

## **Belgium and the United States: Two Democracy Glasses Half Full**

September 10, 2011

Ambassador Howard Gutman  
AmCham Annual Gala Dinner

So there I was. It was nearing 11:00 pm on September 16 of last year. We had just finished the 2010 annual AmCham dinner.

I was still in my tuxedo. I sat in the quiet aftermath of the dinner and thought about a problem I would surely face a year from then, in September 2011.

You see, I had spoken to this group two years in a row. I had been faced twice in a row with being the evening's entertainment. With earning my supper. And I had written my own speeches -- as I always do -- two years in a row.

My first speech had been easy. It occurred in October 2009, 6 weeks after Michelle, my son and I had first arrived. That speech, entitled "A Funny Thing Happened on My Way to Becoming US. Deputy Secretary of Energy, " -- boy, that title did not get a laugh two years ago and it remains consistently unfunny now -- that speech acknowledged how delighted I was to meet you. I explained who I was, and more importantly, who my President was, how his path and my path had crossed, and even more so, how our futures had become interlinked. And I acknowledged the problems that had developed between Europe and America in the years before the Obama election and my arrival here, and outlined the plans for restoring the spirit to our great historic partnership. I recounted our busy first 6 weeks, with large public appearances in Bree to celebrate Kim Clijster's win in the 2009 U.S. Open in NY; the Father Damien celebration; and my official debut in Charleloi. And I looked forward longingly to the day when American tourists could proudly once again wear their Boston Red Sox tee-shirts in the Grand Place and when ex-pats and U.S. business men and women could again boast about rather than cower from their American ties. In other words, I sincerely hoped that President Obama and I could change your life in Europe for the better. And I expressed the hope that, as we went along, we would soon become friends.

A year later, on that September 16, 2010, I appeared here again, still with vigor. I thanked Scott Beardsley then as I do now not simply for a wonderful introduction, but for having become a true friend and a terrific leader of AmCham (and a devoted Red Sox fan.) I noted then as I do now how wonderful it was for me that so many of us had indeed become true friends. Many of us have well come to know each other and, for the rest, it is just a matter of time. And I explained last year how honored I was as I am now to have the chance to speak with you and to appear at this wonderful event. In that second speech called the "Calm of Progress and the Foolishness of Common Wisdoms," I described all the economic progress that had happened somewhat under the radar in Belgium and in America as compared to the time of crises that had existed when I had first arrived -- namely the "Calm of Progress." I reviewed the whirlwind of excitement that had marked my first year as U.S. Ambassador. And then I addressed the stereotypes that I had come to hear about Belgium and the true facts that I thought existed -- namely "The Foolishness of Common Wisdoms." In that speech a year ago, looking back at the year that had then just passed, 2009-2010, I noted that quote "it has

been a year in both the U.S. and Belgium in which the chaos of politics had threatened to drown out the calm of progress. It's strange indeed but with everyone around me in Belgium lamenting how difficult it is to understand, I sometimes find Belgian politics easier to understand than U.S. politics." Unquote. That was a year ago.

Which brings me back to my problem as I sat there in tux on that September 16, 2010 evening and thought about a year hence -- and thus about this night. Having made two such speeches to this group, having used my best material and my worst material and everything in between, having recounted all that I had done until then in Belgium, having reviewed the nutsiness of politics and society in both Belgium and the U.S. that had occurred in 2009-2010, I was worried. I sat there thinking, "What could possibly occur in 2010-2011 that could give me material to discuss in a year? How could I possibly earn my supper in September 2011? Surely, with all that had gone on and all that I had discussed, nothing else could possibly happen in Belgium, in the U.S., with Belgian politics, or U.S. politics, with economies, or with the life of an Ambassador that would be worth discussing when this night came around. Surely, politics would return to boredom; economies would gently rise; and my life would grow commonplace so that there would be nothing to say. Surely we would have nothing to talk about."

Well, I have good news and bad news. And they are both the same news. And the news is that we still have plenty to discuss.

Who would have thought that I could arrive this night and explain that I live in a country called Belgium that has long had no government but has a budget, and that I represent a country called the United States that has long had a government but nearly had no budget?

Who would have thought that Belgium with no government was always open, but the United States with a government came within 24 hours of closing?

Who would have thought that Greece would nearly collapse, Ireland would nearly collapse, Portugal would nearly collapse, Spain would nearly collapse, and Italy would teeter . . . and the dollar would still fall compared to the Euro?

Who would have thought that I could arrive this night and explain that I live in a country, Belgium, that is world famous for how divided its politicians are, but where all politicians agree on health care, on the need for climate reform, on the science of evolution, on a woman's right to choose, and on the pre-eminent importance of the transatlantic relationship, and I represent a country, the United States, where the politicians are actually completely divided on all of those issues?

Who would have thought that I could arrive this night and explain that I live in a country, Belgium, that a few years ago tried to indict U.S. Secretary of Defense Donald Rumsfeld for aggressive military action in Iraq, but who now was among the first to bomb Libya, and I represent a country, the United States, that after charging into Iraq backed up as Belgium charged into Libya?

Has madness gone wild in the world?

Will I next try to convince you that it was 75 degrees in Belgium in March while it snowed then in Washington? Or that Washington had an earthquake?

Well, I will address the seemingly topsy-turvy world of politics and economics in Belgium and the United States. And I will leave the climatology and seismology to smarter scientists. Which means that I have come tonight under the title: "Belgium and the United States: Two Democracy Glasses Half Full."

You see, the parallels between Belgium and the United States this year have been extraordinary. Never before have two countries done so relatively well in such difficult times simply to impose extraordinary challenges on themselves through political chaos. And yet such political chaos in both countries is a luxury that they have chosen to endure at least in part because they can. And such political chaos is at its heart caused by the inefficiency of democracy, an inefficiency that I would submit is ultimately not a source of embarrassment but of pride. Indeed, many throughout North Africa this year risked their lives or paid with their lives in the hope of one day attaining the inefficiency of democracy. Now clearly, both countries -- Belgium and the U.S. -- can and should do better. Leaders can and should look to the greater good, rather than to the political good that will make them greater. But, just as clearly, for all the pessimism that has reigned in both countries, for all the jokes and discussions of the Guinness book of records, for all the attention to rating agencies as if they were some divine determiner of prosperity, Belgium and the U.S. today remain "two democracy glass half full, not half empty."

Let's start with America. We have indeed come a long way. And at a time when others of our allies and perhaps even the forces of nature or the gods have not made the road easy. I came to you a year ago and reminded you that, as of early 2009, when this new Administration came to office, 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. As of January 2009, 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. It had indeed risen 3.4 % in one year, a whopping 70% rise in unemployment. 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 in October 2009, unemployment was then still rising, for the 18th month in a row -- since April 2008 -- and had reached 10.1% in the month we first met, because you cannot reverse such trends until you take decisive measures like the TARP program and give them sufficient lead time to affect the economy and show results.

When we met last year -- a year and a half into the effort- - the picture had indeed changed radically. We had 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 had set in for citizens and indeed for bankers as well. That 10.1% figure of our first meeting had indeed been the high point for unemployment and the administration had turned the trend around, the trend of 18 months of rising unemployment, and unemployment had fallen during the 12 months prior to our next meeting from 10.1% to 9.5%. We recognized together last year that America needed to do better and that 9.5% was still unacceptably high, but we were on the road.

Well what happened to that road in the last 12 months since we last met? Indeed, that road saw some rather unforeseen hurdles placed in the way. Japan, one of the economic drivers of the planet, presented a huge challenge with its nuclear incident. The global financial markets underwent a year of near meltdowns -- a challenge that is continuing to this minute -- with the chain reaction that started in Greece and has spread through most of Europe. It has not been an easy time to try to continue an economic recovery from a crisis of historic proportions.

And yet, despite the bad setting, and despite the doom and gloom that has dominated political chatter and media headlines, the U.S. has indeed this past year well continued on the path to economic recovery. Indeed, after having lost private sector jobs every month since long before the last presidential election, the U.S. economy has now added private sector jobs every month for the last 18 months. In that period, the U.S. has added 2.4 million private sector jobs. Think about that – at a time when the U.S. and this administration is under criticism for the failure to create jobs, it has created in 18 months about 60 percent as many jobs as exist in all of Belgium. And what is most shocking, for many of those months, for the first time in decades, the U.S. economy has added manufacturing jobs. You see, manufacturing jobs in the U.S. have been declining since 1980, and precipitously since 2000. In the 8 years that preceded this Administration, the U.S. had lost 6 million manufacturing jobs. But since early 2010, the U.S. has gained nearly 300,000 manufacturing jobs. We are back to competing in sectors we had indeed long abandoned. And the car industry, on life support at the start of this period, is one of the engines of the economy. And in the last year, unemployment has continued to fall from 9.5% when last we met, to 9.1% now.

But the hole created by the financial crisis was indeed deep, and even expanding manufacturing and creating new jobs equal to 60% of all the jobs in Belgium leaves the U.S. with unacceptably high unemployment. So plainly more should be done.

But can more be done in the political climate that exists in the U.S. I don't know. The President laid out a jobs package last week; can it be passed? Can progress be made? I don't know. I am not here as a Democrat or Republican but as an Ambassador. So I blame neither side. But plainly, whether due to the constant media attention of 24-hour cable like MSNBC and Fox, politics has gotten to be somewhat closer to sports and the results are at least inefficient. It was therefore political intransigence, not economic crisis, that led to my embassy coming within 24 hours of being closed and the government being furloughed. And we had our first debt ceiling crisis ever – costing us our triple A rating and sending the dollar plunging – while having relative economic prosperity, but complete political dysfunction. With everyone calling for debt reduction, with the Administration offering a plan for a \$4 trillion deficit reduction, ultimately the country went to the brink of default, frozen by politics, got little done and caused the downgrade.

So our economy has rallied, has a ways to go, but politics may prevent it from getting there.

And yet, at least at some level, having the freedom to debate politics at the cost of efficiency and some prosperity is a luxury that for the most part the U.S. can afford. When faced with the default of the debt ceiling politics – a step too far – both parties found a way to prevent tragedy.

Switching to this side of the Atlantic, the picture in Belgium is not too much different. Indeed, Belgium too has recovered relatively well from the financial crises. Belgium is famous for allegedly having no government but has been governed famously. Belgium ran a terrific presidency of the EU; its 2011 budget was adopted quickly and far exceeds the requirements of EU; it is in an easy position to adopt its 2012 budget; its projected growth for next year is the highest in Europe (including Germany); it has maintained an important role in Afghanistan and it took a leadership role in Libya. Belgium was instrumental in getting the Libyan operations transferred into NATO, and then was among the leaders in enforcing the no-fly zone and bombing strategic targets on the ground. The Belgian government is fully open for business and indeed none of the stellar results is surprising. The supposed “caretaker” government is composed of experienced leadership. For example, Didier Reynders is one of the longest or the longest serving Finance Ministers in Europe and Pieter De Crem is the longest serving Minister of Defense in NATO. By all objective measures other than politics, the future for Belgium shines brightly while storm clouds hang over many other countries in Europe.

And yet, for all of its clear and demonstrable success, Belgium too finds itself on the edge. Like the U.S. , politics seems to create doubt where economics and experience should eliminate it.

Yet, for me, despite being here two years, despite well understanding the controversy between the North and the South, the political interference in greater prosperity in Belgium is even somewhat more mystifying than in the U.S. You see, as I alluded to earlier, Belgium in fact, is one of the most politically unified countries on the planet. It sounds so astounding that I better repeat it just so you can be sure that I did in fact say it: Belgium is one of the most politically unified countries on the planet.

You see, most countries have significant substantive disagreements among their political parties. Over climate. Or health care. Over foreign policy. Over abortion and a women’s rights to choose. Over debt ceilings. The gap for example in the United States between the tea party and liberal Democrats in quite large. Belgium would fit within one goalpost on the net—nowhere near the gap itself.

But like the U.S., Belgium too has the luxury to some extent of tolerating more doubt as a product of the inefficiency of democracy. When all agree on health care and climate, the difference between building a bridge or a tunnel can matter just as fiercely.

So shouldn’t we feel depressed about or perhaps scorn two countries who allow politics to invade prosperity? I assure you that I too can feel frustrated. But whom would you silence – tea partyers or Democrats?; Francophones or Flemish? The question shows that the price we have paid is well worth the return. Haven’t we both already prospered—indeed, haven’t we already won – by having the freedom to opt for democracy over efficiency? Haven’t we seen so many others opt to pay much higher prices in such places as Tunisia, Syria, Egypt, Yemen, and Libya? Indeed, wouldn’t the planet itself be so much more prosperous if such political inefficiency were able to reign in Iran? Indeed the democracy glasses in the U.S. and Belgium remain half-full, not half-empty at all.

So indeed much has occurred on our two shores since we last convened. And indeed, I was equally wrong about what would happen in the life of the American Ambassador. Michelle and I have indeed had another whirlwind year. Plenty of important issues; great folks; not to mention terrific food. I

have continued on my French and Dutch lessons, alternating five days a week. We have continued with our pledge to visit every city, having topped 300. Indeed, one city, the city of Buggenhout, erected a monument marking the visit. Please tell your local mayors that monuments are well appreciated.

As well, last January, I had the honor of presenting the final award on television on the Belgian music industry awards. The radio had advertised my appearance and somehow the Recording Industry of America heard that I would be the presenter. They called the State Department and requested that I put a plug in for copyright protection. So, there I was in tux, announcing that the winner is . . . 'and by the way, please make sure to buy your music and don't download it illegally.'"

Given the absence of a new government and the inability really to schedule a visit to Belgium, President Obama invited me for a private meeting in the Oval Office in February. Everything you wanted to know about the Belgian political problems in ½ hour.

We had 4 U.S. Senators join us for our one of our Memorial Day ceremonies and if you have never attended, try to do so this year as they are moving and wonderful. Afterwards, Senator Pat Leahy placed my Memorial Day speech in Belgium into the U.S. Congressional Record from the floor of Congress.

In June, Michelle and I accompanied the Crown Prince, Foreign Ministers, Minister President Peeters, Ministers Marcourt and Cerexhe and 300 businessmen on a successful Trade Mission to Washington, NY and Boston. The Crown Prince, Ministers and I had a terrific meeting in the White House with Vice-president Biden and then meetings with Senators Kerry and McCain.

And this week, Belgium and America came together for the most moving 9-11 commemoration in Europe. Indeed our glass too has been more than half full.

Thanks so much and all the best.