

National Language Conference: A Call for Action

Thank you for that kind introduction.

I'd like to thank the Department of Defense's Gail McGinn and Elizabeth Mitchell for the invitation and its sponsorship of this conference. And I'd like to thank John Vonglis for his help.

I am delighted to be here today to address one of the most crucial—and most neglected—policy issues of recent years—the need for deep language and cultural skills in maintaining a strong America. As a former member of Congress and the President of the Financial Services Forum, I hope that I can provide a useful perspective.

As we gather here today, US military forces are engaged in combat and reconstruction around the globe—but particularly in Afghanistan and Iraq. I honor their bravery and sacrifice and extend my heartfelt condolences to those families and friends who have lost loved ones since that terrible day in September.

Our military forces are one of the pillars of modern American power. As Saddam Hussein can attest. But the wellspring of American power is the US economy.

As President of the Financial Services Forum, I deal everyday with 20 of the largest and most diversified financial institutions in the world. Virtually every CEO that I represent heads an institution with operations all over the globe. The Forum's institutions, and American finance more generally, illustrate the enormous benefit--and dependence—of the US economy on the international trading system.

Most of the Forum's members derive substantial portion—and some a majority—of their earnings from international markets. One Forum member operates in over 140 countries and on every continent. Without access to the international markets, American finance and the American economy would be a shadow of its current self. And the client and stakeholder relationships as well as the placement of employees reflect this increasing globalization.

Last week, I met with one of the Forum's members—Peter Wuffli CEO of Union Bank of Switzerland—just completed a teleconference with over 700 UBS employees from Tokyo to Zurich to New York. The key global commercial concepts are interdependence and integration.

As financial institutions, of course, accurate information is crucial. Indeed, the Forum institutions with the largest international operations have the greatest demand for bilingual staff since understanding local languages and conditions is as essential as reading a balance sheet. Without that expertise, their ability to understand and manage risk would be radically reduced. And risk is an increasingly central aspect of financial management. Knowing your customers, national hazards, including political risk, and the potential for systemic harm are all elements of prudential management.

This same dependence is mirrored in the economy at large. Last year the US exported over \$1 trillion in products—including more than \$300 billion in services. That's almost 10% of total US output. Of the 140 million strong US workforce, over 12 million—or close to 10%--American workers are dependent upon export markets for their livelihoods. Another 6.5 million American workers are directly employed by foreign companies doing business in the US.

At the same time, the US imported over \$1.5 trillion in goods and services in 2003. While a sustained trade deficit of almost \$500 billion could be a concern in the long term, imports increase consumer choice, lower prices through competition and restrain inflation—allowing us to grow our economy faster. US imports, in fact, exceeded more than 10% of US GDP.

And we are not alone. Many other nations have undergone dramatic economic changes as the international economy continues to integrate. The World Trade Organization now has over 150 members, three official languages, and now governs trade in goods, services and intellectual property. Similarly, the US has bilateral investment or trade treaties with dozens of nations, and is negotiating several more free trade agreements.

The Bush Administration deserves credit for its hard work in opening more markets for American goods. The President and his Trade Representative Bob Zoellick clearly see the potential for new markets—particularly in areas of the world where political and social instability prevail and where English is not the dominant language.

Sadly--in parts of the world that are the most unstable and home to the most radical ideology--population is surging and young, unemployment is high and economic opportunity almost non-existent. Building a world of rising prosperity for all through commerce—American commerce—requires a mastery of language, history—and culture.

Culture too is more and more global. McDonalds sells pate in France. American kids listen to South African rockers like Dave Matthews. And millions around the world watch American movies and TV. A friend of mine recently gave me a paper bag from a Japanese bakery in Osaka that showed a smiling pastry chef exclaiming over his American style doughnuts, “MMMMM, that just born taste!”

But cultural exchange and borrowing is having a more profound impact than the decision to watch an American movie or eat American fast food. Chinese demonstrators built a “goddess of democracy” modeled on the Statue of Liberty in Tianamen Square 15 years ago. An American style TV network shakes up the Middle East. American courts are used by human rights groups to sue for violence allegedly perpetrated by foreign governments--in their own countries. Inter-cultural influence has never been stronger.

But globalization will not lead to an Americanization of global culture—other cultures are far too strong and vibrant to be overrun merely by the trappings of American society. Much of what the US has exported to the world are merely vessels into which the adopting country can pour its own distinct wine.

Similarly, globalization will not lead to the global adoption of English. To be sure, the vast expansion of international trade (and the internet) and the dominant role played by the English-speaking powers has vastly increased the number of actual and potential English speakers. But English speakers are still a very small minority and will continue to be. The tower of Babel is still with us.

Continued American economic success—therefore—requires the ability to produce attractive products the rest of the world wants and the skill to market them effectively. Obviously, robust language and cultural skills are essential.

But some American companies have not fully appreciated this need. Take GM's marketing of its Chevy "Nova" in Puerto Rico and Latin America, no one realized that Nova, when spoken as two words in Spanish, means "it doesn't go." I'm guessing the Yugo was no accident.

Similarly, when Pepsi translated its slogan into Chinese, "Come alive, you're in the Pepsi generation" it translated as "Pepsi brings your ancestors back from the grave." Happy Halloween.

The French statesman and diplomat Talleyrand once said that "Speech was given to man to disguise his thoughts." Obviously some of our companies (and perhaps the French government) have taken him too literally.

While these stories are worth a laugh, they demonstrate the necessity of American companies finding and employing competent linguists with adequate cultural understanding.

Many managers acknowledge that miscommunication occurs regularly in international business settings. Details and nuances of meaning are often missed or misinterpreted by people lacking real proficiency in the language. But perhaps even more significant than foreign language capability is cross-cultural misunderstanding. Corporate leaders note that difficulties occur when methods of analysis and motivation differ. And when different approaches to problem solving, cooperation and achieving agreement are used.

Experience underscores the need for bilingual and culturally attuned people. But where does American business find such people? And are there enough of them?

Well, the first place many companies look is to the market they are trying to reach. Often, the language skills are there, but other professional or technical skills are

not. But too often, highly trained American employees lack sufficient language or cultural skills to be truly effective.

This is not to say that American companies are simply without talented bi-lingual employees—they are not. But if you examine the premium in salary and benefits that such individuals command, the law of supply and demand suggests that there are not enough bi-lingual candidates. This is ironic.

America is the most diverse multi-cultural democracy in the world. Virtually every language on the planet is spoken in the US—particularly in my hometown of New York. Despite this unparalleled tapestry, too many American kids lack foreign language skills. While the engine of assimilation mixes ever greater numbers of non-native English speakers into our culture and society, a frequent by-product is the loss of native languages to subsequent generations.

The lack of foreign language study and competence in the US is well known. But what drives these deficiencies?

One contributing factor is the view of many corporate managers--even managers of internationally diverse firms—that English should be spoken in any and all company settings. This mono-lingual approach provides little real incentive for employees to learn and master another language. While effective communication is essential in any organization, constantly demanding that all non-native English speakers speak English reinforces mono-lingual expectations.

Our broad lack of foreign language skills has even impacted our Presidents' public diplomacy. During a state visit to Poland in 1977, President Jimmy Carter delivered an address at Warsaw Airport. His speech was translated by a certain S. Seymour, whose grasp of Polish was sadly lacking. When Carter spoke of his "desires for the future," Seymour relayed the phrase as "lusts for the future." And when Carter mentioned his safe arrival in Poland, Seymour inadvertently explained that the president had "left America, never to return." The crowd responded with a gasp...and murmurs.

But perhaps the biggest problem we face is a general lack of commitment to foreign language education—particularly on the federal budgetary level.

When I was in Congress, there was inevitable horse trading necessary to secure funding for critical and widely identified needs. This was the “sausage making” part of the job and, in truth, it was a necessity and could even be satisfying. But the fun stopped when the horse trading crowded out essential priorities in order secure a new post office or cheese museum.

In 1999, Congress inserted just under 2000 earmarks in the federal budget. By 2003, earmarks had exploded to 9,632 for about \$23 billion in earmarks that many characterize as pork. Despite this intergalactic hotdog, the federal government is likely to

spend just over \$100 million on foreign language programs. It seems incongruous that our nation will spend hundreds of billions of dollars on military power, but nickel and dime our ability to know where and when to project such power.

If Sputnik was reason enough to pass the 1958 National Defense Education Act, you would think the events of the last several years would warrant a similar commitment. I strongly urge Congress to significantly enhance resources under the Higher Education Act for foreign language education.

But the federal government is not the only level of government where we need to improve our efforts. In some European countries, foreign language instruction can begin as early as first or second grade. By contrast, it is very common in the US for such instruction to begin in sixth or seventh grade. It is axiomatic that the earlier one begins learning a language, the easier it is. We should expand the average offerings to our youngsters and work to create scholastic environments where learning a foreign language is rewarded.

I'm sure much of this audience shares these sentiments. So, I know I am preaching to the choir. But together perhaps we can make a difference.

The needs of the private and public sector converge in this crucial area. Expanding the pool of bilingual students and graduates is a long term process measured in years not months. Maintaining competitiveness in foreign markets and operating effectively in combat and reconstruction roles require many of the same linguistic abilities. And we should work together to ensure the resources and structures are in place to deliver well educated and motivated individuals to the institutions that need them. Our security and prosperity require it.

I recently met with a group of Iraqi private bankers in New York who were in the US introducing their institutions and seeking equity participation and technical assistance. They are a very impressive group with an enormous amount of courage. One of the bankers representing a Forum institution that is already doing business in Iraq summed it up this way: banking comes down to two things—a balance sheet and the trust of personal relationships. The linguistic and cultural understanding that relationship are, of course paramount.

Our world since Sept 11th is vastly more complex and volatile. We have seen war—and victory—recession—and recovery. Now is the time to consolidate our gains and complete our missions. And we can only succeed if we understand our friends—and enemies.

Retired Israeli General Arie Amit told a Washington audience a couple of years ago that the US would not prevail against the terrorists unless we understand “their language, their literature and their poetry.” He might have added that we can't sell them soda either.

Thank you.