

**The Woodrow Wilson Center's Brazil Institute Welcomes you to**

***"A Conference on U.S.-Brazil Relations on the Eve of President Dilma Rousseff's First Visit to Washington, D.C."***

Monday, March 12<sup>th</sup>, 2012

9:00 a.m. - 11:30 a.m.

Woodrow Wilson International Center for Scholars  
*6<sup>th</sup> Floor Flom Auditorium*

**Second Session**

Paulo Sotero:

We will now talk with some dear dear friends from the policy community in Washington, D.C. about President Dilma's Rousseff visit to Washington on April 9. We will hear this morning Peter Hakim, President Emeritus of the Inter-American Dialogue who obviously follows Brazil very closely, Carl Meacham, from the U.S. Senate Foreign Relations Committee staff, João Augusto de Castro Neves, who has recently joined Eurasia as an analyst, and from Julia Sweig, Director of the Council on Foreign Relations' Global Brazil Initiative, just back from Brazil. She was in Brasilia. Julia was recently in Brasilia as a member of a group that met President Rousseff.

Going back to Denise Chrispim's question on the first session, there was indeed talk until some weeks ago about the format of Dilma Rousseff visit. I was told that in internal discussions some officials suggested the president should not come if not granted a state visit. The fact that this is an election year in the US would be a good excuse to postpone the visit until next year. As you may know, the the last state visit by a Brazilian president in Washington took place in April 1995, when President Fernando Cardoso came as a guest of President Bill Clinton. I have observed and covered Brazil-US relationship for many years. I find it significant that President Dilma Rousseff, having the option of waiting until next year, decided to come now. I believe this is a relevant information about her view of the relationship with the United States. And with that, I would like invite Carl to offer his remarks.

**Carl Meacham, U.S. Senate Foreign Relations Committee Staff:**

Thank you Paulo. It's great to be here. I think this is conference is very timely. We shouldn't have to wait for a visit or whatever kind of visit, state or official, to have these conversations, especially with the importance that Brazil is gaining, not just in the executive branch, but also in Congress. I've been asked to give my impressions regarding the U.S.-Brazil relationship and the run up to the President Rousseff's visit. I'd like to start my remarks giving somewhat of a snapshot of how Brazil is viewed from the U.S. Senate and then provide my opinions regarding the Obama Administration's policy towards Brazil. I noticed in the earlier panel things were very, how would you say, tame. Tame was the word. I hope to help mix it up a little bit. So, I would say in the U.S. Congress, Brazil is viewed as a major global player from an economic standpoint. Last week there were many in Congress that were commenting that Brazil had become the sixth largest economy in the world and folks were envious of the fact that Brazil had another year of solid growth compared to the U.S.'s anemic economic recovery. But Brazil is not viewed as a global power yet. I would say Brazil has not developed this broad, global diplomatic presence yet, even though [Itamaraty is] very competent, or has Brazil developed the military capability to be regarded as a global power. I guess those are the traditional indicators to define a global power. But my boss Senator Richard Lugar and most in Congress believe that it is mutually beneficial that the U.S. and Brazil draw closer over time. This bilateral relationship has the potential to become an important constant for U.S. foreign policy. However, the road to that end is not without pitfalls for both sides. I would highlight two points going forward. For Brazil, I'd say domestic politics and economic policies could be the obstacle to closer bilateral relations. And for the United States, I'd say at a critical juncture in Brazil's history the Obama Administration has failed to put in place the pillars to establish long-lasting economic and political policies to strengthen this relationship.

But let me be more specific, starting with Brazil. Broadly we know what Brazil's major assets are. We know it's a large, continental land mass rich in natural resources, massive offshore oil reserves, geo-strategic location which affords enormous regional stability. Brazil is friends with all of its neighbors, a growing middle class and I would say an ever-strengthening democratic tradition and a palpable sense of national pride. All these things are the

assets that Brazil would have. These have enormous value and certainly are the lynchpins for Brazil to increase in importance for the U.S. and on the world stage especially during the next decade. But also quite visible are Brazil's several liabilities.

First, it's poor physical infrastructure in terms of road, rail and airports. Secondly, a large, poorly educated underclass, which is not participating in the country's growing prosperity. Third, a large and intrusive government presence in finance -- in the financial sector, of which we starting to see more as Americans become more and more interested in investing in Brazil. Fourth, an outdated tax code, which, if nothing else, creates perverse incentives and probably a fair amount of tax evasion in Brazil. Fifth, overly restrictive labor laws. And sixth, an overly generous public pension system which is crowding out very necessary government investments in areas such as infrastructure, health care of education. So, over the next years, I'd say, Brazil will be forced to confront these challenges. And if they do this well, by the next decade Brazil will be a confident and respected international power, playing an important role economically and politically on the world stage. But if they don't make these reforms, Brazil could still be an important world player in terms of commodity exports, which was talked about a lot in the first panel.

But beyond that, Brazil may find that its enormous natural resources have not translated into making Brazil the kind of global leader which it clearly craves to be. On this point, one of the major foreign policy initiatives of the Brazilian government is to obtain a permanent seat on the United Nations Security Council. To that end, Brazil would like to receive the same unambiguous endorsement that President Obama provided to India with respect to their similar ambition. Setting aside questions of when and how to expand the U.N. Security Council and what it would mean, it seems clear that while the U.S. endorsement is necessary, it is far from sufficient in terms of Brazil's interests. Most importantly, Brazil needs to understand that it is their actions on the international scene and success at home in building a growing economy, which will ultimately drive their international reputation and ultimate fate in terms of their U.N. ambitions. This also applies to getting support from the United States. Certainly from a U.S. perspective, we should be rooting

hard for Brazil to succeed, not only for its own people, but because having another economically powerful and diplomatically engaged democracy on the world stage, especially in our region, can only be helpful to our national interests. Brazil is not the only country that needs to embrace difficult reforms domestically, however. We need look no further than the inability of our own politicians here in the U.S. to address many of the same challenges that Brazil has to confront. But difficulty to meet challenges today should not stop us from trying, whether it comes to domestic or foreign policy. Difficulty should not stop policymakers from working on solutions. Deals get done because governments prod, plead, cajole, demand, and sometimes threaten. And this brings me to my opinions regarding the Obama Administration's foreign policy towards Brazil.

As we saw in the first panel, relations with Brazil are generally friendly. Brazil and the United States have worked closely on a wide range of issues, from promoting bio-fuels development in the western hemisphere and Africa to providing security and fostering development in Haiti. Central to these efforts is our ambassador in Brazil, Tom Shannon, who is probably one of our best diplomats and helped to establish more than 20 high level dialogues on a range of subjects of mutual interest. It's clear that both countries have sought to improve relations since President Rouseff's inaugurations. Nevertheless, it seems that the Obama Administration has failed to grasp the growing importance of Brazil, and I'm talking about in an institutional way, the U.S. government is what I'm talking about. This is also reflected in the lack of meaningful policy initiatives, but also in symbolic statements and Paulo, you mentioned the issue of the state visit. It's obvious. I mean, given that several emerging markets, including Mexico, China, India, have had state visits, it's obvious that President Rouseff's April visit to the U.S. should be given this recognition. The excuse that it's an election year -- I'm not buying it. We have the British prime minister coming and he's going to have a state visit. It's an election year. So what's up? So, the Obama Administration has not devoted the necessary attention to Brazil.

Frankly, I think that it's safe to say that Brazil is not viewed as a first-tier issue in the White House and I would say that over the next five years we would want any

administration to put in place building blocks for this relationship to actually take the shape that it should. Today most of our substantive cooperation with Brazil is proceeding through the efforts of private business. And Julia, you were just in Brazil taking a big group of folks, a lot of quality folks, and some of the feedback that I received from them is that there's a lot of stuff to do, a lot of ideas, but most of the work that's happening over there is because of private business. So notwithstanding the U.S. agenda with Brazil, it definitely needs to put meat on the bone. Given that commercial relations lead to closer political relations... We're losing market share to China in Brazil, so we really need to have a more structured relationship. I'm going to summarize here a little bit. And we need to add substantive issues or substantive building blocks to this relationship. I would start off with negotiations on a market access agreement with Mercosur, the southern common market which is led by Brazil. I would continue that with a bilateral tax treaty with Brazil. This would strengthen the ability of American and Brazilian business to operate successfully out of the country. And I guess the big issue which everyone talked about and I see Bill Irwin [from Chevron] here are major oil discoveries off the coast of Brazil. There is talk of as much as \$1 trillion dollars needed to drill offshore to achieve desired production levels. This could mean new business opportunities for American oil and oil service companies, making conditions for our own energy security in this country much more favorable. But because the Administration does not seem to have a vision for this relationship, we are losing out on these opportunities. And last but not least, beyond factors already mentioned, Brazil's status as the host of the 2014 Soccer World Cup, 2016 Olympics, is generating tremendous growth and the construction engineering technology services, security systems, among others. But where are we? Where's the United States? So this once in a lifetime confluence of the two highest profile sporting events in the world is occurring back to back in a dynamic economic environment. And we seem to be somewhere else. So, just in closing, I applaud Paulo for organizing this event. I'm optimistic about the potential that we may have in this relationship, but we need leadership here in the United States to construct a tangible and bold agenda that recognizes just how important we are to one another in the short and long term. Thank you.

**Paulo Sotero:**

I'd like to tell people in the overflow room that there are at least 12 seats here so if you want to join us here in the auditorium to continue to watch what is shaping up as a fascinating discussion, you are welcome. Peter, you're next.

**Peter Hakim: President Emeritus, Inter-American Dialogue:**

Paulo. Thank you for inviting me. I appreciate it very much. Let me say, you know, after listening to our government representatives here and now to Carl, another government representative, obviously, on the opposition. I feel I really want to just respond to everybody but Paulo won't give me enough time I'm sure.

**Paulo Sotero:**

You have 12 minutes.

**Peter Hakim:**

Let me just say that Roberta hit it right on the head when she opened up her comment by saying that the words dialogue, partnership are overused when talking about the Brazilian relationship. In fact, I don't think there's any two countries that talk more about strategic relationships and partnerships than the U.S. and Brazil and at the same time do so little on either side to actually set the basis and move toward anything like a strategic relationship. Let me just say it in the most brusque way I can:

My sense of listening to the first panel at least reminded me of a saying that I didn't know in Spanish or Portuguese. Sort of trying to spin straw into gold. That frankly, there is just a lot of straw in the relationship and so the people put words on it and adjectives that really don't apply yet. And the only good thing about all that I think is both the United States and Brazil recognize that the closer, more intensive, more cooperative relationships would benefit both countries. I mean, that's what I gather. But in practice, there is no steps being taken to move toward that kind of relationship. Indeed, it almost seems like both sides are very comfortable with the relationship that they have and they really don't want to make the effort to get out of bed this morning, you know. They just are very comfortable. I don't think billing this trip here as a state visit, non-state visit, does not make

much of a difference. Obama's visit to Brazil was a state visit, despite the opposition of the U.S. government, which didn't want a state visit.

It's sort of to try to convince the Brazilians not to do a state visit is going to make much difference. I think it's going to be -- Dilma's visit is going to be very similar to Obama's visit. Sort of like a day at the beach, I don't know if you're ever been to the beach in Ipanema, but it's very enjoyable, you have a good time, photos, memories, but come back to the beach the following day and there's not a footprint left in the sand. That's more or less what I sort of look on and I see, you know, exchange of students, organizing dialogues, these are all inputs to something, but they're no results and you know, you can go back to Bush and Clinton and Bush Senior, and the conversation is almost exactly the same. It's not that Brazil suddenly sort of appeared, you know. Paulo's been writing this for many years. He can say it. The question is, what is it that impedes this relationship. I think that the blame falls on both sides. It's certainly where I disagree with Carl. I don't think it's that Brazil has internal challenges that it's not meeting, that it's productivity is too low or its infrastructure is crumbling or what have you, or there are poor people in Brazil. Actually, it's doing really quite well on all of those indicators, frankly. It's sort of moving ahead and indeed, if one looks at the internal problems, maybe the U.S. would be more of an impediment to a better relationship. If one looked at our politics and our infrastructure and our education system... The problem in the relationship is not internal. It's the way the two countries treat each other. Let me just say that Brazil has sort of not taken into account U.S. interests very much. In order to set up the basis for a partnership you do have to take the other interests into account. Brazil has its own interests. It has its own sort of diplomatic style. There is no question it ought to pursue its own interests. But let me just take one example: their relationship with Iran. Yes, it's important for Brazil and Brazil has every right to proceed with it. But at the same time, the Brazilian diplomats. They know very well that this is really one of the central neurological issues in U.S. politics and U.S. foreign policy. And if you want to be a partner, you have to take that into account. I'm not saying you have to do exactly what the U.S. wants, but you should be taking it into account, particularly when it's combined with issues of nuclear non-proliferation. I can

go into more detail on what I mean.

The very fact that Brazil just refuses to recognize that Iran may be using its nuclear program to develop a weapon. Not that it is, not that there's proof. But even really sort of acknowledge that this may be a problem.. I've never seen anybody more angry, give a more angry speech than Hilary Clinton when Brazil joined with Turkey to negotiate with Iran. And generally we could talk about a number of other issues. There's a lot of issues that the U.S. and Brazil do agree on. I'm not talking about disagreements. I'm talking about how you manage disagreements. Whether you sort of try to resolve them privately or you make them very public and confrontational and whether it's with Iran or it's been with, in the case of the Colombian bases, Brazil has chosen to really make them very public and confrontational rather than trying to deal with them and recognize some of U.S. interests. On the other hand, the U.S. hasn't really been very helpful either. There was a question about the Tucano's Embraer planes sale to the United States. And then we heard just before that, of course, Leonardo Martinez from the Treasury Department talking about how Brazil had become a reliable and credible economic partner. Well, when the Air Force of the United States makes a contract and then suddenly says that the paperwork isn't -- seems to me and without any further explanation -- almost no explanation of what's wrong -- that doesn't sound like a credible, reliable partner.

And so, my sense is that the U.S. basically treats Brazil as if it didn't, hasn't quite earned or doesn't quite measure up to the global status it has, that it really is something of an interloper on global issues and not really a major actor that really -- and uh let me say that I think Carl had it pretty much right when he was suggesting what the U.S. could do for its part. And, I mean, I would make it very simple, Carl. All the U.S. has to do is treat Brazil as it treats India. And what's remarkable is that Brazil on most of the issues, even the issues that bother and irritate and frustrate the United States, tends to be more aligned than India with the United States, whether it's on non-proliferation -- remember, Indian has nuclear weapons. It has not signed a non-proliferation treaty. On trade issues, and we can go through a number of issues on even the Middle East and yet the U.S. consistently sort of raises India to a level that's several floors above that of Brazil. In the case of the U.N. Security Council permanent



seat, Obama went to India, said in India that he clearly supports India's aspirations. Went to Brazil, he says he understood Brazil's aspirations, not that he supported them.

Similarly, the U.S. has worked out a major nuclear deal for transferring technology to India in the -- for its civilian nuclear program. Why shouldn't it do that with Brazil? Brazil is not the perfect, but it has certainly a better record of non-proliferation and responsibility with regard to nuclear weapons than India. And we talked a lot about state visit, non-state visit. You know, 95% of international relations is symbolic. State visits do matter, not because they necessarily changed the dialogue once you're there, but because it represents recognition. And the fact is that Brazil did very much want this to be a state visit. They may not have asked for it in any formal sense, but every conversation I had in Brazil -- I was there in December. And it's this kind of treatment of Brazil, that it's not quite up to global standards. In any event, I think both sides would benefit from a change in approach to this. That both sides should have to take the other much more into account than has been the case up til now. I'm not sure it's the specific policies, whether there -- how many students are exchanged -- but it's just the sort of a question of approach from both sides that that's just wrong.

**Joao Augusto de Castro Neves, Eurasia Group analyst:**

Thank you Paulo. Thank you for the invitation, always a pleasure to be here. I'm going to start where Peter left off. We didn't rehearse this at all, but by saying first that gestures are important in the Brazil-U.S. rapport. With the lack of substantial agreements or deliverables [in the visit], gestures are actually all we have. It's no wonder that when we talk about Brazil-U.S. relations of the past 20 years, what comes to mind first is the fact that Bush, Sr. called president Collor "Indiana Jones." With Clinton and Cardoso there was empathy -- Cardoso visited Camp David. Bush, Jr. and Lula also had empathy. And Obama called Lula "the man" and so on and so forth. So it's amazing that when we talk about relations between these two countries, these two large democracies in the Western Hemisphere, the first thing that comes to mind are these symbolic gestures, not actual agreements, substantial

agreements. So it wouldn't come as a surprise if Rousseff comes in April and actually another smart gesture or remark is made.

A few months ago Senator Lugar said that Brazil is the key to Latin America and that remarks echoes what President Nixon said 40 years earlier that Brazil was the key to the future. You know in Nixon's case, it was quite clear that that was a part of a broader strategy for the United States to engage regional powers in a fight against Communism. Even so, actual engagement between the two countries back then, 40 years ago, wasn't quite clear. It was quite limited, actually. When you come to more -- when we talk about Brazil now, today, and Lugar's remarks on Brazil being the key to Latin America, it's a very difficult concept for you to grasp when you look at the relationship. What does that mean? Key to what? A relationship meaning what? Well, if we talk about on the one hand, it may mean that Brazil's importance in the region has grown considerably as an economic powerhouse, growing consumer market, as an investor in the region, also the United States, as an architect of regional institutions and arrangements and as interlocutor and also the magnet for immigration. Brazil in recent decades exported migrants. Now it imports immigrants from all over the world and the region. But on the other hand, if somehow suggests a possible privilege relationship between the U.S. and the United States, that is certainly not the case when you compare Brazil's relation to the United States and other countries in the region and the United States. As a matter of fact, it's commonplace to recognize Brazil and U.S. relationship in the past 20 years as a relationship of benign indifference between the two countries, as some have called it. And why is that? I think I believe well, it's a problem with perception and on both sides -- in Washington and Brasilia.

For example, just to be brief, Washington still approaches Latin America in general with a predominantly Manichean cold war mentality. It is basically us against them. There was Communism before, now it's terrorism, populism, China presence in the region and so on and so forth. And the problem here is two-fold. First, these policies and initiatives are regarded in Brasilia as unilateral or as Washington's response to other problems. Not affirmative approach to Latin American issues. Second and more importantly, it distorts the political economic nuances

that exist in the region. The very same policy initiatives that, which from Washington are seen as promising opportunities for many countries in the region, are seen as problems for some other countries. Take just economic, trade and military cooperation, for example. Just to leave it at that. It's very difficult to imagine also Brazil having any influence over U.S. relations with Mexico, Central America, Columbia or even Chile. So when you come back -- go back to the key analogy, it's very difficult to grasp what does that mean and I think it clouds the framework for deeper engagement between the two countries. Also the idea of Latin America, still very widespread here in Washington policy circles, is outdated. In fact, since the 1990's, Brasilia has redrawn the limits of its regional boundaries to encompass only South America. But Brasilia is also to blame. Historically, Brazil-U.S. relations were defined as a binary choice from the Brazilian perspective as alignment or distancing. For Brazil during most of the second half of the 20th Century, the great power project that Brazil had rested upon these two choices: Brazil would be a great power by opposing the U.S. or by joining the U.S. So now it's a fine line between a more assertive foreign policy in Brasilia and the anti-Americanism that easily creeps in the diplomatic rhetoric. In fact, one of the drivers behind Brazil's regional policy integration was the fear of American influence, economic and military, on Brazil's close neighbors. In part, that also seems to be the case with the country's more recent strategy to forge coalition of emerging powers, such as the Brits, IBSA and others. But as the only known American here on this panel, I will focus on Brazil's side of the story by saying that this has to do with a broader challenge that the country faces in terms of foreign policy.

The country's newfound international visibility, economic clout and changes at home, more sustainable growth, the new middle class -- Brazil's middle class for the first time in history is the largest class in the country, around 100 million out of 190 million people. These new challenges will likely demand a fresh approach toward foreign policy in Brazil. For example, to answer the following question: what should the country's role in the world be? I don't think Brazil has that answer -- anyone in Brazil has that answer. Should Brazil be a regional power? Should Brazil be a regional power with global ambitions? Should Brazil mind its own business and not care for the rest of the world? I think these are answers that Brazilians first of

all need to talk about, not only in government circles, but also with academia and private sector, etc. So there are no clear answers to these questions, but the usual responses to traditional and new foreign policy challenges are not enough anymore.

Just to mention the traditional challenges, for example, the region -- what should Brazil do with the region in terms of integration. Should Brazil integrate more or less? Mercosur has existed for more than two decades and still is an incomplete free trade area and an imperfect customs unit. China as Brazil's now main economic partner -- what should Brazil's engagement with China look like? It's a partner and a competitor at the same time the new middle class, for example, that we talked about, demands for more public services, etc. Also, it's concerns with growing violence, meaning growing violence related to drug trafficking -- Brazil today is the second largest consumer of cocaine in the world and Brazil does not produce cocaine and Brazil has borders with 10 different countries with three of them the top cocaine producers in the world. And that will demand from the government a new approach to foreign policy to actually at least acknowledge that problem is a regional problem, not as a problem pertaining only to these specific countries. And also, as I mentioned before, Brazil is a magnet for immigration. Recently, there were 4 or 5 thousand Haitians that migrated legally to Brazil to the Amazon region. It is also known that Brazil has been receiving illegal immigrants from Bolivia and other neighboring countries. It is a problem that will likely grow as the asymmetry between Brazil and the rest of the region grows. If Brazil's growth is sustainable that immigration problem will become much more significant and also. It will call to attention a fact that Brazil has no immigration policy in place, not only to deal with these illegal immigrants, but also to attract labor.

In many senses, Brazil today -- one of the bottlenecks for Brazilian growth for investments is that Brazilian labor market is very closed, very -- and Brazil needs more Ph.D.'s, needs to send these people abroad as a Science Without Borders program aims to do, but also it needs to bring people back. Usually they don't go back. So, the prospects for the Brazil-U.S. relationship looking forward: there's much more to be done when we talked about cooperation between these two countries. We talked about energy cooperation as one of the main promising areas not

only in renewable but also traditional energy, oil.

Brazil does not want a trade deal with the U.S. But when we look at what is being talking about in the past few years or the next few years, Brazil will want a major deal with the United States in the defense area or -- or in the trade area. But Brazil I think wants recognition that it's become a regional power with global ambitions and I think the India example was interesting. I don't know -- I don't say that I agree fully with it, but I think that it's interesting to see how the U.S. treats these two countries -- Indian and Brazil -- just to -- as an example, one of the reasons that Brazil ratified the non-proliferation treaty in the 1990's was -- one of the main drivers behind this was negotiation with the United States. And Brazil ratified in 1998, the exact same year that India was being sanctioned by the U.N. Security Council for exploding several nuclear bombs along with Pakistan and the U.S. State Department back then criticized India and pointed at Brazil as the example to follow. The example of Brazil, this large country that has renounced the bomb and opened it doors to more cooperation, sensitive technology cooperation, etc., so on and so forth, and six or seven years later, India is awarded this nuclear deal with the United States that actually grants and acknowledges India as a nuclear power -- India not being -- not ratifying the NPT. So from the Brazilian perspective, it's no wonder that sometimes it seems that in order to draw attention from the United States, you need to do -- you don't need to do the homework -- what you need to do actually talk tough.

So that main part explained the rational behind Brazil's adventure in the Middle East two years ago in the Iranian issue. So finally, just to end, Brazil needs to convince the world -- not only the U.S., what it wants to do with the recognition. Should it have it? Why? And does it have what it takes to be more responsible. I think that these answers do not pertain only to Brazil-U.S. relations. I think it pertains to Brazil's relations to the world. I think that Brazil's new rise, new visibility, is not the end of a process. It's actually a beginning of a new moment for Brazilian history from Brazilian foreign policy that will change the way Brazil sees the world and the world sees Brazil. But at the end of the day Brazil will learn -- when we coming back to Brazil-U.S. relationships, I think Brazil will learn from the U.S.'s

experience about dealing with foreign policy within a democratic and divisive environment. To expect a unified vision or opinion from Brazil is -- we're dealing with a democracy a lot of divisiveness inside -- is a funny thing coming from the United States.

These two countries, because of the coincidence that they have, the shared similarities regarding political system, cultures and this very heterogeneous society in both sides, I think Brazil has learned both countries have to learn that they deal with similar societies with similar checks and balances. Just as an example, as Kissinger said once that if the Vietnam war represented the end of a consensus of American foreign policy, I think that in the case of Brazil, just to draw this parallel, I think that the fact that Brazil is more plural today, that its foreign policy is a more politically debated issue in the country, there is no consensus in Brazilian foreign policy anymore, as there were 20 years ago, even with Mercosur was considered a consensus of politics of state, not of government and I think that consensus is over. So, so this will increase the challenge of these two big countries with large democracies dealing with each other in the years to come.

**Julia Sweig, Council on Foreign Relations:**

Interesting times. I thank you Paulo. I thank you Tony for inviting me here and thanks to all of you for staying to hear the fourth panelist on our democratic second panel, small "d" democratic second panel. I'm Julia Sweig. I direct the Council on Foreign Relations' Global Brazil Initiative and Paulo asked me to speak about two dimensions of that work. I will try to do that very briefly and yes, I do have some remarks as the sweeper who's speaking last, which will allow me to comment and react to some of the statements of my fellow panelists. We at the Council on Foreign Relations last year released a report that was chaired by Jim Wolfensohn, the former president of the World Bank and Sam Boardman, former U.S. Energy Secretary, called Global Brazil. It was a consensus document reflecting the views of 25 people and the co-chairs. I was the staff director and we undertook as the Council on Foreign Relations to do some thinking, some new thinking, we hoped, about the new Brazil for a number of reasons.

And I'm going to very briefly talk about the basic findings and recommendations of that report. Then I'll switch to my visit to Brazil the week before last when, as Paulo noted, I did have the privilege and opportunity to meet with President Rousseff and then I will make a couple of remarks in reaction to the panelists. First of all, most -- the features that I think most distinguishes the context in which we're talking about this new Brazil is by comparison to the 1980's or the 1990's or even the beginning of this century, is the world is changing so much and the American place in that world has changed so dramatically.

We're in what some would call a non-polar world today where emerging powers, emerging players, both democratic and non-democratic, where different forms of capitalism, state capitalism, market capitalism, compete globally and in which the United States has suffered an extreme global -- financial crisis and domestic recession that we are still recovering from. So undertaking to understand what might be the first instance in world history of the rise of the new global power player/actor in the same hemisphere for the first time since that happened with our own country, we thought was very important in terms of thinking about global strategy and foreign policy for the United States. And the first conclusion and premise of the report is that Brazil's rise, it's success as that global player is solidly in the U.S. national interest. And I think what we heard this morning in the first panel was despite the fluff and happy talk that the government representatives are obliged to share with you a very serious recognition of that basic fact.

Second, one of the observations that the group made and that we really saw two weeks ago on this trip to Brazil was how similar the domestic challenges are that both Brazil and the United States face. We talked about that many times but I think it's important because it ties directly to convergence and some divergence on the global agenda that the challenges of competitiveness of human capital, of investment in education, innovation, infrastructure, in moving in Brazil's new middle class, not just into being a consuming class but a productive, consuming class, while for the United States at the same time dealing with the enormous shortfalls in our own educational system, our own infrastructure and the need to shore up and address a declining middle class in these two continental-sized countries points to a number of potential common interests

going forward. On the global agenda, we of course took a look and we've talked about it a little bit before, but that Brazil now won major impact of the eight years of the Lula administration preceded by that of Fernando Henrique Cardoso, Brazil really is on the global map. Brazil, not just for reasons of Iran or the Middle East, but on climate change, on proliferation, on food security, in peace and security generally, peacekeeping operations and reconstruction operations, not just in Haiti, but elsewhere, in Africa. And not just in South America but up into Central America and the Caribbean Basin. I like to say that Brazil has become ubiquitous and the United States had better figure out how to work with this new Brazil and identify where we're going to disagree and agree and to manage disagreement. I think that's an incredibly important theme that's come out. Not just for our own research and consultation with a number of a [unintelligible] cultures in both countries, but we've seen evidence of an awareness by the two governments if you trace from May, 2010 with the Tehran Agreement to the ability to manage disagreement, not publicly but privately, and somewhat publicly in dealing with Libya and Syria while Brazil was on the Security Council is strong evidence of that.

I would note in terms of that major international security issue, Peter noted that Brazil should take into account U.S. interests and concerns and we're not going to re-adjudicate what happened two years ago on Iran, but I would note that and suggest that you all take a look at the statements that 40 or 50 member countries of the U.N. General Assembly made a couple of weeks ago when Brazil's foreign minister convened a discussion on a concept paper he's put into circulation on responsibility while protecting, a very concrete, pragmatic, working document aimed at eliciting a debate about the Security Council and about how to mitigate against excessive humanitarian costs during our interventions. And if you take a look on this issue of the bilateral ability to manage disagreement at the United States' statement at that conference, at that discussion, what you see there is not only Brazil putting its voice forward in terms of managing U.S. Security Council reform and dealing with humanitarian costs of humanitarian interventions, civilian costs, but you also see the United States pointedly engaging constructively on those issues. So I think the -- we've come quite a ways



since May, 2010, on the most difficult internationally security issues of the day.

I'm going to just -- make two notes about the major recommendations of the report and then I'm going to jump to the trip, meeting with President Rousseff and some comments on my colleagues' statements. We endorsed, we supported, we recommend that the United States go beyond its understanding of Brazil's aspirations to recognize and support Brazil's bid for a U.N. Security Council seat, not only for the reasons that Peter suggested, that is, that we should treat Brazil like India, but for a number of positive reasons as well, going to Brazil's importance on those other global issues that I mentioned. But especially, of course, given the -- it's participation in the non-proliferation treaties and its solid non-proliferation arrangement with Argentina as well as its voice generally, we recommended the Administration go forward and endorse this and it hasn't done so yet for reasons that are somewhat baffling to me.

The other major recommendation had to do with how the Administration, and here I would certainly agree with Carl, organizes itself with respect to dealing with Brazil. Brazil is too big and too important to remain as part only of the Latin American bureaus. This is a bureaucratic, institutional comment, but it's also one that sort of goes to what we want to do in recognizing the importance to the United States of a successful Brazil on the global stage is we recommended having Brazil have its own director at the National Security Council as well as its own office not just within WHA at the State Department where the global issues in which Brazil is present can feed into sort of one umbrella operation for Brazil rather than a sort of difficult dynamic which keeps the country sort of only within Latin America. Innovation, science, technology, education, infrastructure are all incredibly important but I'm going to skip those and you can read the report. Now I've done my institutional duty by talking about the report and let me say a couple of things, most importantly. You know, in Brasilia we met with Minister Patriota, Minister Amorim, the Defense Minister, the Central Bank, Tom Shannon and his shop gave us a terrific briefing.

Among the highlights, of course, was the meeting with President Rousseff, who met with us on the day that the announcement about the Super Tucanos [purchase by the US

Air Force] was made. I want to say that in all of our meetings there was a very rigid discipline in Brasilia not to allow that decision to color our discussion and that was appreciated. The key message from President Rousseff and I won't go into the details of this discussion because I'm not really at liberty to do so, but apropos to the special relationship, I was more surprised by her saying several times in the meeting "We Brazil, I the President, want to have a special relationship with the United States." Now, that word of course is very historically coated and this took place in the very week that Brazil surpassed the U.K. and became the world's sixth largest economy and to use the word "special" to a group of Americans, of course, invokes the very kind of sort of old fashioned, traditional alliance relationship that we built in the 20th Century after World War II that the kind of alliance relationship that if not having ended entirely, has more dramatically in the post-War, post-Cold War and 21st Century moment that we're in. Special relationship but not exclusive, that's my -- I infer from what she said, but identifying as special are areas where we can dig deep and here I think I disagree pretty strongly with Peter to identify where the domestic and global agendas of the two countries align and move forward to benefit both countries in figuring out how to strengthen one another. And to recognize the complexity of that process, recognize the complexity of having two giant continental-sized countries' economies to sort of say that the relationship is a partnership where I think the words, although symbolic, are in fact less important than the doing. And here I will put my historic -- my historian hat on and say that actually by comparison since the last 20 years, we've probably moved from -- not to benign indifference, but to benign non-indifference to invoke a phrase of a previous foreign minister.

But those 20 different dialogues between governments and the deepening of connectivity between our two societies, for two countries that have, in fact, historically been so distanced from one another, I mean, we have to start somewhere and I would suspect that if we project forward 20 years, again in a non-polar world where the U.S. economy has -- dealing with a major, major domestic challenges going forward, we will see that the two countries have moved from the benign non-indifference to far deeper connectivity quite apart from the governments between our two societies. I'm sure many of you here did school year abroad when you were in college or high school and I'm sure

that shaped how you see the world and I'm sure that you're bilingual or trilingual or speak four languages because you went when you were 18 or 19 or 20 and lived in another country. I think it is strategic that we're starting to send our students and teachers to one another's countries. It feels small, but it's going to have huge benefits 10, 20 years down the line and I wouldn't diminish it at all.

Finally, and let me end on this and say that, Joao, to your point, Brazil's foreign policy really is no longer binary. One of the things that I think I've observed over the last few years is that Brazil doesn't define itself globally or even within the Americas with respect to what it is or is not doing vis-à-vis the United States. But the United States represents an extremely important piece of the picture and -- but in a nonexclusive way. So, we're not just dating, we're building a relationship and Brazil is doing that as well. But in the non-polar world of competing kinds of capitalisms, I think we need to not expect that we're going to reproduce in what our relationship ultimately looks like that sort of old-fashioned 20th century alliance that we had with the British or the Germans or the Japanese. Those relationships have been -- redefined themselves and those countries have likewise sought a far more diverse array of diplomatic financial investment, commercial and trade ties as has Brazil. I think that's the context for the future of the relationship and we're starting with a visit. Or we're continuing with a visit and the visits are sort of the cherry on top of the actual cake now. Thank you very much.

**Paulo Sotero:**

We are now going to be open for questions.

**Jonathan Broder, Congressional Quarterly:**

I would like to address this question to Carl. Actually, it's two questions. You talked about how this Administration is not -- hasn't put any pillars into place to grow the relationship between the United States and Brazil. Why is that? I mean, given particularly its economic potential and these huge oil reserves that they've

discovered, I can't imagine that folks in the National Security Council or the State Department are oblivious to this and don't see what Julia is talking about: the mutual interest, how it would benefit the United States. So, my first question is why? Why is policy so blind on this? And the second question is, what is your boss doing? What is Senator Kerry doing on this?

**Carl Meacham:**

No, Kerry's not my boss. Senator Lugar's my boss. Your first question I think is a great question but I think it should have been posed to Dan Restrepo, who was sitting here earlier. I think that there are definitely really good people and good ideas in the government right now. We give a lot of credit to Tom Shannon for constructing a pretty, I guess functional, framework for this relationship. The dialogues are important. The only problem is that the dialogues, once Tom Shannon's gone, the dialogues might be gone. Once this president is gone, what do we have left? And what we're trying to do is create a framework that doesn't have regard to party, doesn't have regard to Congress, it being a Democrat or Republican Congress or a Republic or Democrat president because this relationship is that important. We need to create institutional frameworks, legal institutional frameworks, for this relationship.

The easiest ones to make reference to are these trade agreements. You know, the trade agreements that we have with Columbia, the trade agreements that we have with South Korea. Those are institutional frameworks that are going to go forward for a long period of time. I think in answering your question I can also highlight a little bit of a discomfort with a statement that Joao made a little earlier where he said that there really is no consensus on foreign policymaking in Brazil. I think that's a concern. I think that the Brazilians right now are in a very important period in their history. It's a sort of launching point in so many ways to what they're going to be in the next 20 years and I think they'd better quickly figure out what vision they have for their country 10, 20, 50 years out. I'm not saying that it's easy. I'm not saying that the United States had all the answers before the first World War either and you know how things

developed after that with the banking system, with the United States and N.A.T.O., etc. etc. etc.

**Paulo Sotero:**

Carl, does the United States has a consensual vision on foreign policy today?

**Carl Meacham:**

Yes, I think the United States does have a vision. I think that the problem that we have is that we have, right now we have competing visions. And you're starting to see that --

[laughter]

**Carl Meacham:**

You're starting to see that in the elections campaign. You're starting to see two different ways of doing foreign policy. But to be completely honest with you, in this country for a very long period of time we had an approach to foreign policymaking that had to do with politics stops at the water's edge. That was a consensus that we had in this country for a long period of time. You can say whatever you want to about the dysfunction that exists now in Washington and I think voters and the reputation that Congress has is evidence of the displeasure with what's happening, but I would just be very clear with you that, going back to your question, that I think we need to pose some of these questions to the Administration. These are lost opportunities if we don't start doing substantive issues that go beyond the short term to make this relationship a truly special one as Julia was alluding to what the President had said and it's in our interests.

Paulo Sotero:

Who wants to comment? Anyone on the table?

**Peter Hakim:**

One quick point. Carl, I don't know about the foreign policy stopping at the water's edge. You're too young to remember the Vietnam war, I suspect. You may be too young to remember the debates about Central America but I never saw politics stopping at the water's edge, frankly.

**Carl Meacham:**

I think that your, your points are well taken but this is not the world of Vietnam anymore. This is not the world of Central American conflicts anymore. This is the world as I think Julia mentioned, for many folks, it's a non-polar world. The United States to a certain degree is going through that transition as much as a lot of the emerging markets and we need to have an ambitious, clear, pragmatic approach if we are going to be as influential as we have been since the end of the second World War.

**Julia Sweig:**

Well, we're going to use our influence in very different ways and I don't know if we'll ever recover that, but if I may just very briefly I'll share with you more pointedly one view that I didn't express very explicitly, but to answer your question of why the Administration hasn't really developed the robust institutional approach to Brazil as it has, for example, to India, of course India's geostrategic geographic position is quite a bit different and it pushes -- it means that we can have double and triple standards with respect to India.

But the bigger reason they're not good -- it's not good that we have those, but I think the security environment defines it. Often in the U.S. bureaucracy and perhaps to a certain extent less so at very senior levels I think, Brazil has been regarded historically and still is, as just a giant Latin American country where they happen to speak Portuguese. We have an educational deficit and a deficit of experience among people that are trained to think about Latin America policy. They tend not to also be familiar with Brazil's speak Portuguese. I mean, I admit to being one of those people. I've tried to remedy it but I think the Latin Americanist approach within our bureaucracy exerts huge damage to a poll -- towards sort of keeping Brazil sort of diffusely addressed by various different agencies in their own silos rather than having sort of a top-tier vision for the importance of Brazil and there's a lot of sort of Cold War lenses embedded in why that is and also because of the benign indifference of -- or just the sort of historic reason that Latin America's been sort of a third, fourth tier issue. Brazil's in the process of pulling away from that and the United States is really still catching up.

Director of the Latin American Program here at the Center.

**Cindy Arnson, Director of the Latin American Program,  
Wilson Center:**

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Well thanks to all the panelists for this extraordinarily rich discussion and I'm hugely struck by the difference between the comments on this panel and the comments on the previous panel and I wish that some of the people that had been here for the first panel could have stayed to hear this. One question and one comment. The question really is for Julia. If you say if President Rousseff is looking for a special relationship with the United States whether either country, either the U.S. or Brazil, given the diversity, given the lack of consensus on foreign policy, given some of the bureaucratic constraints that you mentioned, whether it's really possible to define a vision for government-to-government relations that would outlast any particular administration, I personally, as someone, who has been in this town for many decades, really doubt that that's possible. The United States has not been able to develop that with virtually any country.

And I'd just like to point out some of the impediments to two of the very concrete things that people have mentioned as going beyond the symbolic gesture and I think I disagree with Peter. I mean symbols are extremely important, but they're not 95%. There's a lot of specifics that go into it. One of the constraints on the U.S. recognition or support for Brazil's aspiration to be on the Security Council, is, in fact, the position of Mexico and I'm wondering whether people in Brasilia have been thinking about that in an important way. And then the, you know -- I'll just leave it there. But on the trade relationship, I mean, one of the difficulties in a bilateral relationship with Brazil is Brazil's membership in Mercosur and how the sub-regional, you know, infrastructure architecture interfaces with the U.S.

**Julia Sweig:**

Cindy, thank you for your great questions. You know, we had a big debate in our task force about this and there was a real split because there was one argument that said the United States can't possibly endorse Brazil for a seat because what about the other big countries in the region. But first of all, historically determining who's on the

Security Council or who's on a reformed Security Council isn't a geographic question predominantly and as you noted when I explained some of the reasons for the rationale for calling for the United States to endorse Brazil, it wasn't that Brazil would be there to represent Latin America and Mexico would be the first country to say Brazil won't represent Latin America.

But of course India wasn't endorsed by the United States because India isn't going to represent its part of the world nor any of the countries already there are doing so. So, I think that's a kind of Latin American exceptionalism that your question suggests to say that you know, first the endorsement should be cleared by the other major Latin American countries and Mexico as far as I know isn't currently campaigning for a seat, so I just don't know if that kind of geographic wrench that you've thrown is Latin America specific or if there's something really more so behind it because the question would be what are the global dimensions of Mexico and there may be many of them. I mean, on the G-20 in climate change we see Mexico having a global role but what would make Mexico an important candidate for the Security Council? Is that what you're saying?

**Cindy Arson:**

I'm not saying that Mexico's currently a candidate, but it seems to me that the opposition in the important countries in the hemisphere is an important influence on U.S. thinking and I understand that what you're saying is that it should not influence U.S. thinking, that it should get out of the western hemisphere mold and just think of Brazil independently, but I guess that's a reflection of the fact that that thinking still persists.

**Julia Sweig:**

Yeah.

**Paulo Sotero:**

Assuming the process of Un Security Council reform will restart one day - and China is the country that stopped it last time because of issues related to Japan's invasion of Manchuria in the 30's - all Brazil what Brazil will need to become a permanent member of the Security Council is to be a candidate and get the support is 128 votes. That is



two-thirds of the number of countries today at the U.N. Any of the Permanent It is obviously good for Brazil to get as much support it can in its region.

**Peter Hakim:**

Well, just -- Mexico I think has approached this in the wrong way. Rather than opposing Brazil's candidacy they should really welcome it because it does suggest that when countries do begin to occupy sort of international space, become global actors, they can aspire to this kind of institutional reward of becoming a permanent member and I think Mexico is very close to Brazil on many grounds and has its internal problems now. It's doesn't -- it's not quite as active internationally as Brazil but certainly Brazil opening the way would be sort of creating a path for Mexico as well at some future time and I just think the Mexicans have looked at this much too narrowly. The other point that I -- you know, talk so much about the relationship with Brazil. We don't talk about that anywhere near with other countries, this relationship. It just reminds me of when I was back at the university days. I used to occasionally go out on dates with young women. We talked about books and we talked about films, everything was terrific -- we talk about sports, about school. The minute we begin talking about the relationship, we knew that we were in big trouble. And that's the problem. We're not going to define a relationship. It's going to revolve from a hundred other things, the nature of the relationship. You don't start building a skyscraper from the top floor.

**David Ford:**

I'm a graduate student at Harvard. Thank you again for the candid nature of the panel. I appreciated it. Carl, I was struck by the comment that you made about how it's really the non-state parties that are providing the substance of the ties, particularly in the private sector. Can you talk about the extent to which corruption impedes those ties because individual businesses really don't have the clout to overcome it so they either have to play ball or stay

home and are there constructive steps that we can take or are taking to address the issue in Brazil.

**Carl Meacham:**

Great question. I would just go to the need for a framework for these relationships where you can actually deal with some of the corruption issues. The biggest issue that a lot of business's come to talk to us about is the tax issue, the tax treaty, the bilateral tax treaty, which will create a set of standards for both countries to deal with doing business in a transparent way between the two countries. There's a lot of interest. We get folks from Indiana wanting to do business in Brazil. My boss represents Indiana. Right because that would be a different senator. And there's a big willingness but what you have to understand when you go and do business in Brazil is that you need to make sure you have lawyers -- lawyers doing the national issue, lawyers doing the state issue. And that's something that I think is beneficial for both countries to be able to create a framework to facilitate these relationships. I'm sure that Brazilian business-folks and there were people from UNICA here earlier, and also from FIESP - they would tell you well it's difficult to do business. That's why we need one standard way of doing this and I think that this framework that a bilateral tax treaty would provide is sort of a good starting point.

**Carlos Portales:**

I would like to make two questions/comments. First of all, about a question of domestic politics and particularly of Congress. The big political confrontation between Brazil and the United States in the region have been the dealing with the Honduras crisis of 2009 and 2010. The difference between Brazil and the US on the Honduras case derived of the influence of the Senate Foreign Relations Committee. It was caused by action of senator when that lead the US executive to change its position. So, for the Brazilian-U.S. relationship, the main political problem was coming from U.S. Congress. And the second is this question on the Security Council. First of all, Mexico is not having the position only related Brazil. Mexico as well as other countries like Italy, Spain and other European countries are opposing to the enlargement of the Security Council in

the way it has been presented, because they represent you could say group that didn't want to have only some countries been considered as permanent members of an enlarged Security Council. It is, for many countries, the same discussion about the G-20. And this has to do with a more important thing on regional relations. So, you have to think also that the question of how to define bilateral relation affects not only Brazil but the rest of the region.

**Dan Erikson, State Department:**

Thank you Paulo. I'm Dan Erikson with the State Department and I really appreciate the Wilson Center putting on this event and also the views of the various panelists. From my perspective, this event kind of started out like a day at the beach, you know, sunny, warm and then suddenly the clouds came in, the waves got a little choppy. But I do think -- I just have a quick comment and then a question. The comment was that I think that the panel really has hit spot-on the fact that Brazil has evolved so quickly, has become so important that it's just a key global player. I do feel like there's a little bit of a lag in terms of the evaluation of U.S.-Brazil policy. I won't use the word relations. But I think that really when you look at the strategic dialogues that have started up the kind of close relationship between the respective presidents. Like isn't this Administration as well on its way of leaving behind as a legacy a vastly improved framework for strategic cooperation and I could certainly talk on that in more detail but I won't now. My question was that the panelists focused mainly, I think, on the bilateral issues and the global issues that the U.S. and Brazil have in common and I'd be interested to see what their thoughts were in terms of the regional agenda -- Latin America. Do you see areas of cooperation between the United States in Brazil in the hemisphere and Latin America as a whole or do you really primarily see this as a relationship that's best dealt with on the bilateral in a global stage? Thank you.

**Julia Sweig:**

I'm going to jump in but you can follow. Thanks, Dan. I

will take the Latin America question and I hope the others will join in. It's a really important one. You know, I did ask President Rousseff about her trip to Cuba and of course as a Cuba-watcher, too, when I watched President Rousseff go to Cuba, I experienced foreign policy envy. I wished it was my president and my secretary of state going there but to your question and of course that's domestic politics entirely, impeding that. Brazil, I think, even from Washington's perspective, is playing a constructive role in Cuba -- investment, trade, dialogue on a number of fronts, in a Cuba that is transforming itself right in front of us and Brazil is there and Brazil is a large democratic country having a large democratic dialogue with Cuba. That's number one.

Number two, let's take Bolivia, which I think Dan or Roberta mentioned. There we don't have an ambassador. The Bolivians threw out the DEA but in the last few years Brazil and United States in Bolivia have developed a very interesting kind of cooperation on a number of different issues in a place where Brazil has a significant interests, has a major border, has investments, has population living there and the new Latin America, which is much more democratic where there's a franchise and voice for groups of people that haven't had it before, and economic participation.

You know the United States is adjusting the way it interacts with Latin America and Brazil is discovering sort of the northern Andes. One of our friends, Matias Spektor, likes to point out that the first president of Brazil to visit Colombia visited as recently as 1985. But now we see Brazil, political, capital, diplomatic capital and financial capital, in Colombia. Brazil is very bullish about Colombia and discovering that the population of Colombia is larger than -- I'm going to get this wrong -- but that the size of the economy vis-à-vis the size of the Argentinean economy with which Brazil is deeply integrated, offers immense opportunities. You could say it in the negative that Brazil is stepping into a vacuum that the United States left after 9/11 in Latin America but you could say that in the positive, which is both countries are encountering one another and sometimes working officially on difficult security issues and sometimes working in sort of parallel play in the private sector. But I think by and large since Honduras and the Colombia bases issue, I mean, I hope we're not going to relive something like that. That

was a while ago now. In fact, there seems to be sort of bending over backwards to not let the natural competition between Latin America and Brazil in South American turn into the kind of fractiousness that we saw in Colombia or we saw in Honduras any longer because it was very damaging when it happened.

**Paulo Sotero:**

Be brief, please. One minute each because we have to wrap up.

**Carl Meacham:**

Sure we look at that relationship and the effect that Brazil has in South America. It's clearly -- I think when my boss used the term "key" to the region, what we're talking about is that Brazil is so invested politically and economically in the region that it has become the sort of prime mover in South America to get things done. The Chileans follow the lead of Brazil in so many ways in the region. And you see other countries doing the same thing. They have the resources and they have the political influence to lead in the region. And they believe in the sphere of influence argument. That's their national sphere of influence. And they behave in such a manner. The East/West highway that they're considering going through Peru. I mean it's going to make them bi-coastal, just like the United States. Those things are real and I don't know if it's in the wake of the United States not being around after 9/11. Maybe those factors do contribute but I do think that they have a clear idea of what they'd like to do.

And I think that they're trying to do some of these things and obviously it is another challenge for the United States. Now we're going to have to learn how to deal with another country that has the weight and eventually will have some of the same characteristics that the United States has in its own hemisphere. I think someone mentioned that earlier. I think that that's also a period of transition for the United States but it's definitely something that we are conscious of and that we have to take into consideration going forward.

**Peter Hakim:**

Brazil is a big, important country. It has a large economy. It affects the other economies. It's playing a more important role in Latin America than it's ever played and there are areas of conflict between the United States and Brazil and there are areas of good cooperation and there are areas where Brazil and the United States are sort of both. In other words, this is not surprising. They conflicted over the Colombia's bases. They conflicted over Honduras, but they worked together very well on Haiti. They are working together on Bolivia and it's just very hard.

I think the more important question in some ways is Brazil hasn't really decided its strategy at all or how it wants to relate to the rest of Latin America and it's long been a very important part of Brazilian foreign policy. And the big question and to make it short is does Brazil really want to integrate in South America, integrated Latin America where the countries really give up some measure of sovereignty in order for enormous economic and other benefits, doesn't want to move toward a Europe. It doesn't have a very good image these days, but is that or does what Brazil is really a peaceful, reasonably stable neighborhood and so that it can begin to play more effectively in the international arena and that's where it's made. And I think that is an issue that has not been yet decided in Brazil. How much they really want to forge some kind of integrated Latin America and how much they really just want a peaceful, quiet, good neighborhood. So we're debating between integration and you know, good neighbors.

**João Augusto Castro Neves:**

What Peter just mentioned highlights what I said earlier that the lack of a consensus -- I don't -- I think I personally think that Brazil should have a broader, more sophisticated foreign policy strategy looking ahead. But I don't see this as a major cause of concern in the sense that it is a democracy. We're not China. We don't have this long process of strategy to peacefully rise as Chinese likes to declare. So, I mean, we are bound to make the same mistakes that the U.S. has made in the past or is making more in the recent past or will definitely make in the future. But along those bump and chubs, I think that, you know, both countries have a lot to learn, have a lot to share, experiences, and as for the region, I think yes, the region is an important element of bilateral of the two

countries' relationship or despite the fact that the word is not welcome anymore, relationship. But also Brazil has been redefining what the region actually is.

Because keep in mind Latin America's not a continent. Latin America is an idea, a definition by exclusion originally. Latin America is whatever is not the English-speaking part of the region, of the hemisphere. So there are different dynamics in Latin America when you look at the economic side of it, when you look at the political side of it and when you look at the cultural side of it. And Brazil actually decided in the 1990's to re-dimension its regional boundaries to encompass only South America and more closely so the South America with Mercosur. So I think the fact that -- and also let's not talk about a mythical past that the U.S. had, to foreign Latin America, Latin America before 9/11. I believe there wasn't any in place. So I think that in order to try to, you know, we'll have to look forward and redefine the region, what the region is -- there's no Latin America, I believe in my sense. There's a Central America, there's a North America, there's a South America.

Paulo Sotero:

Thank you very much to you in the audience for coming and a special thanks to Julia, Joao, Peter, Carl.