quickly the west came together and how solidly the west is together, uh, with regard to not just condemning the attack, but the sanctions that they're imposing.

And then secondly, the extent of the resistance and the resilience, and the fighting capacity, of Ukraine. Yeah. It's absolutely amazing. I'm getting the sense when you were talking about how he wants to have Ukraine be a broken country? Putin does. I got the image of like the lion king with Scar, you know, presiding over this charred area. Is that kind of like what he was, what he's trying to do? Well, I think he what he'd rather do and what maybe he thought initially he could do was a Blitzkrieg come in and then, decapitate the Zelensky government, impose a puppet government and bang!

He would have, you know, Ukraine be a part of greater Russia, if you will, you know, he wants to 'Make Russia Great Again,' that's essentially what he says. That's exactly right. And now that, that didn't happen. And now that he's suffered all these losses, unfortunately, this is not a guy who is about to turn around and go, you know what boy did I make a big mistake here. Let's pull the troops back. And you know, he's just going to keep pressing forward. I fear the most likely result of is continuing to press forward. Wow.

How have the Ukrainians been able to hold him off for so long? I mean, when I was thinking of this question, I imagined a ragtag band of citizens, which is probably not doing them enough credit, but you know, how long can they hold off One of the most powerful armies in the world?

Well, a couple of things, first of all, their army is pretty big and pretty well-trained and, and was cleaned up After the 2014 - 2015 debacle when it was not only, it turned out, it was not only some Ukrainian citizens who welcomed Russian troops with flowers.

And there were also some generals who were very pro-Russian within Ukraine, thinking about how they got there in the first place and all that. And so those guys are out. And so you have I think a much greater trained force. And by the way, they've been, you know, we've been giving them weapons, you know, Germany, wasn't some other countries weren't, but other countries were giving them weapons over time.

So they're better, defended if you will, from a weapons standpoint, the third thing is, you know, there's a big difference between, fighting a war far away from home, or maybe even not that far away from home in Russia's case, but you know, in another country and repelling an invading force, that's trying to take over your home and destroying your community and the level of intensity between the Ukrainian forces and people who are, you are not going to do this, and we're going to stand up and we're going to push back and we're going to fight versus a lack of intensity. We're hearing from the Russian soldiers. Many of whom are conscripts. Basically, they had a draft there and they just

started, joined up and they didn't, they weren't told. Here's what you're doing and here's why you're doing it. Most of them thought these were exercises, you know, along the border.



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Uh, they, they had no idea they were going in and once they're in there, it's like, what are we doing? Why are we doing it? And then the third thing, you know, Angela to your comment about the great mighty Russian army, not so great and mighty we're finding out they, uh, yes, they have nuclear weapons. So that obviously is, uh, something we have to be concerned about.

But logistically, you know, they say, uh, you know that before, uh, an invasion begins, it's all about the planning after invasion begins. It's all about logistics. You got to get gasoline to your vehicles, you got to get food, to your troops, you've got to get resources, to your trips. You got to get ammo and new weaponry to your troops.

And apparently from a logistical standpoint, this has been something close to, uh, a disaster. And so, you know, the Ukrainians. By the way we say we're giving them weapons. They're best sorts of weapons. These days as weapons, they're recovering from the Russians. Oh, he's seen them taking over tanks.

You know, and, and so I saw a commentator. Uh, military commentator on the news this morning and he made the point, you know, they talk about, you know, there've been a, the Russians have suffered, uh, roughly, you know, 10% casualties of their trips. So, they had 150,000 troops. That's 15,000 people, by the way, just to put this in context, 15,000 people, how many dead, how many wounded?

Not sure. Uh, but in three weeks, in 20 years of the Afghan war, we lost, we lost 2,400 lives. Yeah. They've already lost well over 5,000 lives. So, I mean, that just puts, that puts that in a little bit of a, in a little bit of context, but what he was saying was 10%, it isn't 10% across the board. There may be some areas where very few Russians have been killed, there may be other areas where 40% of the invading force was killed. And in those cases, the Ukrainian army is just picking up that equipment that at least the equipment that wasn't destroyed and using it against them, they even caught and captured. And now control one of their major surface to air, anti-aircraft weapons that they're using.

So that's kind of how it's been happening.

Now. I have to say at the end of the day, you know, Russia's got the military, they've got the might, they've got the people. They've got the bodies to throw at it. They've got the weaponry to throw at it. They're obviously following a, you know, try to demoralize the country by destroying the civilians, and brings cities to their knees, uh, by, you know, bombarding civilian targets, you saw the thing this morning and the news of the tragedy with that theatre that they bombed that literally had outside of it in big Cyrillic letters on the ground, written children inside. And it a very easy target, not a lot around it. You can't argue that was amiss.

And, um, that's the approach that they're now taking and sadly, over time. That approach and that relentless bombardment is it's likely to succeed. Probably. That's why I say at the end of the day, we may end up with a, with a partition country or something, but the cost of this for Vladimir Putin and we haven't even begun to talk about sanctions and the economic impacts the costs from a military standpoint, from an embarrassment standpoint, from exposing to the world, how precisely, how unprepared Russia's conventional forces is enormous at that point.

I keep thinking the word inept just comes to mind. So, let's talk about sanctions. Um, you know, we've, we've seen sanctions, you know, being used over the years, you know, in other countries, Iran and North Korea and, and they never, I mean, from my perspective, they never seem to do a whole lot, you know. Well, they did in South Africa.

That's right. You're right. That's right. I do. Right. And boycott brought down apartheid, but you know, I think you're right. The fundamental question is what's the. Cause sanctions. And I think this is, we've seen a revolving purpose or an evolving purpose here. So, the initial purpose of the sanctions and the threat of sanctions was deterrence.



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Okay, we're going to do this, this, this, this, and this to you. If you do this. Now, honestly, I'm not sure if Vladimir Putin, Putin believed that. Right. And the reason he didn't believe it is Europe gets 47% of its oil and gas from Russia. It's like the European nations, aren't going to risk that they're not going to suffer, you know, have their populace suffer.

They don't have the, you know, the attitudes or the, you know, the ability to kind of endure that. So, they're not ultimately going to be with the United States. And by the way, even with the United States, they had that terrible withdrawal from Afghanistan. I can't imagine there's, there's zero appetite, uh, in America for another foreign military engagement, you know?

Yeah, they talk a good game. We'll see what they, I don't believe they're actually going to impose all of that. So, another thing that had to be surprised and was the rapidity with which the most extreme sanctions, including throwing Russian banks off the swift program, uh, you know, were imposed.

Deterrence then the second thing is punishment. So, once he's going in now, you got to number one for deterrence to be effective in the future. You better deliver when you threatened it in the past. Right. So, so that it serves that prob uh, that, um, purpose. And then, uh, and then it's also punishment. And then the third part in this case is, uh, is I think trying to bring pressure on Putin to. If not, he's not going to completely back down, but sort of look for some sort of an off-ramp where you can declare some sort of limited victory. And then, and then, basically stop the invasion and that's the sanctions on all the oligarchs. That's a crushing the Russian economy. because even authoritarians have their own politics to deal with, it's not, don't really genuinely afterward. Re-election against, uh, you know, against a well-known competitor because they either shoot them or, you know, arrest them or, you know, they control the news media. They control the information flows, but I believe me, there are power centers within Russia that at the end of the day, Vladimir, Putin's got to keep happy.

And it's more than the oligarchy not being able to send their kid to Oxford and not being able to access their yacht or land their plane in Europe or Canada or the United States. It's I mean, that's obviously there's an inconvenience to it, but not being able to access their resources and just seeing the Russian economy, inevitably as Russia gets increasingly isolated.

going like this, you, the, the idea, the hope is that the, uh, severity of these sanctions will create some internal dissension and pressures on Putin that could ultimately hasten an end to this.

You could sure hope, but there's a lot of misinformation going on, right?

Oh, sure. I mean, and then of course you had a speech this morning where, I mean, not only are they just total misinformation and I, and others, you know, his allies are doing, I just saw a news flash come across at the president of South Africa said, well, it's the NATO countries that started this war, you know?

And, and, and of course China was singing that tune. They were, it was very interesting. When Biden, then it was a very shrewd move on Biden's part, When Biden was releasing the intelligence, in the run-up to this invasion saying they're about to invade, he's about to invade he's up. He's just made the decision. It's just a question of when, China was saying that's nonsense.

That's not the case wherever they're like, whoops. but I think one of the more interesting questions is how China is going to deal with all this. Well, that's when we wanted to ask you. Yeah. Well, let's talk about that. What do you think? It seems, it seems like John that, um, you know, that they, how could this help them to be on Putin's side with this thing?

How could, how could you're standing in the world increase or do anything good for them if they're on his side? Well, that, that's an important, element of, I think the conundrum that they're under now, Xi Jinping and Vladimir Putin had their confab on the Eve of the



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Olympics, the Winter Olympics. They came out with a 5,000-word communique and the two things of note number one, it was, uh, they, they talked about a partnership for life, without condition.

Yeah, this was something that was going to be, uh, uh, you know, creating in effect, a different world order different from the rule of law, a world order that had been created by the west. And we're going to have an alternative way of doing business out there. I mean, that, that was huge consequential and something to be very worried about, you know, geopolitically in a long-term basis.

Second thing that was interesting though, about it was, it was silent as to Ukraine. Now, China is Ukraine's largest trading partner, China imports, a ton of grain and, uh, you know, wheat and barley from Ukraine. Uh, second thing is but not withstanding that I'm sure that Xi Jinping Who of course has his eyes on Taiwan was sitting there going, hey, this is a freebie.

I can have Vladimir Putin be the point of the sphere, uh, and go forward on this. And let's see how the west responds, you know, are they really going to impose the sanctions that they're talking about imposing? Are they really going to come together, or will they be split? Because both Russia and China have this geopolitical objective to separate Europe from the United States and even within Europe to divide and conquer among the different countries.

China does it through economic means. Russia, does it? Well also, I suppose, economic, but through energy politics. Uh, but China is Germany's largest trading partner now, as an example, Italy, China is Italy's largest trading partner. So, there's this desire on China's part to have good relationships Europe.

So, the good news for Xi Jinping is he went to school, he got his lesson and he learned two things. One, whoa, I guess they will deliver on the intensity and severity of the sanctions. That's something I better keep in mind. That's why I say, I think all this has made an invasion of Taiwan, less likely, not more likely, but the flip side is they're afraid to get into a military conflict. They won't get into a military conflict with a nuclear power. So maybe if I do something in Taiwan, I'm not going to have, I won't be engaging the, the American forces for instance. So, I mean that, that's something maybe you wish you wouldn't take away from it, but that he is probably also taken away from it.

But now I have to believe he's not too happy about it because of the point you raised, which is Vladimir Putin is now a pariah in Europe and all these countries that, China wants to do business with and is continuing to do business with, and I know they, I can tell you from a German standpoint, they're, you know, inviting German companies to come and build factories and really invest in China and all that.

Uh, there are now, um, you know, those companies are going: man, if you're a Vladimir Putin's pal and you're behind him every step of the way in this process, we don't want to be doing business with. So, they're worried about getting crosswise of sanctions or beyond that as you put it reputational risks. And then the second thing is, uh, you know, Xi Jinping is trying to kind of build the Chinese economy.

It got overheated it's come back. They've had some problems. They just recently, uh, this week, uh, agreed to sort of, uh, help the banking system, uh, and which the stock market appreciated, I suppose. And in any event, the last thing he wants is a global recession. And yet if you're weaponizing energy and you see the spike in energy prices and you'll see the impact of sanctions and the likely retaliation by Putin against the sanctioning nations, all this could lead to a global recession.

And since China builds stuff, they want to sell to the rest of the world, that's not a good thing.

Maybe the silver lining they'll get to buy a lot of Russian oil and gas at fire sale price. But, um, but this generally is not a good thing. And I think the thing to watch is what the intelligence community put out, which is that, uh, Russia has asked China for weapons, for help, keep an eye on that one, because that, I think of China goes in that direction.



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I think this is what Jake Sullivan, the national security advisor said to his counterpart in Rome earlier this week and their seven-hour meeting, you know, you guys go down that road. You are getting involved in this thing and there you will run afoul of sanctions. So be very interesting to see whether they in fact come through on that or whether they're support of Russia is basically just verbal.

Interesting. What about the whole issue of energy in Western Europe and east and central Europe is also, I mean, it's a problem they can, but not immediately. I mean, it's, uh, you know, and it's, it's more, more of an issue than

You know, wearing a sweater and turning the temperature down.

How long can we last? Yeah. I don't have air conditioning very much as you probably know over there in the summer. but they, they need the heat, you know, I mean the good news is we're moving into the spring, but the bad news is that there is not a ready replacement for Russian oil and gas at the level that Europe, um, uh, is dealing with.

We can figure that out in the United States, it's only a million barrels a day. We got from Russia, uh, you know, maybe less than 5% of our oil and gas needs. We can figure that out. We can ultimately deal with it through domestic production. They can't. And so. Uh, you know, I think they're talking to Norway, uh, but Norway has 95% of the natural gas that it produces is already committed.

So now some of its committed to Europe, but it's already committed, right? So that doesn't fill that gap. Um, but there'll be some coming from there. U S has talked to Japan about diverting, some of its natural gas supplies, liquified natural gas over to Europe. Uh, but in Germany, for instance, they Did not complete building the regassification facilities.

They were building at one of their ports, in the North Sea. They're now diving into that, doubling down on that. So, this could be one area where you do see a gap between what Europe's willing to do and what the U S is willing to do in terms of, you know, sanctioning or banning there, uh, energy production.

this is one reason why, I think again, the U S has put it pushing hard to try to get the Iran Nuclear deal done again, not only because once we stepped out of the Iran nuclear deal, but they also move that much faster and closer to developing a nuclear weapon. but now there's also, if you reduce the sanctions that that's bunch of oil that comes on global markets, uh, that they'd be perfectly happy to sell.

So, it's interesting how this changes a lot of things. I mean, Um, uh, you know, in terms of, um, who we're friendly with and who are not, we're talking to Venezuela last week, right?

Exactly. Now the white house got a lot of pushbacks from that. I was in south Florida earlier this week and I, I heard about that as well.

We don't even recognize the Maduro government, but, the White House is saying we weren't discussing oil. We were discussing, uh, releasing these prisoners that they had or hostages that they had, which they did. But, you know, I don't know if we necessarily have to buy that oil, but if they agreed to pump more and put it in global markets, obviously.

Yes, sure. Of course, it helps. And oil price came down the last couple of days a little bit, but still, still way up there as every American who drives a car knows They see that inflation report card every five or six blocks. You can't deny it for sure. Yeah. Well, can we talk more about the impact on Americans and specifically American investors by and large, the people listening here are, you know, your mom-and-pop hardworking Americans.

They just want their retirement to outlive them. What do you think the long-term serious repercussions to the U S stock market and investors are going to be, as a result of the war? Well, it's more short and medium term, to be honest with you. I think long-term, we'll get through this we'll deal with this just as we did with the global financial crisis, you know, just as we did with the.com bust, which lasted a couple of years.



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If you're, if you're on retirement, living on a fixed income, guess what your interest rates are going, your interest payments are going up because interest rates go up. That means you're going to get paid more. Obviously, you're worried about inflation, you know, sort of hollowing that out.

Um, but I think if you're invested in, if you've got a financial advisor you're working with and you've got a good long-term plan, And you're on track with that long-term plan. I wouldn't make any sudden moves here., I would stick with that stick with that plan. Ultimately, you're going to be all right.

If you are in a situation where, you know, you were planning on buying a house in six months, or you got to send your kids to school and you needed to cash out, that's a different story and what you need to do there, I think is sort of look at the, you know, Maybe there are some assets we can sell that aren't likely to come back as fast and harvest some losses for tax purposes, but raise the cash that way. You know, those are nuanced complicated decisions, but I would say from a long-term standpoint, you know, hang in there. I think what's likely to happen. Long-term is you're going to see, more and more reassuring of, supply chains, probably. Uh, increase in incomes to Americans.

Uh, I think inflation will get under control. I mean, it may take a year and a half to two years to do it. We heard from the chairman of the fed yesterday, they're talking about a 2% raise over the next couple of years, but that inflation will be gotten under control. The supply chain imbalances \, will balance out again.

you know, in every crisis there are also lots of investment opportunities. So, I, I mean, I know this is one thing we work hard on at capital group is trying to, you know, think about keeping people invested, but making the kinds of changes that, are both protecting them in the short and medium term, but also taking advantage of what the likely long-term trends are going to be.

And I clearly, from a long-term term, standpoint, you know, greater independence from dependence on oil and gas at something that had started a while ago. I think once we get through this crisis that may accelerate, you know, those kinds of things. So, stick with it. If you've got a plan, stick with it, you know?

John, it sounds to me like we're going to come out of this stronger than we were Before, because we're going to have our supply chains, you know, we're, we're doing less dealing with some of these bad guys who could, who are using the wealth, you know, the wealth that we're helping them create to do bad things, evil things in the world.

Right. So it seems like we're going to come out of this stronger and more resilient than we were before. I think that's entirely possible. And I think you raise a really good point there. I think there's been a lot of conversation about this authoritarianism versus democracy. And, you know, one of the problems is when you come in in times of uncertainty, you know, authoritarianism sort of feels good cause you want, you know, you want the, you know, a strong leader to come in and say, we're going to do this.

We're going to do that. Be able to implement it quickly. Now you see the dangers of having an authoritarian leader and the havoc that can be wreaked as their ego as their Personal view of the world and, and how they want to make it and what they want their legacy to be sort of takes control. And then as a response, I mean, Putin's speech this morning was extraordinary when he talked about cleansing Russia.

I saw that from traders being defined as anybody who says, wait a minute, are we doing the right thing here? Uh, you know, that's what authoritarianism is. And, um, and I, I do think that. Uh, you know, in bringing democracies together in bringing the rule of law community together, that ultimately does strengthen us.



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And, and this has had that effect and hey, we were sniping at each other. Let's, let's be honest. I mean, I saw it in Europe. I saw it within the EU. I saw it between Europe and the United States on a number of occasions. You know, we were sniping at each other and, that's not going to stop forever, but it certainly stopped now.

Yup. Yup. I think of the tests for a dictator is how long of a table can you get? Right. Cause I see the table and he's sitting there like nine miles away from his generals or whatever. That was unbelievable. Reminds me of shuffle board in a bar, you know?

I couldn't believe that, that was really crazy.

Yeah. Well, by the way, so that's another, you know, I mean, who knows this could be wishful thinking on people's parts. You know, there's a lot of question about, is Vladimir Putin well? I mean, his face looks puffy. Uh, is he taking cortisone? what's going on there? And then that long table begs the question of -is he somehow immunocompromised and very worried about anything that.

What it also reinforces is how very isolated he is. I mean, he's not even at the Kremlin, you know, he's an hour outside of Moscow. he doesn't go in there. He doesn't have a regular meeting of his advisors. the extending meets it's, you know, maybe a handful of people that see him. There is sort of KGB, former KGB cronies, and, and his advisors.

And particularly anybody who has a sense of what's going on in the rest of the world. They're kind of isolated from him or he's isolated from them. And that's, that's also worrisome in terms of ultimately what decisions you might make, but it's a factor and, you know people, we all laugh at the table, but there's also a question of why? Not why are we laughing but why is he doing it? Is there something underneath that we're not focused on?

And is he, and I don't know if we can even take the pulse of this, but I saw a question come through our feed here. You know, like how isolated is he from his people? What do the Russian people, by and large, think about this? Are there any polls that we can rely on as to what they're thinking? Well, it's, it's hard.

What I've seen, you'll be sorry to hear, is that over 70% of the Russian people are like fully on board of this, where they've been told this is, you know, this is a Ukrainians attacking Russians. They're committing genocide against. Literally, this is what he says, take committing genocide against Russians in the Donbas area.

In particular, they started this, you know, we're going in to protect the Russian people and the Americans. You know, work this up, and those Americans, they're going to hit us with chemical weapons. And, of course, we know Russia may well use chemical weapons. And so, you know, but this is all they're hearing.

And Putin's thing about, you know, the greatest tragedy of the 20th century is disillusioned of the USSR. Most Russians would agree with that. Now there, there are sort of a demographic that, you know, the older Russians who are sort of used to living in the system and you know, they're going to buy it younger Russians who are much more cosmopolitan or a much better wired and, and in the sense of getting information from the outside.

Social media, that kind of thing, to the extent it hasn't been shut down already. They know what's going on, and you see a lot of them trying to leave and a lot of them concerning, and clearly something has to be going on there. Or he wouldn't have given that speech this morning about cleansing Russia.

Right? What do you call them? Traders or something? Yeah. Yeah. Wow. Huh. Crazy. Well, speaking of social media, you know, can you talk a little bit about the role that social media, Google maps and all of this instant information sharing? You know, I'm watching videos on



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Tik Tok of Ukrainians making Molotov cocktails.

Like I'm watching this in real-time, I think to the degree that that's all accurate. So, you know, how, what role has that played in his war kind of changed forever as a result of this instant information? Well, yeah, I mean, remember the Vietnam war changed with television and you don't remember because you're too young, but uh, by the way, I was just in junior high school myself, but I've been told that what happened in Vietnam and one reason you had such opposition to the Vietnam war was it was like Right there in your face every night on television. And I think social media has taken that dynamic and put it on steroids. And so what it means is people are getting much more information than they otherwise would have available to them. The military can use it in terms of what's going on in a particular community.

And they believe me. They track it as you suggest, you know, Google maps, things like that. You turn on Waze and find out where you're going. You know, you don't, you're not sitting there looking at a map and, you know, going like this. And so there's no question that technology, social media, has changed the face of warfare and brings it to the world in real-time.

There's a downside to social media, and that is, unfortunately, it's very easily manipulated, not so much in this. But for sure, in the informational context, in the lead up to all this and Russia, unfortunately, has become quite adept at using social media to try to sow dissent, not just within and among, you know, Russians are sent to, but here in our country.

And, I mean, I read something or not read, but I was told by our intelligence services while I was ambassador as an example at one point, there was a, it was either a police shooting or some kind of gun-related incident in either Houston or Dallas, Texas, and all of a sudden this, I guess at that time it was Facebook, and maybe Twitter, went out to people who clearly were, you know, anti-gun folks, right, Come to, you know, I'm making this up first and may. At noon on Monday for a rally against gun violence, at the same time, all the, you know, second amendment crowd got a different, uh, thing come to first and main at noon on Monday for a protest in favour of second amendment rights. Wow. Looking for trouble. And what happened was the police chief, and the mayor were notified of that.

They did a big medium campaign. This is not happening. And they block that off. So, you couldn't have something like that. But I mean, that's the kind of thing that they do. And the other problem is social media, honestly. The algorithms work in a way that they really limit our ability to see both sides of an issue.

You know, it's like if you link something or like something you're going to get more of that and not the other thing. I intentionally will link or like things that are, you know, ideologically different from maybe what I believe because I want to see what's, you know, what are all sides saying?

Interesting. Yeah. And you'll, you know, you'll be shocked when you see the. You know, what you, what you get. It's also an annoying thing. Like you actually look online to buy something, and then every time you go online, ads for that thing pop up. I already bought the socks. I don't need to see seven more ads.

That's exactly right. I don't need more. Yeah, one last question. So, you know, Mr. Rogers always said, look for the helpers in a time of tragedy. So who, who are ending on a positive note here? Who are the helpers of Ukraine? What should folks who want to get engaged and do something useful? What should they be looking at?

How do you know what's a good resource or not? I'll tell you as, as the son and grandson of Presbyterian ministers and Mr. Rogers started out as a Presbyterian minister. I'm always, always happy to hear him, you know, raise there. And, you know, what's extraordinary about this is, uh, not just the Ukrainian people, but you know, the poles, the Moldovans.

And then, of course, I think Europe in general, Hungarians all reaching out and helping and taking them in the poles have taken an over two and a half million refugees pretty much at their limit. Do you remember what Germany made when, you know, Germans took in a



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million and a half, that's a country of 85 million people took in a million and a half refugees back in 2015, 2016 with the Syrian crisis, ultimately ended up being about 900,000.

I mean, that almost destroyed Merkel's career. Here are the poles are willingly in a much smaller country bringing these folks in. I think it's absolutely. Extraordinary. And what, you know, there's a lot of resources that are going to Ukraine. There are a lot of organizations popping up that we can help, but I think there are a lot of organizations that help with refugees, refugee resettlement.

I'll tell you when this happened in Germany, I was the ambassador, and I went to some of the centers, and I mean, it's a logistical nightmare. I mean, you've got a process. People identify them. Who are they? Then? You know, the worst thing in the world is just keeping them all piled up, you know? Disperse them throughout the country.

You got places for them to stay ultimately jobs for them to work at. It requires a lot. And I think that the helpers are there in some instances, governments, in some instances companies, but in a lot of instances, just real people who decide, you know, Hey, I'll take somebody in I'll, uh, I'll come down and feed I'll feed folks.

You know, I'll drive people around, whatever it is, and it's really extraordinary. And, you know, there are a lot of organizations popping up. Obviously there's probably, I have sad to say that in every a, there's a criminal element that will make things up to try to get money, but I'm confident there are websites like maybe USAID, which is part of the state department.

And I know very deeply involved in trying to help people or very credible organizations like Doctors Without Borders, or obviously the Red Cross or organizations that do that. You know, they'll want the money themselves, but maybe they also will have on their website. These are, you know, smaller organizations that we've vetted and improved, and you know, your \$200 contribution can go a long way towards helping someone there.

So, I mean, we're doing that ourselves, and in my family and, you know, looking for ways. Contribute. And I think that's super important, and there are some really wonderful, wonderful people out there who are in many instances risking their lives to help folks. For sure. Absolutely. That's great, and that's, that's a wonderful story.

That's a great story. Very heart-warming to see. John, one more question. This came from the audience. Is Russia going to be like a perpetual failed state now, like North Korea, or can they come back from this? I think it depends. I think as long as Putin decides to continue this down this path rather than relatively quickly agree to some sort of a settlement and start pulling back and ceasing this bombardment of civilians.

But even if he does that, I think as long as Vladimir Putin's in charge, probably right. I think you're going to need, ultimately, certainly a change in attitude to change in approach. And probably a changing government. Yeah. And by the way, the Russian government, who knows you could get somebody worse. Right.

So kind of a change before that happens, but it's, uh, you know, Russia could, well, I, they're going to be in a different place in North Korea because they actually do have resources that the rest of the world wants. Um, but you know, apart from Kim Jong-un on haircuts, but you know, I think that they could become just a little brother to China, which I'm sure you're putting want it to make Russia great again and now look, what's happening. Oh my gosh. Little brother with some big, big guns. Yeah. But I mean, that's not at all what they want, but I mean, that's, you know, it could be well, well, where they're headed, which is sad given where we could have.

Yeah. Yep. John, how can people follow you if they want to hear from you? Are you on social media? Oh, not that good at posting on social media. My Twitter is John BMO, but, or at John BMO emo, I'm honestly not. I do so much of this. I kind of do it this way, but I'm not a big social media guy.

My kids are much better at that than I am. I do have a daughter who was in the hunger games movie, following which character, a Foxface. That's your daughter, Jackie. That's great. Congratulations. That's exciting. I enjoyed that story. Yeah. And we have identical twins who do some Tik ToK stuff, but they're there now.



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You know, they're all posting on this and everything, and of course, Capital Group has a webpage and feeds and lots of webinars about the investment implications of all this as well. So people are invited to that, and we are in the American Funds. Yeah, the American Funds, we have a lot of our clients that are in the American funds, and we really appreciate your new capital group and American funds for giving you to us to be able to interview.

And we appreciate your expertise and your wisdom and your kindness and generosity, and being able to spend time with us. Thank you so much. Well, you know, let me just say thank you guys, because I think, you know, in today's world, even in these kinds of shows, they end up getting so hard-bitten and partisan one way or the other, right, and here you guys are just trying to bring the truth to people and bring a balanced perspective. And, I think honestly, just the way you two interact with one another and with your viewers, uh, is it's like, Lesson for all of us to take away about how we should treat one another. So happy St. Patrick's day.

Thank you. Happy St. Patrick's day, ambassador John Emerson. Thank you so much for being with us today. Appreciate that. Gosh, that was so fun. So, next time we will have Kirsten Howe on the show. She is a wonderful local estate planning attorney, and we're going to be talking about some of the fundamentals of estate planning.

Like, do you need a will, and where do you get? What, what are you foot in it? And what about a trust and you know, what kind of trust do I need? All that stuff, right? She's an expert on advanced planning as well. She's also going to talk about some of the latest things on the horizon that may be coming our way.

We almost had a big giant, a transformational thing that happened, and Joe Mansion prevented that from occurring with respect to estate taxes. So with the Build Back Better. So anyway, look forward to that. That'll be in two weeks, and we also want to let you know that we still have our offer for the Endless inheritance free book that we wrote is about how to protect your family from disintegrating basically like what, like we hope Ukraine doesn't do. The Russian economy is doing right now. We don't want to have that happen to your family. Also, we have a 30-minute free consultation with either Angela or I or both. And you can go to our website and at APlaceOfPossibility.com to be able to sign up for those.

And finally, of course, if you have any questions at all, yes. Requests for topics also, please let us know what you want to hear about on the show. We would love it. We have to deliver it for you, and you can reach us at Info@APlaceOfPossibility.com. So hope that was entertaining for you and informative. I learned a lot. Just terrific. Thank you very much. And we look forward to seeing you next time. Until then, You're invested, and so are we™. Take care!



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