

THINKING BRAZIL

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Brazil - United States Relations: *2004 and Beyond*

In December 3, Brazil at the Wilson Center hosted United States Ambassador to Brazil John Danilovich, and Brazil's Ambassador to the United States Roberto Abdenur. The session proved to be a fascinating and rare opportunity to hear two sitting ambassadors speak candidly on all areas of the bilateral relationship between Brazil and the United States.

Abdenur and Danilovich repeatedly echoed the sentiment that relations between the two nations are better than the public perceives. Both contrasted the extraordinary accomplishments of Brazil's economy over the last two years with the many dire predictions that Brazilian President Luis Inácio Lula da Silva would derail macro-economic and fiscal reforms successfully put in motion by the previous administration. In reality, Lula's administration has implemented a robust and responsible economic agenda, garnering high levels of confidence in Brazil's sustainable growth. A good indicator of Brazil's credibility, Danilovich noted, was the warm reception in Europe to recently issued Brazilian Eurobonds.

Both referred positively to the "Community of Nations" initiative, launched in December of 2004 as a renewed effort to promote trade agreements and physical integration in South America. Danilovich greeted this initiative as a constructive step for South America,



Roberto Abdenur

and reiterated the U.S.'s commitment to free trade. For him, the Free Trade Area of the Americas (FTAA) is ready to continue forward, and he expressed hope that through their concerted efforts as co-chairs, Brazil and the United States would

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produce an agreement in 2005.

Both ambassadors also revealed the existence of some conflicting visions between the foreign policies of both nations. Abdenur highlighted Brazil's strong commitment to the promotion of democracy but cited differences with the United States as to the methodology of supporting this ideal throughout the world. In addition, he lamented that current United States foreign policy tends to pay scant attention to issues not related to terrorism. Further, he expressed the belief that spreading prosperity through free trade is important, but should be secondary to assisting starving and destitute nations. Abdenur also underscored the importance of the FTAA for the hemisphere but linked prospects for advancing the negotiations to the elimination of agriculture subsidies.

Acknowledging that agriculture subsidies have been a stumbling block for the trade agenda, Danilovich reaffirmed the U.S.'s commitment to address this issue during 2005. He insisted, however, that prior to dealing with this on a regional level, the United States must first negotiate on a global level in the World Trade Organization.

Restating the country's willingness to negotiate conditions that will allow for the creation of a free trade area, Danilovich noted that the United States also



Former United States Ambassador to Brazil Anthony Harrington welcoming Abdenur and Danilovich

expects Brazil to "put [issues] on the table" such as intellectual property rights, services, and government procurement.

Along these lines, Danilovich related how complications with the Brazilian tax structure and judiciary have typically hindered the operational efficiency of American companies in Brazil. Pointing out the U.S.'s position as Brazil's most important trading partner, Danilovich expressed hope that Lula would prioritize reforms in these areas.



(l to r) Luis Bitencourt, Anthony Harrington, John Danilovich and Roberto Abdenur

Continuing, the Ambassadors exposed further divergence in their national agendas on the subject of multilateral organizations. Abdenur reaffirmed Brazil's strong view of the United Nations (UN) as an "unavoidable necessity for international order," which lies in contrast to some in the United States who question its relevance. Conveying a current priority on Brazil's diplomatic agenda, Abdenur expressed Brazil's support for expansion of the UN Security Council to include equal representation from developing nations.

The positive overtone of this session was refreshed as both Ambassadors converged on the issue of Brazil's new uranium enrichment facility. As widely covered in the press, concerns arose surrounding the level of inspection access to be set at Resende, Rio de Janeiro. Referencing its excellent



John Danilovich

record on non-proliferation over the last 10 years, including membership in the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), Brazil has reached a satisfactory agreement with the International Atomic Energy Agency (IAEA). Danilovich reported that the United States considers the issue to be fully resolved.

Abdenur concluded by summarizing his nation's priorities for the bilateral agenda during 2005. He mentioned a possible visit to Brazil by President Bush, perhaps scheduled along with the presidential summit in Buenos Aires. Abdenur also stressed the importance of creating additional opportunities for interaction between Brazilian and American legislators, as well as in the communications and commercial sectors.



Thinking Brazil Update is an electronic publication of *Brazil @ the Wilson Center*. This project is founded on the conviction that Brazil and the U.S.-Brazilian relationship deserve to receive better attention in Washington. Brazil's population, size, and economy, as well as its unique position as a regional leader and global player fully justify this interest. In response, and in keeping with the Center's mission to bridge scholarly research and public action, *Brazil @ the Wilson Center* sponsors activities designed to create a "presence" for Brazil in Washington that captures the attention of the policymaking community. *Brazil @ the Wilson Center* is grateful for the support of the Ministry of Culture of Brazil, ADM, Cargill, ChevronTexaco, FMC, and The GE Foundation.

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