

The Calm of Progress and the Foolishness of Common Wisdoms

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Speech to Amcham

Ambassador Howard Gutman

I want to thank Scott so much not just for that wonderful introduction, but also for his true friendship for me and my family during our first year here in Belgium. So thanks so much for your leadership and your friendship.

As you all know, my wife Michelle and I have now been here for one year. And what a year we have had being in my new home in Brussels, particularly with the government. Can you imagine what is going on – politicians and government officials having angry fights with each other; threats to restructure the country; possible bankruptcy of one section of the country . . .

And all of that comes just from watching American television.

Seriously, at last year's dinner, we were strangers then having never met each other. But even then, we felt the warmth in this room. A new day. A new beginning. For me, for my country, for Americans living and working in Europe, for Europe's and America's relationship together. A year later, we have come a long way. On a personal level, virtually all of us have become colleagues and many of us have become friends. The kind of friend who brings a smile as soon as we see each other in the distance, even before we get close enough to shake hands and to say "hi." So Michelle and I are thrilled to be here again tonight.

It has been a truly fascinating year for the U.S., for Belgium, for Belgian- American relations and for us personally. So I would like first to offer some thoughts -- entitled the "The Calm of Progress and the Foolishness of Common Wisdoms." First, "The Calm of Progress": that describes the past year and a half and the state of play back in the U.S. and here in Belgium. I hope this will also provide a window on what our life has been representing the country in our first year in Belgium. And then I will turn to "The Foolishness of Common Wisdoms" -- thoughts on some of the stereotypes that exist about doing business here in Belgium.

As my opening joke suggested, it has been a year in both the U.S. and Belgium in which the chaos of politics has threatened to drown out the calm of progress. It's strange indeed but with everyone around me in Belgium lamenting how difficult Belgian politics is to understand, I sometimes find Belgian politics easier to understand than U.S. politics.

So first let's look at the calm of progress. On almost any measure, the last year and a half for the U.S. government has been one of remarkable achievements. It can be best seen by comparing where we started and where we are now – that old refrain "are you better off today than" Through that lens, the last year and a half has brought Americans everywhere much to be proud of.

Taking the toughest issue first, the economic front, as of a year and a half ago in early 2009, Americans were waking up every morning and checking the newspaper and the internet to see which bank might collapse that day so that they could transfer their accounts in time. Europeans at that time were furiously blaming America and filing lawsuits against American institutions for collapsing

their banking systems as well. We were still headed down a long slope of losses of jobs from the economy, a rapidly contracting economy, and a nearly vertical rise in unemployment – it had gone in one year from 4.8 % to 8.2% between Feb 2008 and Feb 2009, when the new administration entered. And the worst part was that no one was sure where the bottom of the economic freefall might be or even if there would be a bottom. Indeed when we first met one year ago, unemployment was still rising, for the 18th month in a row – since April 2008.

A year and a half has indeed changed the picture radically. We have gone from lines outside of banks to withdraw money, to lines outside of banks to protest bank profits and bonuses, to no lines outside of banks. The calm of financial regulation has set in for citizens and indeed for bankers as well. I had a recent meeting with the U.S. Financial Regulatory trade group and they too seemed at peace heading into Basel with where we had gone. Indeed the month we met last year at this dinner was the month that broke the 18 month streak of rising unemployment, and unemployment has fallen since from 10.1% to 9.5%

In that period as well, we reformed health care, a problem that, like many economic problems here in Belgium, had been discussed for decades but never successfully addressed.

In the international sphere, the U.S. turned the planet upside down. We went from the country that had walked out of the Kyoto climate talks to the last one at the table at Copenhagen. We went from not being sure how to really end the Cold War with Russia, to restarting that relationship and in turn using that restart to bring a measure of nuclear sanity to our planet. Yesterday Secretary Gates and his Russian counterpart actually had talks on joint cost-cutting measures to save both countries from wasteful military costs. Can you imagine?

We got out of Iraq – as promised.

We went from a country that had long followed a path of East versus West, leaving both East and West with security perils, to a country working hard to build that bridge between the two. So President Obama went to Cairo. He spoke for 19 minutes. He never minced words. He said the bond between Israel and the United States is unbreakable. He said it was an act of moral cowardice to send bombs onto buses or over borders. And he still got a standing ovation in Cairo. As a nation, we restored our credibility throughout the Middle East.

And the thunder of that standing ovation has continued to echo around the world.

It could be heard a few weeks ago in Washington, earlier this week in Sharm-El-sheik and right now in Jerusalem as we work with partners in peace to tackle a problem in the Middle East 5000 years in the making.

It can be heard around the globe as we build the coalition in the U.N., in the E.U. and at home as the world unites to try to prevent a nuclear Iran, a single rogue threatening the brotherhood of man.

And certainly one of the greatest achievements of the U.S. government in the last year or year and a half has occurred right here. The leading beneficiaries are the people right in this room. We have reestablished our relationship with Europe. We have restored our credibility in Europe.

I explained to you last year that, in asking me to represent our country in Belgium, President Obama knew that Europe would be taking a fresh look at America. When asked about my goals upon arrival, I explained in my embassy that for too much of the recent past, when Americans came to Europe, they could not wear their Boston Red Sox tee shirts, they were instead packing Toronto Maple Leaf shirts. They could not let people see the English on their guide books. I meant it figuratively. But as Michelle and I walk the streets now, we actually see Boston Red Sox shirts and caps again everywhere. No, it is not about a choice of team, it is about the restoration of the relationship between the dearest of allies.

My rather crude tee shirt poll has recently received some more formal support. According to the German Marshall Fund, in October 2008, just prior to the last election, European approval rating for the American President was 20%. Now for the second year in a row, it has hovered right around 80%. And a majority of Europeans now support the U.S. exerting strong leadership in world affairs. We all benefit from that change in so many ways.

And that pattern ties to our Embassy and the glimpse of our life representing the U.S. in our first year in Belgium. As I noted to you last year, when we arrived, we were determined to help rebuild the partnership not just with the government – although certainly with them – but also with the people. We pledged to visit all 589 cities, villages and communes to do so. The map on my office wall says we have hit 186 so far.

The point has not been to sightsee – though Belgium is a beautiful country with magical sights throughout. The point has been to learn and to listen. To show the new face and to rebuild our partnership. To find out the state of our partnership. To find out whether we can truly depend on each other. To find out whether when we discuss an issue – no matter how hard for each of us -- we can always get to yes.

So I have taken French lessons one day and Dutch lessons the next, 5 days a week, to be a better listener and a better partner.

And Belgium has greeted the U.S. and a new ambassador with open arms. At last count by the Public diplomacy section, we had been on Belgian television 60 times in the first year.

And I have travelled through all of Belgium, from Knokke to Bree, from Tournai to Dinant to Bulligen, shaking hands and listening to Belgians, in search of these answers. For partnerships can be discussed in Minister's offices, in Parliament and in chateaus . . .

But partnerships are built with the people . . . all people. With counts and barons, CEOs and lawyers, and with mothers and fathers.

Along this path, I have been greeted warmly by most. Long welcomes. Huge ovations.

I have met a few – more in the media than in the streets – who are still skeptical about who we are or what we want. About whether anything has really changed. From the skeptics I have thereby learned that we must work only harder. That we must work harder together.

But they are few and farther and farther between.

For the vast majority and from the vast majority, the answers are there . . .

The answers are about our future . . .

Our future together.

The answers about our future and our partnership are on the lips, in the words, in the deeds, and in the smiles of the people – the people everywhere I have travelled -- on the beach in Oostende, in the port of Zeebrugge, at the Last Call in Ieper, at the Carnivale in Aalst, near the Krackling in Geerardsbergen, with law students in Kortrijk, on the port in Antwerp, next to Kim Clijsters in Bree, mourning lost school children in Mortsel, by the canal in Ghent, next to the Belfry in Brugge, under the carillon in Mechelen, at the racetrack in Waregem, at the Horebeke windmill village and in Oodenard, in an ice cream parlor in St. Nicklass, at a designer's shop in Hasselt, next to Fonske in Leuven, amidst the cauldrons at the Abbey in Westvleteren, amidst the construction of the new museum for the Red Star Line in Antwerpen, sailing in Koksijde, amidst the Fisherman on Horseback in Astridplein, winding around the WWII bunkers at Raversijde, throughout In Bev's corporate offices, at Pfizer in Puur, on Koppen, Phara, de Laatse Show, Villa Vanthilt, the Humo Pop Poll Awards . . . The answers are there.

Amidst the Cathedral in Tournai, at the Dou Dou in Mons, at midfield at the Standard Game, in the Christmas Village and Sunday market in Liege, at a corporate headquarters in Wavre, in a café in Nivelles, along the Meuse in Dinant, at a fair in Namur, with the Gilles in Binche, among technical students and firefighters in Charleroi, in the underground garage at Louvain-La-Neuve, in the town square in Malmedy, eating cheese in Orval, with monks in Leffe, amidst falcons in Bouillon, in Pierre Marcolini's kitchen, on the hill at Waterloo, in the courtyard in Chimay, with ear plugs to drown out racecars at Spa, in a housing project in Amay, at a windmill farm in Enghien, standing at attention in Neupre . . .

The answers are there.

At Memorials in Bastogne, and Bullingen and Butchenbach . .

At the Mannekin Pis, Cinquantenaire, in Molenbeek and Cureghem, cycling with Eddie Merckx and Stijn Devolder in Brussels; starting the Tour de France at the Palais, dancing with the Ommegang, along the Flower Carpet, next to the Meyboom in the Grand Place . . .

And so much more.

The answers are there. I heard them. I saw them. I hear them and see them daily.

I learned that Belgians and Americans today indeed share common values. We share common goals. A belief in common means to those ends.

We share not just a history on the battlefield. Not just undying gratitude for past World Wars among a grateful generation now too close to dying.

We share not just respect for one man, even a transformative figure in history. Not just applause for a star.

But common values. Common goals. A belief in common means to those ends.

And with proper communication and understanding, sharing common values, sharing common goals, a belief in common means to those ends, should mean that we should be able to tackle together the common problems . . . the world problems that we face together.

Two countries, one script, one page. That is largely how we will go and meet the future.

My visits also informed me about that issue of the future of East and West. Because the loudest and longest ovation I have received in Belgium came at Serge Creuz school in Molenbeek. The school is 100% multicultural; 70 % Muslim; and maybe 20% of the girls wear headscarves. Upon arriving, the cheering and ovation were deafening and it lasted for 10 minutes. The students then sang the Star Spangle banner hand-on-heart and then the Belgian National anthem. And they were the first group of Belgians whom I have met who know the words. A U.S. Ambassador with a deafening greeting at the Muslim school. What a great feeling. It is on YouTube and I wanted to share a 2 minute clip tonight – but somehow we couldn't get a screen. So if you are interested in the future of East and West, check out the greeting on youtube – just put in Serge Creuz school and my name. You can also find links to any of our activities on the embassy website.

But so far we have dealt with only half the equation. I have learned much about Belgium and much about doing business in Belgium. And to a large extent, I have learned, as to Belgium, the foolishness of common wisdoms.

For there are many common wisdoms about Belgium. And few survive scrutiny.

For some say, Belgium is but a small country, low on men, low on manpower. How much does Belgium matter?

Those people undervalue Belgium. Those people sell Belgium short. I will never undervalue Belgium. I will never sell Belgium short.

You see, of course Belgium has a limited budget and limited manpower. But, though Belgium may be short on men and dollars, Belgium leads in credibility. I knew that and said that long before Europe decided that Herman Van Rompuy should lead Europe. Belgium does not speak on the international stage that often or that loudly. Belgium does not speak with a hidden agenda. So when Belgium speaks, people listen. Belgium indeed leads in credibility.

And in an ally, credibility with others is the most important asset. So when Belgium stated loudly and clearly that they supported President Obama's and NATO's request for commitments in Afghanistan through at least 2011 and increases in trainers, that rang clearly among the allied nations. If Belgium made the call that our shared goal of a peaceful and secure planet; free from the threat of nuclear

horrors, required the uniform inspection of Iranian ships and seizure of Iranian assets, who would not answer those calls? If Belgium made the call that the countries in Europe should act jointly and in a coordinated fashion to help divide up the remaining Guantanamo detainees among themselves, taking one or two more together and at the same time and finally closing the facility, who would refuse? If Belgium lead on any such issue, who in Europe could act with tension and skepticism? Who would not follow? If Belgium made those calls, none would have an excuse. So we have a saying at the Embassy: "If you want to be heard, say it in Belgium."

Another common wisdom is that new business cannot really be done in Belgium. And of course I know about and have heard the many complaints about the high cost of labor, the seemingly endless regulation, and a business climate that some claim directs businesses to Germany or the States?

Like most common wisdoms, there is some truth. Indeed entrepreneurs need to plan smartly and indeed there are certain challenges for certain businesses in Belgium. And I understand the view that Belgium could do better to meet the needs of the business community to the benefit of all. But that is just the start of the analysis, not the end. The advantages here – a skilled work force, multilingual population, attractive lifestyle, central location and far more – provides opportunities unavailable elsewhere. Why open in Germany, France, England and the Netherlands when you can get them all in Belgium?

So businesses that are capital intensive and businesses that are idea intensive can find no better home. And in calculating how to best do business in Belgium, businesses need to invest in capital and ideas. So the Stella plant of InBev or the production facilities of Caterpillar have hectares and hectares of state of the art equipment, operated by a relatively small workforce that is smart enough to do the job, in a location central enough and multi-lingual enough to reach markets easier. And governments in Belgium are eager to lend support. Subsidies and willing collaborators exist throughout the Belgian government.

If you are unhappy about the hurdle of regulation, or the time it takes to bring a new pharmaceutical to market, don't just complain about it, make an offer to change it. Propose what investment or job increase would be created in exchange for the assistance or regulatory change. Anyone needing an office to foster the dialogue of increasing investment in Belgium and increasing U.S. exports can always borrow my desk. The key is to think about, negotiate through and plan for the hurdles that may exist in Belgium– not simply bemoan that they exist.

And the proof in part is the long path of successful Belgian entrepreneurs. I meet them all the time. I marvel in their understated success. Typically Belgian – understated, modest, thoughtful and completely successful. They are out there. They can be succeeding in any area. They can be making copper pipe or wood flooring or taco chips or bricks or process pigs. They make sausage casings and roof top planters. They make tech applications and new cures.

The final common wisdom full of foolishness is the claim of political instability, particularly as an excuse to avoid direct foreign investment. Don't I know that Belgium does not even have a government?

The stability needed by business is the stability of the mayors, governors and regions. There could be

no more welcoming or stable investment climate than dealing with Rudy DeMotte or Kris Peeters or Charles Pique. Moreover, whereas others sometime despair developments in the last several months in Belgium, I marvel at them. All countries and people have disagreements and divisions. Just ask right-leaning Fox News and left-leaning MSNBC in my country. The question is not whether disagreements and divisions exist, but how a nation responds to them.

And in the past several months, I have seen a model of democracy. Legitimate disagreements followed by a vigorous election season. A population uniformly interested in its future and the choice of its government. Everyone energized. Forty days and election results. And then dedicated leaders working hard to bridge the gaps that exist in every nation.

No one will accuse democracy of being efficient and swift. But it is always worth its cost. Of course the quicker a government is formed and can focus more directly on the problems of the day, the quicker the problems of the day can be addressed. But the business of business need not wait a day.

Clearly there is room for improvement. I have a difficult time making judgments or criticizing anyone. But at least I recognize valid questions. And I hate to leave a crowd without offering something to think about. Unemployment is plainly too high and the numbers for unskilled youth in Brussels and Wallonia are distressing indeed. I started my career at 16, washing dishes in a restaurant. Wash a dish at 16 and many will own a restaurant at 30. They will own a chain at 40. Similarly, in Moscow, unemployment is less than 1%, with the young and unskilled fully employed working in stores, in retail and in restaurants.

In Moscow, all stores are open at least from 10 am-11:00pm, 7 days a week. Many -- phone stores, electronic stores, and others -- are open 24 hours. I love and admire the Belgian culture of family run businesses, with few if any outside employees, closing for weeks at a time for family vacation. But with unemployment figures desperately screaming for more commerce and more workers, it is at least fair to ask whether that additional commerce can be found behind the locked door of a family run business and strictly enforced time curbs.

Yet the glasses here and at home remain more than half full. Perhaps together we can top them off.

Best of luck and all the best.