

Where To Tomorrow?

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Ambassador Howard Gutman

Business Forecast Dinner

Thank you so much for that kind introduction.

It is an honor to be here. Each year at this time, brilliant folks all over the world gather to forecast the future. In Los Angeles, they gather to predict the winners of the Academy Awards. On college campuses, they gather to predict the National Football League draft. And at the University of Chicago, they gather to forecast the business future.

I am here to say that the answers are easy. First, Avatar will win for Best Picture. Second, Sam Bradford will be the first quarterback to be drafted. And third . . . did I mention that Avatar will win for Best Picture.

In looking at the business future, there are really three questions that should be addressed. First, where have we come from? Second, how fast we will get to where we want to be? And third, how do we get to where we need to be?

Where Have We Come From?

Many have seen Obama's first year as a glass half empty.

I saw it as a glass virtually full to the brim.

Larry Summers

If you doubt it, think last year.

And now

To a large extent financial crisis solved.

Our economy is not presently in crisis. It is doing better today than yesterday for months. On virtually every measure.

But it has caused a social crisis. Unemployment.

It is not that we have not had a recovery – it is that the recovery has not been enough to fix the social problem of unemployment. The tornado has come through; the weather right now is fine; but we have not been able to rebuild.

Semantic difference but an important one. Because it is important to recognize the success that we had.

And it is important to realize that rebuilding always takes longer than tearing down.

But recognizing the seriousness of the social crisis, the second question becomes so key.

HOW FAST WILL WE GET TO WHERE WE WANT TO BE?

The answer is that tomorrow we shall be closer and then perhaps ask no more. Unemployment doesn't fall from 10% to 6 % in any given month. Employment creeps up. It is a bit like getting older. We never see ourselves age. And somehow we are older.

So for those waiting for the end of the crisis, I suspect you have created a semantic hurdle that might never be scaled. There never will be an all clear sign.

So much depends not on the answer, but on the asker.

TRUMKA – 6 qualified applicants for every vacancy. 10 million jobs down.

McCaskill – 3rd quarter

Who is right? I suspect both.

And to some extent it doesn't matter – let's fight to add one job at a time. Fight to make tomorrow just that much better than today.

There is a far more important question -- the third one

How do we get to where we need to be

That is plainly the most important question. And it takes properly understanding the real problem that we have or face:

Over the past year, some politicians, journalists and business leaders have talked about an economic crisis as though it is something new—a recent development.. They pretend that prosperity flourished for all till last fall, when some bankers happened to fool the world.

But here in Charleroi, and in Newark, New Jersey, and Detroit, Michigan, and southwest Virginia, and in former industrial and mining capitals across the globe, we know better. The crisis has existed for decades, whether Wall Street or the Bourse slowed down to notice. It was created for many not by the sudden collapse of real estate mortgages, but by the slow deterioration of industries and mines focused more on their past heydays than on their dwindling futures.

So this time --for Charleroi, for Newark, for Detroit and for so many more – we have to get it right and we have to get it right together. Clearly a financial economic recovery based on real international cooperation, transparency and lasting meaningful reform is necessary. Without such internationally coordinated reform, no lasting recovery is possible. But such financial reform is not enough. . This time, we need to see a little further down the road and we need to look there together.

We have to put people back to work. We have to get them working now. And it would be best if we got them working together. If we got them working everywhere. If we grew together because, fundamentally, prosperity breeds prosperity. Development breeds development. Spending breeds spending. And we certainly cannot afford to leave anyone behind. We can only truly succeed at the

pace of our slowest runner. Yes, the challenges that we face that unite us are indeed far greater than any difference that could divide us.

So we need to put people everywhere back to work. But they cannot go back to many of the old jobs. They cannot go back to those jobs that were lost, not because of a financial crisis, but because time, lifestyle and climate passed them by. For to a large extent, the crisis was created for many not by the sudden collapse of real estate mortgages, but by the slow deterioration of industries and mines focused more on their past heydays than on their dwindling futures.

So this time --for Charleroi, for factories in Antwerp, for Detroit and for so many more – we have to get it right and we have to get it right together. Clearly a financial economic recovery based on real international cooperation, transparency and lasting meaningful reform is necessary. Without such internationally coordinated reform, no lasting recovery is possible. But such financial reform is not enough. This time, we need to see a little further down the road and we need to look there together.

Thus where others see crisis, true leaders see opportunity. Inherent in the collapse is the opportunity to rebuild it and to build it better. To honor the past by transitioning to job-creating industries of the future – technology, biotechnology, pharmaceuticals, agri-bio foods, clean energy. And in so doing, we can leave no one behind. Because in these fields –in a world of technology and alternative energy, of research and information – if you can build it in New York or Paris or Brussels or Mumbai, you can build it in Newark New Jersey or in Charleroi.

And indeed, they are building it in Mons – today, right now, as we speak. We are indeed building it there together. For in the past 3 years, Mons has become the home to Microsoft, to Hewlett Packard, to Google.

Together, we are leaving the past and entering the future.

And where Microsoft, Hewlett Packard and Google go, others follow. Vendors and contractors – all focusing together on the future. And if they build a center in Mons or in Charleroi, they often build a second and a third, in Bree or in Gent or Antwerp, or in Namur or in Bastogne. And when they do, others in such local Belgian companies grown to service them, and then grow to service them as well in Silicon Valley and in Boston and in Northern Virginia. And with the companies of the future growing together on both sides of the Atlantic, our partnership, always historically strong, just grows stronger. And we all march back to work . . . together. Just ask Rudy Demotte, who has long trumpeted such a Marshall Plan 2.0. But ask as well Kris Peeters, who again next week, leads an investment pilgrimage to California. Ask technology centers in Namur and in Gent. Ask Charles Picqué who searches for such complementary solutions for Brussels and even for Anderlecht.