



SPECIAL EDITION:

## THE EUROPEAN SME AWARD 2002

### SPEECHES

: HERMANN STURM  
: GÜNTHER BECKSTEIN  
: INGO FRIEDRICH  
: WILLIAM JEFFERSON CLINTON



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SPECIAL EDITION:

## **PRESENTATION OF THE EUROPEAN SME AWARD 2002 EUROPEAN SMALL AND MEDIUM ENTERPRISES AWARD TO WILLIAM JEFFERSON CLINTON**

The German Union of Small and Medium-Sized Companies (UMU, Munich), and its European federation, the European Union of Small and Medium-Sized Enterprises (EUSME, Brussels), jointly honour

William Jefferson Clinton,

42nd President of the United States of America, with the European SME Award for his achievements for the world economy, especially for small and medium-sized companies worldwide.

At the gala award ceremony on 4 October 2002 in Munich.  
Patron: Chancellor Gerhard Schröder.



The Mayor of Munich, Christian Ude, welcomes Bill Clinton at the Munich airport (from left to right: Christian Ude, Barbara F. Boehme, Robert W. Boehme, Consul General of the USA in Munich, Bill Clinton)

Der Oberbürgermeister von München, Christian Ude, heißt Bill Clinton am Flughafen in München willkommen. (v.l.: Christian Ude, Barbara F. Boehme, Robert W. Boehme, Generalkonsul der USA in München, Bill Clinton)

## THE EUROPEAN SME AWARD

Laureate: William Jefferson Clinton  
October 2002, Munich

### THE EUROPEAN SME AWARD

Awarded for the first time in 2002, the first laureate is William Jefferson Clinton, the 42nd President of the United States of America.

The European SME Award is given by the German Union of Small and Medium-Sized Companies (UMU, Munich) at the suggestion of its umbrella organization, the European Union of Small and Medium-Sized Enterprises (EUSME, Brussels).

The prize will be probably awarded at least once every five years. Those honoured by the reception of this award will be the individuals in international politics who have made major contributions to business and small and medium-sized companies, particularly in Europe.

### THE GERMAN UNION OF SMALL AND MEDIUM-SIZED COMPANIES – UMU

(Union Mittelständischer Unternehmen e.V. – UMU)

The UMU was founded in Munich in 1985 and now represents some 20,000 small and medium-sized entrepreneurs. This includes the self-employed and members of the liberal professions in every field throughout Germany. It is an association of small businesses with ninety per cent of its membership comprised of businesses with fewer than twenty employees.

### A CONTEMPORARY APPROACH: SOLUTIONS FOR SMALL AND MEDIUM-SIZED BUSINESSES

One of the associations highest priorities is the representation of the concerns and agendas of small and medium sized companies. The UMU represents their interests with the federal and regional governments in Germany and with the European Union in Brussels through its governing body, the EUSME. It goes without saying, that personal contact with parliamentarians is a very important part of this work. All matters of importance in the daily affairs of small businesses are raised in our discussions with politicians and leaders. The agenda items include business taxes, wage costs, reform of social insurance, reduction of bureaucracy, deregulation and labour laws. At the same time, the UMU monitors the ramifications of internationalization, which represent boundless opportunities for many of our member companies.

The UMU would like to thank Mr. Rüdiger Löwe, an old friend of President Clinton's, who not only gave us his support but also helped to organize the award ceremony. Dr. Heike Grimm of the University of Erfurt was also of great help to us.

President Clinton has more than met the criteria for the award. His presidency, as numbers clearly show, represented an unprecedented economic success that positively influenced small businesses in Europe. (This is a point described in greater detail in the speech given by Dr.

from left to right (v.l.n.r.): Dr. Ingo Friedrich, Vice President of the European Parliament (Vizepräsident des Europaparlaments), Gerhard Zach, chairperson of the Bavarian section of The German Institute of Architects - VDA (Landeskammergruppenvorsitzender Bayern des Verbandes Deutscher Architekten e.V. - VDA), President of the UMU (UMU-Präsident) Hermann Sturm, Bavarian Minister of the Interior (Innenminister) Dr. Gunther Beckstein, Dr. Hans-Joachim Rauscher, Member of the NÜRNBERGER Beteiligungs-AG board (Vorstand NÜRNBERGER Beteiligungs-AG)



Ingo Friedrich, Vice President of the European Parliament). Given in recognition of his outstanding contribution to a thriving world economy and to improved international trade during his presidency, this prize is conferred upon William Jefferson Clinton for his support of policies beneficial to American small businesses. In addition to the European countries, many individual European companies were also buoyed by the dynamic economic climate in the USA during the Clinton presidency. The reduction of the once enormous budget deficit and the achievement of a balanced budget and subsequent budget surpluses, provide an example for Europe to follow.

#### THE FEDERAL CHANCELLOR'S MESSAGE

Federal Chancellor Gerhard Schröder, who acted as the patron of this evening's presentation, is unable to be with us and sends his respects:

"My personal greetings and word of thanks goes to this year's laureate, the 42nd president of the United States of America, Bill Clinton. During his period in office, and thanks to his economic policy, President Clinton brought about unprecedented growth in the American economy and contributed to reinvigorating the country's smaller firms. In so doing, he clearly emphasized the significance of small businesses for growth and employment, because this sector, known for initiative and risk-taking, is a motor of investment in labour and in cyclical dynamics. The UMU is also committed to the

goal of a small business sector that is both strong and healthy. I wish both the association and its President, Mr. Sturm, an enjoyable festival and further success in their endeavours on behalf of the small and medium-sized businesses in Germany."

Hermann Sturm, President of the UMU, welcomes Bill Clinton at the Munich airport (from left to right: Hermann Sturm, Reinhold Sommerfeld, Rüdiger Löwe, Bill Clinton, Claudia Bussler)

Hermann Sturm, Präsident der UMU, begrüßt Bill Clinton auf dem Flughafen (v.l.: Hermann Sturm, Reinhold Sommerfeld, Rüdiger Löwe, Bill Clinton, Claudia Bussler)



from left to right (v.l.n.r.): Dr. Ingo Friedrich, Vice President of the European Parliament (Vizepräsident des Europaparlamentes), Mrs. Ude-Welsler, Christian Ude, Mayor of Munich (Oberbürgermeister von München), Britta Friedrich, Hermann Sturm, Dr. Günther Beckstein, Bavarian Minister of State for the Interior (Bayer. Staatsminister des Inneren), Marga Beckstein



SPEECH:

## HERMANN STURM

President of the German Union of Small and Medium-Sized Companies - UMU

Mr. President,

I have the great honour and pleasure to greet you on behalf of German small and medium-sized businesses here in Munich. Our intention is to honour the American President whose economic politics have been most successful with the conferment of the very first European SME Award. We are delighted that you could be with us this evening. On behalf of my colleagues and our executives Johann Straub and Dr. Peter von Borch, I would also like to welcome our guests who are present this evening for this prestigious award ceremony.

Federal Chancellor Gerhard Schröder who acted as the patron of this evening's presentation, is unfortunately unable to be with us and sends his respects. I will however read a few words from his message:

"My personal greetings and word of thanks goes to this year's laureate, the 42nd president of the United States of America, Bill Clinton. During his period in office, and thanks to his economic policy, President Clinton brought about unprecedented growth in the American economy and contributed to reinvigorating the country's smaller firms. In so doing, he clearly emphasized the significance of the small businesses for growth and employment, because this sector, known for initiative and risk-taking, is a motor of investment in labour and in cyclical dynamics."

### WELCOME

Please allow me to personally welcome a few of our

more than 400 guests. First let me welcome our honorary president, Hugo Hettich and his wife. Without him, our association would not exist as it does today. Thank you, Hugo!

I would also like to extend a personal word of welcome to the Vice-President of the European Parliament, Dr. Ingo Friedrich and his wife, the Vice-Premier of Bavaria, Dr. Beckstein and his wife, the President of the Federal Court of Justice, Professor Hirsch and his wife, the President of the Federal Finance Court, Dr. Ebling, the chairperson of the Finance Committee of the Bundestag, Christine Scheel, the members of the European Parliament, the members of the Bundestag and the members of the Bavarian Parliament, Mr. Ude, mayor of Munich, and Mrs. Ude, the Bavarian party chairpersons, Mrs. Leutheusser-Schnarrenberger of the FDP, Mr. Hoderlein of the SPD, Mr. Montag for the Greens and his Excellency the ambassador of Peru, Mr. Novoa-Peña, a great friend of our organization and his wife, the US Consul General Mr. Böhme, the representatives of the High Courts of Bavaria, the representatives of the Churches, the Rector of the LMU University of Munich, Professor Heldrich, the President of the Munich Polytechnic, Professor Schick, and the editors in chief of a number of leading German periodicals and those here working in the media.

May I also extend my welcome to our membership and friends throughout Europe whom we thank for making this evening possible, as well as our sponsors and

Bill Clinton drinking to German-American friendship with UMU President Hermann Sturm.

Bill Clinton stößt mit UMU Präsident Hermann Sturm auf die deutsch-amerikanische Freundschaft an.



UMU President Sturm presents a porcelain lion with the association's emblem to Bill Clinton in recognition of his achievements.

UMU-Präsident Hermann Sturm überreicht Präsident Clinton einen weißen Porzellanlöwen mit Verbands-emblem als ein Zeichen der Anerkennung seiner Leistungen.

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benefactors, first and foremost the Export-Club of Bavaria, which, under the leadership of Mr. Erwand, supported us wholeheartedly, as well as the head and executive of the Schörghuber-Arabella-Gruppe. I must also welcome my colleagues, the heads of the UMU and other associations, among them the President of the Federal Union of Wholesalers and Exporters, Mr. Börner, the President of the Action Group for SMEs, Mr. Theilmeier, the President of the Federation of Self-Employed, Dr. Wickenhäuser, and the many representatives of businesses and above all 30 young people seated in the gallery attending this ceremony this evening.

Our UMU team, and in particular Mr. Stigler, together with the Hotel staff, have left no stones unturned to make this evening a grand event. Your friend Rudi Löwe, Mr. President, has also supported us selflessly, as if this were for his sole benefit. I am happy to say that our Association was able to arrange a meeting at the Amerika-Haus in Munich this afternoon, providing you and 500 young guests and friends of the USA with a forum for discussion.

#### EUROPE AND AMERICA

Dear Mr. President and honoured guests. This evening we are gathered together in the spirit of European Entrepreneurship, a part of our shared culture. We are here to build bridges. For millennia bridges have been built by military engineers to attack other regions. Today bridges

are built by civil engineers to bring peoples together and to facilitate trade, and thereby boost prosperity. The human mind, a renewable natural resource available in sufficient quantity on both sides of the Atlantic, must be developed further for the good of both our peoples. The United States has developed independently, albeit under the influence of European cultures, to the point where it has risen to be the most powerful nation-state in the world. In both Europe and America, we have capitalist economic systems that owe their success to being performance-driven and at the same time, socially responsible.

You, Mr. President, are clearly a politician of achievement. You have accomplished a great deal for your country and its partners across the globe. On this topic, there is still much to be said this evening by other speakers, but as for your many achievements, they are the yardsticks by which your presidency and your historical importance will be judged. While preparing this award ceremony, I was shocked and dismayed to learn how few entrepreneurs in Germany are even aware of your excellent achievements in economic policy. The economy in the EU, when compared to that of America, is disadvantaged by a burdensome social system. This heavy responsibility borne by European businesses is causing us to fall ever further behind in competitiveness. The connection to the reality of global standards of performance must once again be established here in Europe. In such a change, the SMEs have a leading role to play.



### THE SMEs

But what exactly is the *Mittelstand*, or small and medium-size enterprise, in Germany? This is a question of definition, because firms from 1 to 10,000 employees are considered *Mittelstand*. Yet our base consists of the small and medium-sized firms, the SMEs with up to 250 employees. Our association would like to point out that thriving industry and large trusts are necessary and must also be supported so as to avoid further reduction in employment. Moreover, SMEs and larger firms have a symbiotic relationship of contractor and subcontractor. Ninety per cent of the 3.5 million businesses in Germany have fewer than 10 employees. If our economy is dough, then these SMEs are the yeast that causes it to rise. Entrepreneurs work 70 hours per week, of which only 40 are productive and the remainder administrative.

Fortunately, no law prescribes a legal limit, although our European employees in the EU are allowed to work only 48 hours, even if they are ready and willing to work more. Our chief concern however is the interests of European SMEs, the smaller and medium-sized firms, although I will limit myself to the problems as seen from a German perspective.

On this complex topic, the aim of our Association is to become a non-partisan partner of the political apparatus, communicating our suggestions gained from experience to politicians. These politicians will in turn add to these suggestions with arguments of their own in discussions with their parliamentary colleagues. Ideally, our goals are the same as those of the politicians.

### THE FUTURE

The same is true of contacts with entrepreneur-minded public officers and scholars. After all, we need many multipliers. At this time we have a mild recession in Europe. What that means is that, in addition to the bearish market, we are oppressed by additional labour regulations, high social insurance costs for employees, constricting laws, high investment in administration, insufficient equity and unconscionably complicated tax laws. Yet I want to emphasize that SMEs have no problems with income and business taxes after the tax reform, although a reduction of taxes is always a welcome relief. A rise in taxes, on the other hand, would be catastrophic for the SMEs at the present time.

The SMEs must act and not simply complain. It is not that we have too many teachers in Parliament, but rather too few entrepreneurs, and we alone are responsible for that. What we are missing, however, is motivation for a successful future. Such motivation can help to compensate for a less than ideal business environment. As for

our main problem, unemployment; one should note that in ancient Athens, Pericles built the Acropolis in order to remedy unemployment. And as for the allegedly negative American practice of "hire and fire", let me just say this: If you are not hired in the first place, you cannot be fired. It is better to have a job for three years and lose it, than not to have one at all.

We are looking to our laureate, President Clinton, for practical suggestions that we can convey to the decision-making bodies through the politicians and media here this evening.

What we need in politics are decisionmakers, and not just buck passers. No one has managed to combat chronic unemployment in Germany. We now have the final paper of the Hartz Commission, a thoughtful study drawn up by experts in the field. But as each day goes by, lack of action worsens our economic situation. What we are asking is that all fractions in the German Bundestag and representatives in the Bundesrat work together, to create the momentum of a great effort. We should ignore the great alliance of know-it-alls, of bellyachers and doubters for one year and follow the suggestions of the Hartz Commission, without restrictions. As we say here in Bavaria, "Let's do it, and then we'll see!" But please do not ask me how I really feel about the possible success of an uncompromised application of this document.

Mr. President, we are friends of America despite the unfortunate recent irritations. Our Association's symbol, after all, is the pentagon!

We want to emphasize the ties that bind our two peoples: for this reason, we have invited Professor Jenisch to be with us this evening. Although born in your home state of Arkansas, Prof. Jenisch has become a very successful academic here in Germany.

### GERMAN-AMERICAN FRIENDSHIP

On the occasion of the presentation of this award, we would like to strengthen and encourage the German-American friendship, because after all the SME is a global family. Apropos world peace: You, too, Mr. President, have often mentioned that the reasons for the conflict must be remedied and not the symptoms. We also aspire for a lasting peace in Israel and Palestine that guarantees the existence of the State of Israel. On this occasion, I would like to make our Association's position, which by the way corresponds to that of the German government, known to the American people:

The German people and particularly the UMU have not forgotten, and remain grateful, that the United States of America was a decisive factor



- In the liberation of Europe from Hitler and his regime
- The rebuilding of Europe through the Marshall Plan and the establishment of democracy in Germany
- Ensuring the freedom of West Berlin and the reunification of Germany

The freedoms that we enjoy in Europe, democracy, justice and prosperity, are in large part thanks to the USA.

Once again I thank you for your kind attention and now call upon the Bavarian Minister of State Mr. Beckstein, representative of the Premier of the Free State of Bavaria, to make his address.



from left to right (v.l.n.r.):  
Dr. Ingo Friedrich, Britta Friedrich,  
Bill Clinton, Dr. Günther Beckstein,  
Marga Beckstein



from left to right (v.l.n.r.): Bill Clinton,  
Hermann Sturm



President Clinton with his old friend  
Rüdiger Löwe and Claudia Bussler  
Präsident Clinton mit seinem lang-  
jährigen Freund Rüdiger Löwe und  
Claudia Bussler. (r.: UMU-Präsident  
Hermann Sturm)



President Clinton greeting Jürgen  
Pinne (right), President of the Asso-  
ciation of German Tax Advisors  
Präsident Clinton begrüßt Jürgen  
Pinne (rechts), Präsident Deutscher  
Steuerberaterverband e.V.

from left to right (v.l.n.r.): Gert Slopianka, President of the German Association of Environmental Engineers BIV-U (Präsident Bundesingenieurverband-Umwelt e.V. - BIV-U), Joachim Fuchsberger, Chairman of the Bavarian section of The Institute of German Engineers ZDI (Landeskammergruppenvorsitzender Bayern Zentralverband Deutscher Ingenieure e.V. - ZDI), Bill Clinton, Erwin Binegger, Chairman of the Bavarian section of The German Institute of Consulting Engineers U.B.I.-D. (Landeskammergruppenvorsitzender Bayern Union Beratender Ingenieure e.V. - U.B.I.-D.), Alois Franke, Vice-Chairman of the Bavarian section of The German Institute of Consulting Engineers U.B.I.-D. (stv. Landeskammergruppenvorsitzender Bayern Union Beratender Ingenieure e.V. - U.B.I.-D.), Dr. Carl-August Günther, President of the German section of the European Council of Civil Engineers - ECCE (Vorsitzender der Deutschen Sektion des European Council of Civil Engineers - ECCE)



## DR. GÜNTHER BECKSTEIN

Bavarian Minister of State for the Interior

Mr. President,

It is a great honour and pleasure for me to address a few words to you on the behalf of the government of State of Bavaria, and in particular from the Premier, Dr. Edmund Stoiber, on the occasion of this award. The Bavarian Premier, who could not be with us, extends his warm greetings to you.

Germany and America share ties of a close friendship and of a successful partnership whose origins are based on historical and cultural roots. The German-American friendship is particularly influenced by the experiences following World War II. We are grateful to America for the reconstruction of democracy in Germany as well as for the longest peacetime era in Western Europe.



Our relationship with America is not only concerned with grateful memories of things past, however, but with building the future together as partners. Transatlantic ties have lost none of their priority with the end of the East-West conflict:

they remain primordial. On both sides of the Atlantic our relationship faces severe challenges. International terrorism and the potential danger of weapons of mass destruction represent menaces that we are only able to get the better of together.

### FUTURE CHALLENGES

The great challenges of our age are only to be resolved through cooperation between the close friends, Europe and America. Even in times of political and economic upheaval, this alliance remains indispensable.

European Union – the great challenge is the integration of the next wave of entrants – is not only a matter of European concern. It is far more a case of Europe being

involved in the formation of a multipolar world in peace, liberty and security. Meeting the challenges of the future through cooperation opens the door to the involvement of small and medium-sized businesses on both sides of the Atlantic.

Germany must therefore strive to maintain good relations with the USA. Unfortunately the friendship of several decades has recently been imperilled by the behaviour of the German federal government. The Bavarian government will do its utmost to ensure that amends are made for the damage incurred. I am therefore all the more pleased that the European SME Award is today being awarded to you, Mr. President.

### SMEs IN BAVARIA

Bavaria has always encouraged small and medium-sized businesses, because they are clearly the backbone of our economy. Thanks to them, Bavaria is one of the leading places to do business worldwide. In Bavaria we have the highest rate of investment, the lowest unemployment, the highest rate of self-employed, and the best training and future prospects for the next generation. Bavaria is the motor of growth in Germany.

Please allow me to briefly point out the position of the future Bavarian economic policy. We foster and strengthen established business. We support and promote the development of innovative technology and products. We work constantly to improve infrastructure, whether in the education, technology, transportation, or energy sector. In this way we are prepared to meet the challenges of the future.

Allow me to once again turn to you, Mr. President. I have known you since your time as Governor in the State of Arkansas, where we first met. Then, a few years ago, I was especially pleased by your visit to my hometown Nürnberg.

And so it is that I congratulate you personally, as well as, in the name of the government of Bavaria, on the European SME Award. I wish you all the best for the future and a very pleasant visit here in Munich and Bavaria.

## DR. INGO FRIEDRICH

European Representative and Vice President of the European Parliament

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We are gathered today on this festive occasion to bestow the European SME Award, in the name of the German Union of Small and Medium-Sized Companies – UMU, and its new European governing body, the European Union of Small and Medium-Sized Enterprises – EUSME, to William Jefferson Clinton, the 42nd President of the United States of America.

The presidency of William Jefferson Clinton has to be included in any ranking of great American leaders. It was outstanding for a number of reasons, but first and foremost, for the unprecedented economic prosperity that Americans enjoyed during his time in office. Among his economic achievements were:



- The lowest unemployment rate in modern American history
- The lowest inflation rate in the US for 30 years
- A balanced budget
- A budget surplus of more than 100 billion US dollars

During the Clinton Administration 5.9 million new small and medium-sized businesses and 22 million new jobs were created. For German standards, this is a fantastic, unreal result, one that the federal government in Berlin would do well to copy. Why, just the job market policy alone of the former American President is reason enough to give him this award.

The UMU bestows not just any award on this extraordinary politician, however. Rather, the very first

European SME Award. I would now like to explain the reasons why.

The economic growth of the United States under the leadership of President Clinton was not, as is often alleged, a matter of luck. Nor was the so-called “reaganomics”, or supply-side economic policy, of his predecessor Ronald Reagan responsible, as some detractors have claimed.

### WILLIAM J. CLINTON'S SUCCESS STORY

The secret of Clinton's economic success lies in a broad-based and long-term approach to economic and social policies remarkable for their benefit to small and medium-sized businesses. The secret of his political success lay in President Clinton's determination to see his long-term goals through. As for the success of the man Clinton, it lies in his vision: There can be no doubt that he possesses vision, because vision means to pursue goals that others only recognize as correct either years or even decades later. As a member of the European Parliament, I can fully appreciate the effects of such farsighted policy.

As Governor of Arkansas, William J. Clinton was already implementing economic policy with small and medium-sized enterprises in mind.

- He modernized the education system according to the job market and the qualifications required by businesses
- He modernised government and made the administration leaner
- He worked closely both with businesses and political leaders
- He made Arkansas attractive to foreign investors
- He implemented an economic policy that was clearly tailored to the needs of small businesses. This included an increase in capital available for start-ups, more emergency credit for new businesses, and more substantial investment in innovative medium-sized businesses

It should therefore come as no surprise that such a successful Governor was elected to the country's highest

political office: “It’s the economy, stupid!” as he explained to his opponents. A Democrat named William Jefferson Clinton, of all people, had come up with a New Deal for the citizens and entrepreneurs of America of the 1990s.

Immediately after his election as 42nd President of the USA experts from all fields of public life were invited to the Clinton-Gore Economic Conference in Little Rock. This concerted effort would lead to new priorities and topics in economic policy, and over time the plan begun in Arkansas would be developed further. The conference also clearly established funding for start-ups and small

- Lowering spending in the key areas of health, social services, and labour costs
- Opening and liberalizing markets
- Encouraging public-private partnerships

President Clinton’s plan to make public funds available to innovative SMEs at first met with scepticism in the free market. The success of the venture would prove him right, however. In the years ahead provisions for retirement and health insurance, whether paid for by the employee or the employer, were pushed forward. As a result, a rise in health insurance dues and other health service costs was avoided.



businesses with fewer than 20 employees high on the priority list.

#### ECONOMIC STRENGTH

We must also commend President Clinton on his successful policy in technology for small and medium-sized businesses. He constantly emphasized the important role of these firms, the SMEs, for the country’s ability to innovate and adapt to structural change.

In his February 1993 speech, “Technology for America’s Economic Growth. A New Direction to Build Economic Strength”, Clinton listed a number of corner stones of a new policy that would be especially beneficial to small businesses:

- Better coordination and implementation of support programs
- Reducing government over-regulation
- Improved access to credit
- Harmonizing the country’s economic and fiscal policy
- Supporting innovative SMEs as well as R&D efforts by SMEs
- Improving the education system by adapting to the needs of the labour market (long before the debate about the PISA study)

Wage costs remained stable. Whereas in 1999 in West Germany the cost of wages was EUR 24.50, in the USA it was EUR 17.50. In the same year, the additional charges per employee in West Germany totalled EUR 11,-, and in the USA just short of EUR 5,-. The additional wage costs did not increase during the Clinton presidency, and so Mr. Clinton can vaunt the remarkable growth of firms with at least one employee, which rose from 5 to 6 million during his time in office.

The success of small and medium-sized enterprises was no doubt due to the pool of highly qualified and highly motivated workers on the job market in the 1990’s. President Clinton had prepared these winning conditions by his initiatives in the education sector, which is clearly key to America’s rise in prosperity.

President Clinton was instrumental in getting workers “fit” for businesses and the modern labour market. In Germany the discrepancy between employment demand and supply continues to grow, because the employees’ qualifications do not meet those needed by employers.

Clinton on the other hand prepared workers for the challenges of the 21st century with a thorough reform of the public education system. In so doing, he unwittingly became the precursor of the debate about a more efficient education system in Germany triggered by the recent PISA study.



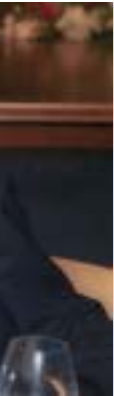
## THE REFORM PROCESS IN THE 1990's

Yet among the many successes of his economic policy, the reduction of the gigantic budget deficit stands out. When President Clinton took office in January 1993, America's budget deficit stood at USD 315 billion. He steadily reduced this deficit, to the point where by early 2000, there was a surplus of more than USD 100 billion. At the same time, public spending as a percentage of GDP fell to under 20%, the lowest level in 25 years. Who would have believed it? – A Democratic President had become the champion of fiscal restraint!

In the 1990's Germany was always among the US's most important trade partners. The high import quota (not always a boon to the USA) ensured German manufacturers high sales abroad. While large firms became familiar with the American market, the same was also true of SMEs. Many of them also established branches or suppliers to the larger firms.

President Clinton welcomed them as "Globalization" and technological change, campaigned for a liberalization of international markets, and in so doing, became the darling of the free market.

Britta and Dr. Ingo Friedrich



Bill Clinton greets Christine Scheel  
MdB, Chair of the Finance Committee  
of the Bundestag  
Bill Clinton begrüßt Christine Scheel  
MdB, Vorsitzende des Finanzaus-  
schusses des Deutschen Bundes-  
tages

Not only had government revenues improved, but also spending under Clinton's stewardship was no less exemplary. He placed great emphasis on spending, and pulled off quite a coup in welfare reform coupled with support for self-reliance and initiative. The reform process resulted in the number of welfare recipients falling to half, which represented savings of USD 20 billion.

William Jefferson Clinton can boast of his educational and welfare reforms, which have led many from the welfare rolls to paid employment. His basic approach of "welfare to work" contributed a good deal to the healthy social and economic climate in the USA. He implemented an economic concept that resulted in unprecedented wealth creation for his country, and which also swept the European economy along with it. The small and medium-sized enterprises of Germany, and of Europe as a whole, benefited considerably from this prosperity in the 1990's.

America's appetite for consumer spending was among the principal motors of European economic growth at this time. Thanks to William Jefferson Clinton's trade policy, instead of becoming a fortress, the American market remained open for imports. Rather, in order to safeguard the trade deficit, he pushed America to become a better exporter. 100 treaties in eight years number among Clinton's remarkable record.

Honoured Sir, for these many remarkable achievements, we present you this evening with the European SME Award. Your economic policy in Arkansas as well as in Washington was distinguished by its visionary quality. It can be upheld as an exemplary strategy for a modern policy for SMEs.

At the same time, we wish to honour an outstanding leader of our day, who for decades has shown the way forward in entrepreneur-friendly policy with both optimism and infectious enthusiasm, who has inspired the youth to independence, who delighted in reform, recognized structural weaknesses, solved them and worked for change for all levels of society. In these reforms, he succeeded through sheer determination against stiff opposition to make the world a more liveable place.

## PRIZEWINNER OF THE EUROPEAN SME AWARD 2002: WILLIAM JEFFERSON CLINTON



William Jefferson Clinton

42nd President of the  
United States of America



Ladies and Gentlemen,

First of all, now that I have this lion, if I had spent a couple of hours at the Oktoberfest I might just roar for you, but I am still a little too reserved for that.

I would like to thank Mr. Sturm, Birgit, Vice President Friedrich, Dr. Beckstein, ladies and gentlemen, I thank you for making me feel so welcome. I would like to thank my friend of over thirty years, Rüdiger Löwe, for facilitating this invitation, and I would like to say a special word of appreciation to the man who was my ambassador to Germany, John Kornblum, for doing a wonderful job for the United States and Germany, and I appreciate his being here. Thank you very much.

I am delighted to be back here. I first came to Munich 32 years ago, and I have been back several times since, always having a wonderful time. In 1994, I had the honor of being the first American president to walk through the Brandenburg Gate to the eastern side of Berlin to deliver an address there. I will never forget that day, or the day I was able to visit Berlin as a united, free and democratic capital, or yesterday, when I had the honor of speaking as we unveiled the newly refurbished Brandenburg Gate. So, I have a long and wonderful relationship with Germany.

#### ARITHMETIC

A century ago, one of my predecessors, President Theodore Roosevelt, when he visited this nation as a young man, said, "It is impossible to make me feel that Germans are foreigners." And I rather think Americans feel that way. So, let me sort of get rid of something at the beginning here. Several of you have expressed concern about the rift between our countries over the two different policies we have taken about not whether to deal with Iraq, but how to do it. If I were you I would not worry too much about it. Any American who can

think knows that Germany is one of the best friends we have ever had and always will be.

And I would just like to point out – I will say more about this in a moment – that the United States has supported Germany over the past thirteen years of reunification and building up the EU and reaching out to Russia. We worked together to stop ethnic cleansing in Bosnia and Kosovo. And now Germany has the largest number of troops of any European country in Afghanistan. So, I think you have demonstrated your solidarity with us. And it is impossible for two great countries to have a long term friendship without having an occasional disagreement. There is no marriage, no partnership, no business, no friendship where there is never a disagreement unless one side has his or her brain removed. As long as people are thinking they will occasionally disagree. So, I would not worry about it.

The previous speakers were kind enough to say a few things about the economic record that our administration established, and about the concerns I had for small and medium-sized businesses when I was president and before in the many years I served as governor of my native state. When I ran for president in 1992 the American economy was in such a bad shape that our simple slogan was "It's the economy, stupid." – that is American talk, we were not really insulting the voters. We learnt the hard way that in an interdependent world everything we hope to accomplish at home and abroad depended on our having a functioning economy, that if people could get up and go to work every day we would have fewer social problems, taxes would be lower and revenues would be higher. We would be able to invest money in doing the things that all great nations should do, and in trying have a more positive impact around the world. For twelve years, our country had been running up deficits, year after year, so that unbelievably enough, even in good times, we were running big

deficits. We quadrupled the debt of America in the twelve years before I became president. Our country was over two hundred years old, and we quadrupled the debt of our country in twelve years. That was because, frankly, politicians of both parties did not want to make the hard decisions necessary to turn it around. The Democrats wanted to keep spending money on social problems and they did not want to be accused of raising taxes; because that is what people thought about my party. The Republicans wanted to keep spending money on defense and highways – and, they could not get caught raising taxes because they had convinced everybody that all this money materialized without ever having a tax, because they were against taxes. And, so we just – year in and year out – would see people come up with these phony budget projections, and we pretended the budget would be one thing, and if it turned out to be something else people would say “Oh well, we will fix it next year”. So, people ask me all the time “What brilliant

balance the demands of raising their children, and still help them be productive in the workplace; that we could grow the economy and improve the environment. And all this required a special care for small businesses because year in and year out most of our jobs came from people like you in America. In fact, in a lot of our larger companies, even as their stock went up and their profits went up, their employment either stayed the same or was reduced. So, all those jobs that were out in those amazing figures – if you count the average 22.5 million jobs over eight years that is quite a few jobs per month – almost all of them were coming from people like you. So, what we tried to do was to think through what things we might do at the national level first of all to do less harm, and then what could we do that would actually do more good. We got a lot of new jobs out of science and technology investments originally undertaken by government for defense and other purposes that we then spun out into the private sector, because once the basic

President Clinton with UMU and EUSME employees.  
Präsident Clinton zwischen Mitarbeitern der UMU und EUSME



new idea did you bring to Washington?” “What genius gave you the idea that enabled you to turn the budget around and the economy around?” “What was your new idea?” And my answer was always one word: “Arithmetic.” We brought arithmetic back to national government in America. Two plus two equaled four again for the first time in a very long time. Not five, not one, but four.

We began to follow the same accounting that you are constrained to follow in order to run your businesses. We had a sound fiscal and monetary policy. We also made investments in education, science and technology. We tried to create an environment to encourage small businesses and entrepreneurs – and I will say more about that. We had good trade policies and a commitment to building an integrated global economy. We tried to have enough government to ensure some social justice, but not so much as to undermine the capacity to create jobs. The economy worked out pretty well. We did have 22.5 million new jobs; and the lowest unemployment in a generation; lowest welfare rows in thirty-five years; a dramatic reduction in poverty for the first time in a very long time. And a record number of new businesses every single year. Our philosophy was that we could be both pro-business and pro-labor; that we could help workers

research was done it was obvious that the private companies could do more with it than the government. I put people in charge of the national small business administration that actually made a living starting small businesses. That may seem obvious to you, but in America normally the person that gets to be the head of the small business administration is somebody who wanted to be ambassador to Germany, but did not get it. So, they get a consolation prize. John Kornblum was a great ambassador to Germany, but I would not make him head of the small business administration. But, that is what normally happened; it was a political appointment. The man I appointed had spent twenty years and made a fortune because he successfully identified, financed and started small businesses. When we took off – if you wanted to get help from the small business administration, you had to fill out a form an inch thick, and it took three to four months to get an answer. First thing we did was to cut the form to one page and the answer deadline to three weeks. So, during that time we had a dramatic increase in the number of small businesses we were financing; we tripled the number of females on business we financed. Just by doing the sensible thing you would do if you were running the agency. But, somehow no one ever did it before. We eliminated

16,000 pages of government regulation. And, no one ever complained because no one could tell you what they were. I used to say this to groups of government employees. I would say “We eliminated 16,000 pages of regulations, and I will give a thousand dollars to anybody in the room who could name four of them.” No one ever did. I have still got the money. That was about the only money I had when I left the White House, but I still had that.

#### POLITICS AND BUSINESS HAVE TO COOPERATE

I want to say first of all, I think the work you are doing is important, and I think the fact – as your leader told me tonight – you work with Chancellor Schröder, you have been non-partisan or bipartisan, is a very good thing. Because I became convinced as a Democrat in America that both parties had to become pro-business and



pro-labor. You cannot have a center left party that can stay in power unless we can prove that we can manage the economy. So, I would just encourage you to continue to do this, because I feel very strongly that the only way we can face the other challenges I am about to discuss tonight and sustain policy through election after election no matter who wins is if the voters will trust us to deal with the global challenges we face because they think there is a consensus on the sound management of the economy. That is very important for Europe, and very important for the United States. So, I thank you for your advocacy, and I thank you for the award.

The only other thing I would like to say is that: Like every other leader in the world who ever got an award most of the work was done by someone else. I had the ideas and I made the decisions, but I had a brilliant team working for me. And America is blessed with a fabulous array of businesses of all sizes and kinds, and wonderfully productive workers. But, I do thank you for this award because I think it says that politics and business have to work together; that you cannot have a good political policy without a good economic policy. And I want to talk a little more about that in a moment. One of the reasons why our economy grew as much as it did is that

thirty per cent of our growth came from trade. And we were able to grow and get unemployment down without any inflation because as was said by a previous speaker I was a committed free trader. It turns out more than some people who came before and maybe the administration that came after. I had to fight a lot of people in my own party who did not believe me, accusing me of getting rid of jobs because I believed that America's market should be open for trade and investment. But, I knew that this was the only way to keep inflation down, to keep productivity growing. I told someone the other day, if my trade policy was designed to cost America jobs it was a failure because it generated jobs instead – thirty per cent of our growth. Every day more than thirty-six billion dollars in trade and investment flows back and forth between the United States and Europe. Our investment in this continent has increased seven fold in just the last six years. American owned firms employ three million Europeans. One in twelve American factory workers is employed by one of the 4,000 European owned businesses in the United States. German companies alone have created 600,000 new jobs in America in just the last couple of years. And, the US is now the largest foreign investor in eastern Germany. We are growing together. But all this trade and investment only works because there are people everyday who get up and go to work to one's companies and work in them. That provides a product or service that makes a profit.

So, you make this dream possible. You make this progress possible. It is obvious to me from just what I heard tonight that the entrepreneurial spirit is alive and well, and it has given Germany the leading position in Europe and the global economy that you enjoy. I always thought one of my important jobs as a president was to strengthen the bonds between the US and Germany. This has already been mentioned, but I believe it is worth recounting how much we have been through together over the last fifty years.

Germany was and continues to be indispensable to the growth, security and stability of the European Union; to the future of those nations that were a part of the former Soviet Union; to bringing Russia into partnership for democracy and security through NATO and for economics in the G8, for helping all the rich countries to do what they should do and relieving the debt of the poor countries as long as they put the money into education, health care and development. I am grateful for the support that Germany gave to me when we ended ethnic cleansing in the Balkans, and very grateful for the support you gave President Bush and the American people after September 11, and as I said: You are now the number one European country in terms of troop contributions to our efforts against terrorism in Afghanistan. I am grateful for that, and so is every other American citizen.

**COMMON FUTURE**

I have worked well with Chancellor Schröder and before that with Helmut Kohl. I can come to Germany being completely bipartisan, even after you have had a close election. I had breakfast with Chancellor Schröder and lunch with Helmut Kohl. The lunch was bigger than the breakfast. But, you know Kohl and I love to eat – we have eaten ourselves sick all over the world, so we were contributing to the German economy today in Berlin in a very dedicated fashion.

I learnt through all the differences and arguments in German politics that I could now pass a test pretty much on the differences on what the Christian Democrats believe, on what the Social Democrats believe, where the Greens are, and what happened to the other parties in the last elections. All I know is that through thick and thin we have been friends and we have worked together. We have not always been right, and probably you have not always been right either. But, we have been going into the right direction, and we have been going there together. And, when you think about what you want to do, and how you want to improve your own businesses, and to hire more people and have more success, the first thing I want to say is: Whatever you do, you will do in an environment that is shaped by politics – the politics within Germany, the politics within Europe, the politics of the rest of the world. And you are likely to have a better environment if our partnership endures, if we share the burdens and responsibilities as well as the prosperity and the benefits of the 21st century world. So, I would like to say a little bit about the world environment, in which I think you will operate. It is really important, I mean when the American stock market goes down, our economy is bad, it hurts you. If we can not buy your products and services, it hurts you. If the people in America with money lose 30 to 40 per cent of share value and stocks go down, they do not have as much to invest in Germany, and it slows your growth. Whether we like it or not, we are bound together in a common future.

This is a very interesting time where the world is interdependent, but things do not really fit together. Half of

the world is not part of the global economy; they live on less than 2 dollars a day. We sit here thinking how great it is that we share certain values, but as learnt on September 11 last year, some people have access to information, travel and technology who do not share our values. And one group of them murdered 3,100 people in America who came from seventy nations including over two hundred Muslims. So what we have to do, as it seems to me, is to try to reach a consensus on how we are going to go through the next ten years. What do you suppose is going to happen in a world where it appears that in all nations terror is hidden. Should you be worried, should you be afraid to invest, should you be reluctant to invest in America or should we be reluctant to invest in you? What is the environment? How are you going to keep growing your businesses in a global economy that continues to grow?

First of all, we have to analyze what this economy looks like, and what the central conflict is. Most of us who are my age, or even some who are younger, grew up mostly in the time of the Cold War, where the world was divided between east and west – and Germany was a symbol of that – where the systems that were divided were democratic capitalism and communism. And then in 1989, when the Berlin Wall falls we are all ecstatic. You reunify, the European Union is formed, Russia comes in and says I want to be a part of what you are doing. The Chinese had already been moving to the West and have now been admitted to the World Trade Organization. It looks like everybody did everything right. And all of a sudden, we have got a whole new set of problems, and we are all worried about cross-border threats from terrorists animated by racial and religious, tribal or ethnic feelings, who may now or one day in the future, and God forbid, have weapons of mass destruction – chemical, biological or small scale nuclear weapons. What are you supposed to think? I mean, after all, didn't you fix all the problems that you thought were there at the end of the Cold War? I think it is important to think about this. Here are the main players in the world today – there are the successful nations, like Germany and the United States, democracies, strong economies. There are the totally unsuccessful nations, the failed nations,

Dr. Ingo Friedrich, Vice President of the European Parliament welcomes Bill Clinton

I.: Dr. Ingo Friedrich, Vizepräsident des Europaparlamentes, heißt Bill Clinton willkommen





dictatorships, suppression, abject poverty. One billion people in the world today live on less than a dollar a day. And then, there are nations kind of in-between. They are all democracies, but their freedom is not secure; they want peace, but they are still fighting. Then there are all these international players. There are the good guys, the UN, NATO, the EU and other regional organizations. There is a growing non-governmental organization movement. Then there are the not so good guys, the international organized crime units, the international narco-trafficking cartels, and the organized terrorist groups. All these forces are out there running around making decisions, doing things which create the environment good and bad, in which every business in the world, certainly every business in Europe and the United States, operates. And, what I want to say to you, there are things you have to do, and things you have to expect of your political leaders. And, I want to quickly run through them tonight because again I think it is important for us to kind of obliterate the line between business and politics, between economics and politics. Just as we have seen a total erasing of the line between foreign and domestic policies. So what should we do?

The first thing I think you should do is to keep getting better at what you do at home; keep working with the government to create a good environment; keep working to invest more, to create more jobs, to make more money to do what you do. Nothing succeeds like success. And, it is very important as we see so many people in the world we are trying to reach out to and persuade and bring into our system that we will be able to point to models of success. Germany is a place that most people believe has achieved a high level of prosperity and social justice. It is important to be able to point to examples to get others to change. It is also good for you.

The second thing I think we should do is to recognize that this security challenge we face from terror, from weapons of mass destruction is important. I strongly supported the President in sending our troops to Afghanistan. I think they should stay until they have got rid of all the Al-Kaida, and I hope you will stay with us. I thank you for what you have done. We have a lot of

other things that need to be done; we need to get rid of North Korea's missile program, and they are wanting to do it now, I think; we need to help people all over the world who are fighting their own battles with terrorism. This little bracelet I have on was made for me by Colombian Indians. In Colombia, thirty-five per cent of the country is now in the hands of narco-traffickers and their terrorist supporters. Just think, how you would feel if thirty-five per cent of Germany belonged to criminals? I went down there to urge the business community to stay on the course because America is trying to help them, and I think eventually will turn the tide. We have to do that. We need a security strategy. Where does Iraq fit into this? And, how do we have to fight over this? What is the real nature of the difference between the United States and Germany? The truth is you do not know yet. And let me explain what I mean. No one who has looked at the evidence can doubt that Saddam Hussein has stores of chemical and biological weapons, and the component parts necessary to make them. How do we know? Well, when we had the inspectors in there, we found and destroyed 40,000 chemical weapons, thousands of gallons of constituent parts, the major biological weapons lab that was equipped to produce Anthrax and other things. And even when we got to the end we were pretty sure he still had some stocks of botulism, small pox, Anthrax, VX and ? – the latter two being serious chemical agents. We know he used them once on the Kurds, and once on the Iranians, when he felt himself threatened and when he thought the West was on his side. Hardly anybody in the West raised a peep when he did this before. We know he lied, weaved and bobbed all the way through this inspection and finally kicked the inspectors out. And, we know for the last four years he has at least tried to produce more weapons of mass destruction. But, I say again, we also know that the inspection system worked, even when he was trying to undermine it.

So, what should we do now that our awareness of all these dangers is so much higher as a result of the events of the last year? And what is the difference between the German position and the American position? I think the way to bring us together again is to look toward what we

Lotte Hettich and Hugo Hettich,  
Honorary President of the UMU  
UMU-Ehrenpräsident Hugo Hettich  
und seine Frau Lotte Hettich



from left to right: Alfredo Novoa-  
Peña, Ambassador of the Republic of  
Peru in Germany, Bill Clinton, Patricia  
Cain de Novoa

v.l.n.r.: Alfredo Novoa-Peña, Bot-  
schafter der Republik Peru in  
Deutschland, Bill Clinton, Patricia  
Cain de Novoa

can do together through the United Nations. What the American administration says is, one way or another, to get these things out of there. It is too dangerous to let it go on, and if we have to attack, we will. We would like to have the UN pass a resolution, but if it does not, it is not much of a deterrent. The German position is: You just cannot do this without the UN. The British position is: We should not do it without the UN. The French position is: The UN should authorize the inspections, and then if they do not comply, come back to us and then we can vote for force. The point is that all these positions can be reconciled at least in the short run by having the United Nations do what it ought to do – pass a simple resolution. It says this is a threat; it has been eleven years; he has not complied. There must be open unrestricted inspections immediately, and then let's see if the Iraqis comply – there is still a chance to avoid war here. And we should avoid it, if we can for all kind of reasons. And I will give just a couple: First, Saddam Hussein, if he knows he is going to be destroyed, will have every incentive to use these chemical and biological weapons instead of giving them away. Today, he has every incentive not to use them. Second, if we attack someone before they have attacked one of us, we may set a precedent that may come back to haunt us. India said the other day they might have to attack Pakistan preemptively. The President of Russia said the other day he might have to go into Georgia because there were Chechian rebels there. We are about to have a change of leadership in China. I would hate to see the new Chinese president under excruciating power to take preemptive actions some day against Taiwan. Because they are growing together, they will solve this problem, if we only wait long enough. And the third thing is – and I can say it because I have done it – in Kosovo and Bosnia and elsewhere, I do not care how accurate your bombs and weapons are, because when you start firing big rockets and dropping big bombs, innocent people are going to die. War should always be a last resort. On the other hand, we cannot be paralyzed in the face of this threat. So, I believe that we can find a way to go forward together, but we should try to do it through the UN because in the end we have to strengthen the United Nations, if we want, ten, twenty, thirty years or forty years from now, our children and grand-children to be living in a safer world. We cannot solve all the problems ever, so we need a system that is stronger than the United Nations now is for dealing with these kinds of things.

#### PARTNERSHIP

So, my point is that before we all go about wringing our hands that war is imminent or that the United States and Germany have had a terrible falling out, we have not yet because nobody has decided on doing anything yet, including passing a resolution in the UN. So, we all still

have a chance to work together and to work this out. And that is the message I took to the Labour Party Conference in Blackpool, and to my meeting with President Chirac in France yesterday, and to my meetings today in Germany. We can work this out together, and I hope and pray we can do it without a conflict. But, we would be making a big mistake since the UN said eleven years ago we had to disarm, if we just walked away and acted like it did not matter. On the other hand, we do not need to be hypocritical because since a lot of what he has done in the past he did with at least a tacit blessing of the West. So, we just need to be steady and keep trying to pull each other together and go forward together. I think we still have a real chance to do it.

Next thing I would like to say is that we will never be able to bomb our way out of all of our problems. So, we have to create a world that has more partners and fewer terrorists. Germany is a sheer exhibit for that. At the end of World War II, George Marshall, who spent his entire life in the military fighting, said, and I quote: "We need to take just a little money here to make a world with more friends and with more freedom, and fewer enemies." That is what led us to the Marshall plan. He was talking about you. And Italy. And MacArthur made the same argument about the Japanese, and a few decades later we have no better friends in Europe than the Germans and we have no better friends in Asia than the Japanese. Because, instead of worrying about stomping on our enemies we were worried about converting them into friends. And, in the world, we are living in, now we are so rich, and most people are so poor that it does not take very much money to put the 130 million children in the world who are not in school, in school; to have some basic economic reforms in countries that would lead to an explosion of economic growth; to fund United Nations Secretary General Kofi Annan's 10 billion dollar initiative to fight AIDS, TB, malaria and infections related to diarrhea. Those four things are killing one in four people each year. So, I hope you will support that.

Very often business people in every country are not very supportive of foreign aid. They think it is wasted or people do not appreciate it. But we actually learnt a lot about how to do this. When we were at Cologne in 1999, at the G8 that Chancellor Schröder hosted, the United States and Germany led the nations there in proposing to forgive the debts of the poorest countries in the world, but only if they would put all the savings into health, education, and economic development. I can tell you it has been a stunning success. It is promoting economic growth; we have kids in school; we are reversing the AIDS epidemic; we are doing amazing things around the world because they have to do that. We are not doing it, they are doing it for themselves with





Bill Clinton greeting Vassilis Economopoulos, Vice President of the European Council of Civil Engineers

Bill Clinton begrüßt Vassilis Economopoulos aus Griechenland, der Vizepräsident des European Council of Civil Engineers - ECCE ist

the savings we gave them. So, we need business people to support the notion that rich countries should make more partners and fewer terrorists. We also have to try to fight conflict in every way we can. One of you mentioned the Middle East earlier. When I left the White House, and President Bush and I had our little talk, as presidents always do when one is on his way out of the door and the other one is on his way in, we were talking about the major security threats. And I said I think the biggest security threats are in order: Al-Kaida, Bin Laden and Al-Kaida, the continuing problems between the Israelis and the Palestinians, the problems between the Indians and Pakistanis, because they all have nuclear weapons, the fact that we have not ended North Korea's missile program, and the spread of weapons of mass destruction including the Iraqi problem. In that order. That is what I thought then, that is what I think now. So, when Germany and America went into Bosnia and into Kosovo, we gave south eastern Europe the chance to be free and democratic, and at peace to eradicate ethnic cleansing. It was a great thing. Also good business. Some day southeastern Europe will be one of your major business partners because once your political leaders took the trouble to stop the slaughter. By the same token we should try and resolve the problem with Cyprus. So Cypriots can live in peace, and the Turks can join you in Europe as a bulwark against Islamic extremism at worst, and at best join in as a new Middle East. A Middle East that I believe will emerge.



from left to right (v.l.n.r.): Dr. Gert Jaeger, Verlag für Aktuelle Wirtschaftsinformation, Ursula Heller, Bayer. Rundfunk, Wolfgang Münch, Chief Editor (Chefredakteur) of the Financial Times Germany, Kai Stepp, Chief Editor (Chefredakteur) Capital, Helmut Maier, Elizabeth A. Voight, Bodo Barske, Dr. Dieter Tober, UBS Bank, Thomas Knipp, Chief Editor (Chefredakteur) Handelsblatt

I could give you lots of other examples. But, I think it is very important. And the last point I want to make in this regard is that we have to build institutions of co-operation. The Marshall plan helped Germany and the rest of Europe, but the Marshall plan did not exist in a vacuum. The Marshall plan was created and so was the United Nations; so was NATO; so was the beginnings of European co-operation; so were the international financial institutions. We need to build the institutions of the 21st century. And, I have a very different opinion than the present government at home: I think we should have an international criminal court; we should have a comprehensive test ban treaty, and I think we should have an international agreement to reduce global warming. And, I think the United States should be bound by that. We cannot expect other people to follow rules, if we say we do not want to be bound by any, you just have to trust us. I think we should be part of that, too.

#### PROBLEM-SOLVING

But, to get back to the main point. Yes, I think you should have a government that is good for small business. Yes, I can give you a list of everything we did, and it would probably be good, if you did a German version of it. But, you do not want to get as much social inequality



Bill Clinton and Ludger Theilmeier, President of the Action Group for SMEs - AWM (Präsident der Aktionsgemeinschaft Wirtschaftlicher Mittelstand e.V. - AWM)



Karl Ernst Kalkbrenner, President of the German Association of General Managers - BGV (Präsident Bund Deutscher Geschäftsführer und Vorstandsmitglieder e.V.), Petra von Borch

as we have. We still have not solved our health care problems. And you would hate it, if you had our health care problems. You might think you would like the system, but trust me you would not. We spend two or three per cent of our GDP more on our health care than you do. And if you scrapped your system and tried to adopt ours you would find that the only businesses that would be better off are the people providing health insurances because the administrative cost is about four or five times in America what it is here, and would drive you nuts. But, I do think there are a lot of things we do that would be helpful in creating more entrepreneurial spirit, and generating more job growth. And I think it is really important. But, the other point I am making is important, too. Just as politicians have to care about business, business people have to care more about politics. And, you have to see the environment in which you operate is part of a big world where there are lot of different people trying to come together. And the way to get it to come together is to have a good security policy, a good policy to make more partners and fewer terrorists; to support your government and man in trying to stop the most troubling things in the world and the building of institutions of co-operation where there are rules we all can live by. I would just like to close with a

couple of examples: I have just come back from Ghana where I took the great Peruvian economist and ambassador Hernando de Soto to Ghana to try to institute some of the reforms there that he put in in Peru; to legalize the property of poor people so that they can use it as collateral for credit. In 2000, I signed a trade bill with Africa. We opened our borders. This Ghanaian woman comes running up to me with a shirt which I have in my bag upstairs. She said this is your shirt from my factory that you made possible with the African trade bill. There are four hundred of us working there now selling these shirts to America. You get one for free for signing the bills. So these four hundred people are going to work. We have to support that sort of thing.

And just let me say one thing in closing because I know that if you spend 95 per cent of your time on business, and then you spend maybe even less than 1 per cent thinking about politics all you ever hear about is the bad news and the problems. Let me try to put this into some kind of context. Civilization is somewhere between six and seven thousand years old, the people living in cities and having the written language, that's the definition. People have been on the planet for somewhere over 50,000 years. For most of the time people have been alive



Bill Clinton speaking with a group of 500 schoolchildren and students in Munich's Amerika-Haus. This event was made possible by the UMU.

Bill Clinton diskutiert mit 500 jungen Leuten im Amerika-Haus in München. Diese Veranstaltung wurde durch die UMU ermöglicht.

President Clinton with the schoolchildren and students invited by the UMU to the award ceremony

Präsident Clinton zwischen Schülern und Studenten, die von der UMU zu der Veranstaltung eingeladen wurden

from left to right (v.l.n.r.): Hatto Brenner, President of the EUSME (Präsident der Europäischen Union Mittelständischer Unternehmen - EUSME), Bill Clinton, Dieter Ibielski, Advisor to the board of the UMU (Berater der UMU)

on this planet, most people have looked at people different from them the way the Al-Kaida did. That is we like the people that are in our group, but we don't like other people. That is like what the French and Germans thought for a long time. So the people find the meaning of their lives by positive reference to their own crowd, and negative reference to other people. Thank God I am German, thank God I am not French. And if you lived in Ireland you thank God I am a Protestant, thank God I am not a Catholic. And in Rwanda thank God I am a Hutu, thank God I am not a Tutsi. All over the world that is the way people have behaved for most of human history. The prospect that we could actually co-operate so that everybody would have a chance to get up and go to work and make a living in democratic capitalism was not even in theory possible till the end of WWII when the UN was established and the Universal Declaration of Human Rights was adopted. It was practically not possible then because of the Cold War. Then in the 70's China started moving toward the West, and in 1989, the Berlin Wall fell. Look what has happened since 1989. You united; the European Union was formed and began to grow together; we stopped ethnic cleansing in the Balkans; Russia joined the West; China joined the WTO; and we have only been working at this for thirteen years. Sep-

tember 11 was terrible. The fact that we have not resolved the Middle East is terrible. The fact that the Indians and Pakistanis are throwing away the most phenomenal opportunity to grow, wasting money on defense and war, and threatening with killing each other, is terrible. There are a lot of terrible things in the world. But, if you look at this in the context of human history you should be really, really positive. These kids listening to this speech – if we just keep on doing what we are doing they are going to live in the most prosperous, successful and interesting time in all of human history. But, one thing you will have to do is be more interested in politics, care more about the rest of the world, and convince your politicians to be more interested in you.

I say that with all respect. I thank you as Germans for the friendship you have given America. I thank you for this award tonight. But, the main thing I want to say, is if we were all that bad, we would not be sitting here tonight.

On balance, you should be positive and optimistic about the prospects for the future. But you should also be really determined to deal with the big issues I have mentioned tonight. Those kids deserve it. Thank you very much.



from left to right (v.l.n.r.): Charlotte Knobloch, President of the Munich Jewish Community (Leiterin Israelitische Kultusgemeinde München), John C. Kornblum, former ambassador of the USA in Germany (Botschafter a.D. der USA in Deutschland), Prof. Dr. Karl Brotzmann, Alfredo Novoa-Peña, the Peruvian Ambassador in Germany (Peruanischer Botschafter in Deutschland), Patricia Cain de Novoa, Jürgen Pinne, President of the Association of German Tax Advisors (Präsident Deutscher Steuerberaterverband e.V.), Alexander Radwan, Member of the European Parliament (Mitglied des Europäischen Parlamentes), Jörg Bieberstein, Edda Huther, President of the Bavarian Constitutional Court (Präsidentin Bayerischer Verfassungsgerichtshof), Peter Gummer, President of the Bavarian Supreme Court (Präsident Bayerisches Oberstes Landesgericht)



from left to right (v.l.n.r.): Bill Clinton, Rüdiger Löwe, Andrea Schöller of Schöller & von Rehlingen PR GmbH



from left to right (v.l.n.r.): Prof. Dr. Günther Hirsch, President of the Federal Court of Justice (Präsident Bundesgerichtshof), Prof. Dr. M. Hirsch-Ziembinska



## RÜDIGER LÖWE

Adviser to the UMU and an old friend of Bill Clinton's

### 55 WEST 125TH STREET, HARLEM

55 West 125th Street in Harlem, on the north side of New York's Central Park. This is where Bill Clinton, the 42nd President of the United States of America, welcomed me in his spacious new offices. This happened on December 6th, 2001, only four hours before my flight back to Munich. Bill was busy shelving his books on politics and statecraft. In the White House there had been no room for them, and so a couple thousand books that he had read had to be placed in storage for the duration of his presidency.

world, he would answer, 'Rudi, it is the most romantic of all, unique, a fairy-tale castle, and the inspiration for Disneyland'.

### OUR FRIENDSHIP

In his speech on October 4th, 2002 in Munich, Bill began by mentioning our friendship of more than 35 years, which brings back so many memories. We met in November 1967 at a NATO student conference that he helped to organize at his university in Washington. We

Rüdiger Löwe

Rüdiger Löwe, Bill Clinton and friends

Rüdiger Löwe and Bill Clinton



On that December day, in addition to the compulsory lebkuchen, I also brought him a letter about the future European SME award from Hermann Sturm, President of the Union Mittelständischer Unternehmen (UMU). The first contact had already been established during Clinton's White House years. The two men had met in December 2001, and the project to bring Clinton to Munich for the award was becoming increasingly concrete. The UMU invitation also gave 500 young people in Munich an opportunity to talk with Clinton in Amerika Haus.

### CLINTON AND MUNICH

Bill Clinton loves Munich. I first acquainted him with it in March 1969. We then visited Munich together during carnival the following year, taking in a number of traditional festivities. In 1989, as Governor of Arkansas, he brought his entire cabinet for a whole week to both Munich and Nuremberg. Bill was always drawn to Neuschwanstein, where he spent three hours on a sunny yet bitter cold day in December 2001. When asked why he so admired the castle built by King Ludwig II, although as president he had certainly seen much more beautiful and impressive castles and palaces in the whole

hit it off immediately and were soon friends. At the time he was 21, and I was 22. I was a German student representative spending a year abroad in the U.S. with a Fulbright Scholarship and was given the following topic to prepare: "Germany's Hope of Reunification and the Role of the USA in Eastern Europe".

Bill not only gave me the topic, however, he also recommended an outline of the paper I was to present. As he explained, we Germans should give up the Hallstein doctrine, and instead establish full diplomatic and trade relations with Czechoslovakia and Poland, and what would happen is the following: The citizens of the GDR would eventually regret always hearing of improvements in the living standards of its neighbours to the East and finally run their Pankow regime out of town, knock on the door of the West Germans, and ask to be taken in. That was the farsightedness of Bill Clinton, a student of international politics in 1967. I was so impressed by his presence, knowledge, and vision, that I wrote home to my parents in Germany, "that here was no doubt a Senator in the making".

I was almost right, too. After a number of years as Governor of Arkansas, Bill began to toy with the idea of becoming a US senator. He did not do so for long,

though, because the two incumbents were both friends of the family, and in no hurry to leave. As he also explained to me, “Rudi, you don’t run against your friends”. With such high principles, the only option open to him was the White House itself.

Bill has been interested in the German language and in the history of German ideas for a long time now. At Georgetown University he minored in German for four years. He still understands it very well, even if his pronunciation is not what it once was. All the same, German is his only foreign language and his daughter has also studied German for a number of years. This state of events could lead to ironic twists. For example, Chancellor Helmut Kohl wanted to invite President Clinton to Washington’s renowned Filomena restaurant to thank his host for having flown him from Milwaukee to Washington DC in Airforce One. It was however a Friday evening, and Clinton had to decline. As much as he wanted to do, Friday was reserved for his daughter. It was a weekly opportunity for her to speak only German with him, so that his German would not get too rusty.

Clinton is no doubt the most Germany-friendly, as well as, the most knowledgeable student of Germany to hold the office. I was only too happy to introduce him to a number of leading figures here over the years. And through him, I learned to understand many subtleties of American politics and got to know many leading Americans. And from a European perspective, he was a President who valued multilateral decision-making and developed his country’s partnership with the UN.

#### NEW TRANSATLANTIC AGENDA

Starting in 1993, he had the idea of a Transatlantic Community, which US Ambassador Richard Holbrooke discussed in March of that year in Munich’s Amerika Haus. In 1995, Bill signed the New Transatlantic Agenda between the USA and the European Union, the foundation of a new, more intensive and more cost-efficient cooperation on a number of fronts of importance to western nations, among them terrorism, organized crime, illegal immigration, AIDS, and barriers to trade. It was all about dealing with global challenges as partners.

#### A SUCCESSFUL VISIONARY

Clinton was an American President of unparalleled vision who achieved excellent results with his economic policy. If the US Congress had not limited a President’s period in office to eight years in 1951, there is no doubt in my mind that Clinton would have been re-elected for a further four years in November 2000. After Bill, a

change in priority occurred in American foreign policy: Here as well, economic policy became predominant. Under President Bush the oft-cited shared values between America and Germany have fallen behind concerns such as foreign investment and security.

As word got out that Clinton would be coming to Munich for the award ceremony, many friends and acquaintances called me to express their pleasure that we would have him in Germany, to counterbalance the prevailing dispute between Bush and Schröder. For many Germans, Clinton has made it very clear at a critical juncture that there are also leading Americans who think differently.

#### THE LATEST MEETING

I saw Bill again on October 20th. This time it was in Fayetteville, Arkansas, on the occasion of the 50th anniversary of the German-American Fulbright Commission, and the unveiling of a statue of Fulbright at the university and a discussion about the current tense relations between our two countries.

Bill promised me to come back to Munich soon in order to take in the exhibits of the fine arts museums without hurrying through. Hoping he gets around to it soon.

## THE ‘CLINTON TIE’

#### AN ANECDOTE BY HATTO BRENNER

Hatto Brenner, Erlangen, President of the European Union of Small and Medium-Sized Enterprises – EUSME, Brussels, recalls an amusing anecdote in his closing words. Two weeks before the award ceremony he was awaiting a connecting flight at the Istanbul international airport and looking over a number of ties in the exclusive shop. The owner pointed to a tie and said that a few months before he had given one just like it to President Clinton as a token of his gratitude. Since he also happened to like the tie, Mr. Brenner bought it for himself. The shop owner went on to say that his people were very fond of Bill Clinton, because he stood for world peace and a prospering world economy, in addition to being very amiable.

As Hatto Brenner maintains, ‘To be both successful and well liked is a masterstroke achieved by only rare the statesman or business leader’. This statement from the Turkish small businessman only confirmed his conviction that Bill Clinton was fully deserving of the European Small and Medium-Sized Enterprise Award, and gave him all the more reason to wear his ‘Clinton Tie’ with pride.



Hatto Brenner

## PICTURES OF THE EVENT







1: Bill Clinton with Marina Reuter and Uwe H. Reuter, Chairman of the VHV Versicherungen board (Vorstandsvorsitzender der VHV Versicherungen)

2: President Clinton greets (begrüßt) Dr. Wolfgang Seybold

3: Dr. Iris Ebling, President of the Federal Finance Court (Präsidentin Bundesfinanzhof) and Peter Strumberger

4: Sabine Leutheusser-Schnarrenberger, Chair of the FDP in Bavaria and former German Federal Minister of Justice (Bundesjustizministerin a.D. und Landesvorsitzende der FDP in Bayern) and Hans-Werner Zeschky, owner of the Reuschelbank (Persönlich haftender Gesellschafter Bankhaus Reuschel & Co.)

5: Prof. Dr. Dr. Ann-Kristin Achleitner, Chair of Entrepreneurial Finance, Entrepreneurship and Start-ups of the Technische Universität of Munich (Lehrstuhl für Entrepreneurial Finance und Existenzgründung der Technischen Universität München) and Dr. Peter von Borch, Member of UMU board (Hauptgeschäftsführer UMU)

6: Dr. Heike Grimm, University of Erfurt (Universität Erfurt) and Dr. Hermann J. Kurth, General Manager of the German Association of landscape contractors - BGL (Hauptgeschäftsführer Bundesverband Garten-, Landschafts- und Sportplatzbau e.V. - BGL)

7: President Clinton, Peter Erwand, General Manager (Hauptgeschäftsführer) of the Export-Club Bayern e. V., r.: Andrea Schöller, Schöller & von Rehlingen PR GmbH

8: Bill Clinton with Petra Rauscher and Dr. Hans-Joachim Rauscher, Member of the NÜRNBERGER Beteiligungs-AG board (Vorstand NÜRNBERGER Beteiligungs-AG)

9: from left to right (v.l.n.r.): Doris Kussin, Harald Kussin, Dresdner Bank AG, Erhard Steiner, member of the board of the German Association of General Managers - BGV (Präsidiumsmitglied Bund Deutscher Geschäftsführer und Vorstandsmitglieder e.V.)

10: from left to right (v.l.n.r.): Werner Küsters, President of the German Association of Landscape Contractors - BGL and Vice President of the Action Group for SMEs - AWM (Präsident Bundesverband Garten-, Landschafts- und Sportplatzbau e.V. - BGL und Vizepräsident Aktionsgemeinschaft Wirtschaftlicher Mittelstand e.V. - AWM), Bill Clinton, Dr. Hermann J. Kurth, General Manager of the BGL (Hauptgeschäftsführer BGL)

11: from left to right (v.l.n.r.): Nezh Özütok, General Manager (Geschäftsführer) of Thirtyfour Advertising GmbH, Bill Clinton, Katharina Wiethaus, Altan Üze

12: from left to right (v.l.n.r.): Mechthild Wittmann, City Councillor of Munich (Stadträtin), Michael Mendel, member of the Hypo Vereinsbank AG board (Vorstand der HypoVereinsbank AG)

13: Kirsten Paul and Sepp Krätz



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Editor: Dipl.-Kfm. Hans Stigler

Concept and Design: Thirtyfour Advertising GmbH, Munich

Photographs: © Roman Job, Munich

Print: Peradruck GmbH, Munich

The UMU would like to thank:

The State Government of Bavaria • The City of Munich

Arabella Sheraton Group • Reichl and Partner Werbeagentur • Sepp Krätz Gastronomie

Schöller & von Rehlingen PR GmbH • Thirtyfour Advertising GmbH • UFB/UMU AG

Ullstein Heyne List Verlagshaus • Volkswagen AG • XL Insurance Company Limited