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AGENDA FOR CHANGE

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P R O C E E D I N G S

MR. CÁRDENAS: Good afternoon. I am Mauricio Cárdenas. I'm the Director of the Latin American Initiative here at the Brookings Institution.

It's a great honor to be introducing this event which is the launch of this book that you probably already have, *The Obama Administration and the Americas: Agenda for Change*, co-edited by Abraham Lowenthal, Ted Piccone and Laurence Whitehead. This is the second product of the Latin American Initiative.

The first one, some of you may remember, is the report of the Partnership for the Americas Commission, a commission that was convened by Brookings last year and that launched its report last November. So it's great to have such a short-lived initiative at Brookings already produce two significant outcomes.

This one is particularly timely because the emphasis of this book is on strengthening democracy in the region, and that was clearly a topic that was absent from the Partnership for the Americas Commission, and it's very fitting that these three co-editors have put together a significant number of papers that were commissioned by Brookings on the subject.

I would say that if you look at the historical development of Latin America the aspect that I think is more challenging from the analytical

point of view is the persistence of economic inequality. Economic inequality can only be understood as a result of political inequality. Therefore, we need really to strengthen our political institutions if we really want to solve these daunting developmental problems in the region. So that's why I think it's so important that we have these contribution that basically look at the current situation in terms of democracy in the region but also the role for strengthening democracy in Latin America, not just for the U.S. but also for the hemispheric multilateral organizations like the OAS.

So you came here to listen to the co-editors and also to the Mexican Ambassador who will give us some comments and his reflections on the book after we hear the three co-editors.

Let me introduce them, and they'll speak in the same order I'll present them.

First, Abraham Lowenthal is a very well-known person here in Washington. He's currently the Robert Erburu Professor of Ethics, Globalization and Development at the University of Southern California, and he's also a Nonresident Senior Fellow here at the Brookings Institution.

I'd say that Abe Lowenthal is a remarkable institution builder. He has been the founder and the first director of three important centers for

the discussion of foreign policy for the U.S.: the Woodrow Wilson Center on Latin American Issues, the Inter-American Dialogue and the Pacific Council.

You've probably seen some of his books -- many, many books. I think this is his fourteenth book, but one that I remember as being particularly influential is the one that was entitled *Partners in Conflict: The United States and Latin America*.

Ted Piccone is a Senior Fellow and Deputy Director of Foreign Policy here at the Brookings Institution. He was the Executive Director of the Democracy Coalition Project. He was the Washington Director of the Club de Madrid, which you know is a difficult club to get in. You have to be a former president democratically elected.

And, he held different positions during the Clinton Administration. I'll just mention one that was particularly relevant for the region, and that was Director of Inter-American Affairs at the National Security Council.

Laurence Whitehead is a very well-known scholar, very well-known professor. He is Official Fellow in Politics and also Senior Fellow at Nutfield College, Oxford University, and he has written extensively about the region on the politics and the political economy of Latin America. I'll

just mention two of his most influential books: *Latin America: A New Interpretation* and *Democratization: Theory and Experience*.

I am very honored to introduce Ambassador Arturo Sarukhan. He is the Ambassador of Mexico to the United States. He is a career diplomat. He has had in the past many positions in the Mexican Foreign Service including various posts here in Washington, first as Chief of Staff, then as head of the Counter-Narcotics Office, Consul General in New York, and, since 2007, he was appointed by President Calderón as Ambassador to the U.S. He is a very well-known person here in Washington not only because of his service in the Mexican Embassy but also because he is a graduate from the School of Advanced International Studies here across the street.

So, welcome. We're extremely honored and pleased to have this book.

I'll just finish by saying that I come from a tour of five Latin American countries where we talked about this report, and we gathered the reactions from a group of experts in the region. The fact that we had this book was very handy to me because the most frequent question I got about the report of the Commission was the lack of discussion of democracy. So I'm fortunate enough to have not just a short report but an entire book with very complete ideas and great wisdom about ways to progress in terms of strengthening our democracies in the region.

So, without further ado, I'll turn it to Ted who is going to be moderating the session.

MR. LOWENTHAL: Thank you very much, Mauricio.

Just before I begin, let me say what a pleasure it is to see a Latin American Initiative at the Brookings Institution. I want to commend Strobe Talbott, the President, and Carlos Pascual, the Vice President and Director of Foreign Policy Studies who is here, and Mauricio who is Director of the Latin American Initiative.

I've been hanging around this town and this subject for quite a while. Brookings is such an important center, really the most influential think tank in the United States, and it has never really had a strong focus on Latin America before. It is terrific that this initiative was started, and I am very pleased to be part of it.

It's a particular personal pleasure to be here because Brookings has been a big part of my life. I wrote my doctoral dissertation here as a research fellow. I wrote a good part of Partners in Conflict here as a guest scholar, and it's nice to be home.

Before turning to today's discussion, I do want to take a moment to ask you to join me in remembering the great contribution to democracy, human rights and fundamental decency in the Americas made by Raúl Alfonsín who passed away yesterday in Buenos Aires. Raúl Alfonsín was

a wise and courageous leader with a genuine and contagious warmth of spirit, and he will be missed.

Our new book is the first volume to focus sharply on the policy choices facing the Barack Obama Administration with regard to Latin America and the Caribbean. It deals with a broad agenda of inter-American relations, especially in the overview essays by Laurence Whitehead and by myself and one by Daniel Zovatto from IDEA International.

It focuses specific attention on six what we call hard cases which are bound to present early policy choices. Indeed, they are already presenting those choices to the Obama Administration -- in alphabetical order: Bolivia, Colombia, Cuba, Haiti, Mexico and Venezuela.

The volume presents the views of North Americans, Latin Americans and Europeans and of outstanding scholars and experienced practitioners. It offers the perspectives of Washington-based experts and authorities far from Washington. The 14 contributors include 6 Latin Americans who reside in their home countries in the region, 6 U.S. citizens who reside in this country and 2 Europeans residing in the United Kingdom and Germany.

The volume calls on Washington's new leaders to understand that although Latin America poses no truly urgent issues for U.S. foreign policy,

the countries of the Americas are and will be increasingly important to daily life in the United States, not as areas of dramatic crisis but in a quotidian way. This is because of demographic and economic interdependence, transnational issues and shared values -- all topics the book discusses in some detail.

The volume aims to help change the broad mindsets, especially in Washington, about how to relate to the rest of the Americas. It seeks to frame general policy approaches and specific recommendations for what the new Administration should do.

It seeks to help change the mindset from primary concern with security and the so-called War on Terrorism to shared challenges involving economic growth, jobs, equity, energy, citizen security, migration, democratic governance and the rule of law -- from a failed so-called War on Drugs to a cooperative attempt to reduce the demand for narcotics and mitigate harm, starting with an honest appreciation of the role of the United States in fueling and facilitating this sordid business -- from a bloated rhetoric about pan-American partnership from Alaska to Patagonia to realistic and targeted cooperation with clusters of specific countries on concrete problems and opportunities.

It seeks to change the discourse from unfulfillable promises to significantly increase the quantity of attention to Latin America, to

thoughtful and focused efforts to improve the quality of the limited attention that can and will be paid.

It shows or tries to show how this could be done by improving concepts and analysis, by rigorously disaggregating the region and by recognizing that some of the most important issues in relations with Latin America are in many ways domestic issues for the United States -- immigration, drugs, energy and trade -- for which the best solutions require Latin American cooperation.

Our book recommends that Washington concentrate special attention on relations with the closest neighbors of the United States in Mexico, Central America and the Caribbean, on building a strategic partnership with Brazil, on crafting case by case nonconfrontational and multilateral approaches to the diverse nations of the Andean Region and on changing the objectives of U.S. policy in Cuba from regime change to repairing frayed communications and trust, opening a path toward normal diplomatic relations and moving toward pragmatic cooperation.

A shared theme throughout these chapters and in the broad overview essay that our co-editor, Ted Piccone, will be presenting is the importance of maintaining a strong U.S. commitment to strengthening democratic governance and the rule of law in the Americas but doing so through patient, nuanced, restrained and mainly multilateral processes and instruments.

The editors and the various authors urge the Obama Administration, in the wake of the difficult experiences in Iraq, Afghanistan and the Middle East, not to turn away from a U.S. commitment to democratic governance but to be very careful to tailor its support for democratic forces to the particular circumstances of each national situation.

The specific chapters in the book on Bolivia, Colombia, Cuba, Haiti, Mexico and Venezuela provide, I think, very strong value added to this volume by turning the broad principles I have been underlining into specific policy guidance that is well informed, innovative and yet practical.

Let me begin with the case which most of our discussions tend to leave out -- Haiti. We have two contributions on Haiti, and one of the authors, Dan Erikson, is here with us today. Dan Erikson of the Inter-American Dialogue and Juan Gabriel Valdez, the former head of the U.N. Stabilization Mission in Haiti, coincide in their two contributions in urging the Obama Administration to give early attention to helping that beleaguered country overcome its grave economic and institutional problems both for reasons of human solidarity and for motives of enlightened self-interest.

Dan Erikson calls for the United States to be “a much more forceful advocate for Haiti in the context of international financial institutions.”

In the same vein, Juan Gabriel Valdés argues that Haiti should receive international assistance now on terms similar to those provided after catastrophic events. That is when free market economic rules simply do not apply, when opposition to subsidies becomes academic and when the formal rules of non-intervention have to be put aside.

These chapters present a clarion call for early action.

On Colombia, Michael Shifter of the Inter-American Dialogue and Rodrigo Pardo, the former Foreign Minister of Colombia, concur in their separate contributions in arguing that the United States has overemphasized the drug question, that U.S. aid should be rebalanced toward social development, that more emphasis should go to the Colombian peace process and the reintegration of former combatants, that U.S. cooperation with Europe would help improve the impact of U.S. policies and that passage of the U.S.-Colombia free trade agreement should go forward together with a clear Colombian commitment to improve human rights, democratic governance and the rule of law.

On Bolivia, George Gray Molina, who is with us today, presents a balanced and informed analysis of the deterioration in bilateral relations. He then offers five reasons why the Obama Administration should seek a fresh start and present nuanced and prudent suggestions for a new approach, starting with four very concrete and low cost, low risk steps the United States could take. George will have a chance to advance

some of these views more fully in a panel tomorrow at the Center for Hemispheric Defense Studies at 10:00 a.m. at Ft. McNair.

Jennifer McCoy of the Carter Center presents an up-to-date and very well-informed brief for seeking to engage Venezuela rather than isolate or confront it. She suggests that a more proactive stance toward Venezuela might well have some positive effect there, at least in the medium term, and it would certainly strengthen U.S. relations elsewhere in the Americas. Though she acknowledges the limits of U.S. influence and leverage, she offers a number of concrete suggestions for steps the United States could take in cooperation with other countries and with nongovernmental organizations to strengthen the prospects for effective democratic governance in Venezuela over time.

On Cuba, we have two chapters, one by Marifeli Pérez-Stable of Florida International University and the Inter-American Dialogue and one by Bert Hoffmann of the German Institute of Global and Area Studies at the University of Hamburg. Both essays call for a break with the historic U.S. policy of denial and counsel U.S. approaches that take into full account both how the world context has changed and that changes are occurring in Cuba. Neither essay romanticizes, idealizes or glosses over Cuba's troubled reality, but both escape the longstanding constraints on thinking about how the United States should respond.

I would like to invite your special attention to the brief essay by Professor Hoffmann, titled “Turning the Symbol Around: Returning Guantanamo Bay to Cuba.” This is a reasoned and reasonable proposal suggesting something that is, up to now, unthinkable in the Washington policy community -- to immediately announce a willingness of the United States to initiate negotiations with Cuba on the future of the whole 45 square mile territory that the United States operates as a naval base. If I have one tip to offer journalists and tea readers, it would be to read this chapter with its innovative argumentation presented in a way that is based on sound analysis of the dynamics of soft power.

Finally, let me highlight what is certainly one of the most important and timely chapters, that by Carlos Elizondo and Ana Laura Magaloni of CIDE in Mexico, an essay called the “Rule of Law in Mexico: Challenges for the Obama Administration.” I know of no other Mexican essay which addresses so openly and intelligently the policy dilemmas facing both Mexico and the United States today as a result of multiple and interactive processes that endanger the rule of law on both sides of the border. This is a rich, nuanced and constructive essay well worth careful reading, and I greatly look forward to Ambassador Sarukhan’s comments on the chapter.

Like any book on policy questions, this volume comments on a moving target. Yet, it is a sign, I think, of the book’s quality that the Obama Administration’s first moves in the hemisphere, in these first two

months or so, on Mexico, Brazil, Central America, Haiti, Cuba, immigration, narcotics and energy are all absolutely in tune with this book's analysis and arguments. Interested readers, I think, will find in the book much of the intellectual architecture and policy analysis that we think should and I believe quite possibly will mark the Obama Administration's approach in the Western Hemisphere.

Thank you.

(Applause)

MR. PICCONE: Good afternoon and thank you all for coming.

My task in writing a particular chapter in this book was to tackle the question of democracy promotion in the Americas which has an important history to it and to think about how would a president, who is more pragmatic but also more focused on a multilateral approach to this question, would handle it and trying to present some ideas.

I think that the mere fact of the election of Barack Hussein Obama to the White House as our first African-American President is really a pivotal turning point in what is a much-needed repositioning of the United States' role as an ally of democratic reform around the world. This is particularly true in the Western Hemisphere where democratization trends are fragile and U.S. influence is waning.

The Obama Administration certainly needs to overhaul its democracy strategy, U.S. democracy strategy by investing serious time and resources into strengthening and, where necessary, creating new multilateral tools to support demand for good governance in Latin America. But this is going to require a significant shift in thinking away from traditional bilateral channels of diplomatic pressure and assistance and toward multilateral cooperation with likeminded partners. The Fifth Summit of the Americas meeting in Trinidad and Tobago in just two weeks, with strengthening democratic governance as one of its main themes, is the ideal venue for pushing this reset button.

In terms of the regional context at the moment, according to a number of polls, most Latin Americans, like the vast majority of people from other regions in the world, believe that democracy is better than any other form of government, but Latin Americans are largely dissatisfied with the way democracy works in their countries, particularly when it comes to distributing income and providing social goods, social protections. Corruption is seen as a huge impediment to improved governance. Trust in politicians and political parties is particularly low. And, to prevent backsliding toward authoritarian rule, democracy assistance needs to translate into real tangible improvements in the judicial systems, accountability of public institutions and leaders, greater transparency and improvement in public services.

So the United States continues to have a vital interest in seeing a hemisphere of prosperous democratic states governed by the rule of law, but its historical legacy in the region and its militarized campaign for political reform in Iraq handicap its credibility in working toward that goal. Meanwhile, Latin American publics' perception of other international actors -- the United Nations, the Organization of American States, the European Union, just for example -- is much more positive. So the U.S. needs new partners on this agenda.

Of course, we're talking about an area of policy that's inherently sensitive because we're talking about really getting involved in local political affairs. So it's critical that Washington move in partnership with others. It needs, of course, to change its own policies at home but also work more closely with countries in international organizations that are accepted as credible actors in this field.

I think the kind of slogan line I would say in terms of an approach is Washington needs to walk softly, talk quietly and join hands with others.

Partners are also needed to share the financial and diplomatic burdens of the task. U.S. foreign aid will face significant cuts as a result of the global recession --- unfortunate for democracy assistance which is a long-term affair and needs a consistent commitment of resources and expertise. I'm afraid that if we do see these kinds of cuts it would

undermine our own interest in making sure that scarce taxpayer dollars go to transparent and accountable governments.

The United States also needs to work with others in order to offer a more varied menu of democracy assistance to the increasingly diverse set of democracies and political cultures in the hemisphere. Latin American governments like Brazil or Chile, Mexico, Uruguay really need to step up to the plate and devote their own resources and expertise to this joint venture. They can, for example, create units within their own foreign ministries that are concerned about human rights issues and provide training and education for their diplomats on how they could support civil society in this role.

I have three main recommendations for the Obama Administration in this area if it really wants to pursue a multilateral course.

One is to start by just depoliticizing democracy assistance. This is a key lesson from the Bush Administration's experience which appeared to pick winners and losers, which often backfired. President Obama has an opportunity to assert his *bona fides* in this area by making clear at the Summit of the Americas that the United States will refrain from interfering in internal elections and work constructively with whomever wins free and fair elections and respects the fundamental tenets of the Inter-American Democratic Charter, which I will get to later.

In addition, an obvious thing, and I think this is not that new but it's something to continue and expand, is whenever the President or his cabinet or other senior leaders go to a country they should convey our intention to work with a whole range of democratic actors -- civil society leaders, certainly legislators and just personalized relations with the head of state.

Another way to depoliticize democracy aid is to move funding for civil society from the State Department to National Endowment for Democracy and its affiliates. I mean exclusively. So, let NED be the lead agent on support for civil society. This is because what happens is democracy assistance is too quickly and easily politicized by those that don't want the U.S. to do this kind of work, and it doesn't help with USAID insists that the logo of the U.S. government be posted on their materials as it makes them more vulnerable to charges of being agents of a foreign government. This is not the right way to frame a democracy assistance strategy.

NED is an independent organization. It has enjoyed bipartisan support from its birth in the Reagan era. It's a relatively small and nimble grant maker and particularly expert in supporting human rights advocates around the world.

Government funds that are directed to other government agencies can still be handled by the State Department and through official AID channels.

The second recommendation is to strengthen the Organization of American States and its Inter-American Democratic Charter. It really needs a new infusion of commitment and consensus-building in order to function well.

The Charter's provisions concerning responses to democratic crises require a member state to initiate a request for assistance, making it less likely to be invoked. In fact, since the Charter was adopted, these provisions have not been used although there certainly has been opportunity to do so. The Secretary-General's powers are limited under the Charter if he wants to take his own initiative to investigate a deterioration in democratic standards. So it's not a perfect instrument.

I think the OAS is then kind of pushed into an area where it's becoming increasingly difficult to act and take its own initiative.

One way we could create more momentum in this area is to support the Friends of the Inter-American Democratic Charter which is a panel of prominent figures from throughout the hemisphere, which serves as an unofficial monitoring and advisory body for the Secretary-General, aimed at preventing tense situations from erupting into conflict.

My third recommendation is to internalize democracy assistance. We need to ramp up our investment in multilateral mechanisms of democracy assistance. We don't have enough tools in the tool kit in this area. We do have a good model at the U.N., the U.N. Democracy Fund which was established in 2005 with pledges of over $98 million including from some countries in Latin America, notably Chile and Peru.

I think the U.N. has the legitimacy to be a credible defender of the universal nature of democracy and human rights, and Congress should continue regular and substantial funding for this account, and other Latin states should contribute as well.

This idea of creating a pool, a multilateral pool of democracy assistance funds could be created in the hemisphere, an Inter-American Democracy Fund, which could be housed at the OAS and funded by both Latin states, Canada, the E.U., the United States. It would be a regional vehicle to address regional problems. It could focus not only on supporting civil society but also developing independent media, legal reform and civic education. Strengthening political parties should also be a high priority. It would be a practical manifestation of the region's commitment to the principles of the Inter-American Democratic Charter.

I would also suggest that the Obama Administration should remain committed to the Millennium Challenge Account which is an incentive fund

for governments to qualify to development assistance if they meet certain good governance and other standards. One idea would be to try to transform this into a multilateral mechanism as a way to incentivize good governance.

So what will Obama do?

Just to briefly end on this note, it's now a couple months into the Administration. In general, I think there are some positive signs in how to address these issues. Vice President Biden is in the region now on a listening tour, and I think that's starting off on the right foot. But there are some other signs that it might be too soon to really tell how the Administration will handle these questions, and the Summit of the Americas is really a key test.

I think the Obama Administration will be more muted, will be more pragmatic and pro-engagement. But if taken too far, this could seriously undermine the progress of the last 20 years, particularly in reaching basic minimum standards of democracy in the region. Of course, the most challenging cases of Venezuela and Nicaragua, I would say, and, of course, Cuba which is not at the Summit of the Americas because it's not a democracy. It doesn't really qualify to be there, but its presence will certainly be felt.

So the question is how do you engage Cuba, which I think there are strong arguments for doing that, but without watering down or abandoning the democratic standards of the OAS?

I think opening the door to membership without Cuba meeting core standards of the Inter-American Democratic Charter would be a mistake. Certainly, there are lots of other things that could be done -- inviting Cuba to technical meetings on drug control, for example, the issue of linking the OAS and the IDB. Cuba has to be a member of the OAS to participate in the IDB, but there are other technical assistance kinds of missions that could be carried out.

The idea would be to put Cuba on a path toward renewed membership. Hold that out as a goal but do not lift suspension without democratic reforms. I think there will be a lot of discussion about this in Trinidad and Tobago. It will be interesting to see what happens.

I would leave with one question: Does Cuba want to be in the OAS? That is not clear.

And, with that, I will turn the microphone over to Laurence.

MR. WHITEHEAD: Good afternoon. Thank you very much, Ted.

I'd like to open with an expression of appreciation for the two co-editors who I've had to work with and enjoyed working with very intensely on this project over the last recent period.

I'm used to university presses where if you get the manuscript in, in 2008, you might see it on the bookshelves in 2011. I'd like, therefore, to signal particular appreciation for the team at Brookings led by Ted, who have managed to -- you'll know it's less than five months since the Obama Administration was even elected, and in that time they have been able to produce this book, which I think they've helped us and made sure it was done quickly and in a timely manner and in a way that comes out while it's still most relevant.

There can, of course, be no doubt that the Obama Administration is facing an extraordinary array of other policy challenges, both domestic and international, so that the Americas will inevitably rank below other concerns or other parts of the world in terms of immediate urgency.

However, we see the Americas as a relatively favorable arena for demonstrating the validity of the Administration's declared overall foreign policy approach -- the use of soft power and smart power to rebuild damaged relationships by reaffirming respect for the international rule of law, for multilateral dialogue and cooperation, and for the management of divergences and conflicts through the application of intelligent, patient and discriminating policies. This is particularly relevant to the realms of

democracy support and strengthening the rule of law to areas of policy where U.S. and hemispheric preferences and practices are fairly well matched as Ted Piccone has just been telling us.

Obviously, despite that, there are substantial problems that need to be addressed in the Western Hemisphere as well as in the rest of the world. These include -- I hardly need to list -- the global economic crisis, the problems arising from organized crime, environmental degradation, energy insecurity, migratory flows in the region, some ideological disagreements and even the occasional risks of what have been called state failure. So, the agenda for the region extends well beyond democracy and the rule of law.

However, the most effective and durable responses to nearly all of these problems can, we think, best be achieved through reinforcing those parameters of political institutional convergence. The foundations for doing that in the Americas are more widespread and promising than in most other parts of the world. So, by putting some effort into showing what can be achieved in the Western Hemisphere, the Obama Administration can demonstrate the potential of its overall foreign policy approach and can try out some of its new ideas in a promising regional setting.

After all, if the community of democracies cannot overcome tendencies toward state failure in Haiti, what likelihood is there that it can overcome worse problems in Afghanistan, Somalia and so on?

If it can't cope with discordant messages from electorally successful left-wing parties in Latin America, what chance is there of coping with or countering unwelcome propaganda from more intractable opponents in the Middle East and Asia?

If it doesn't demonstrate a credible and effective rule of law response to drug trafficking and related criminality south of the border, what prospects are there for containing the heroin traffic of Central Asia?

Moreover, Western Hemisphere challenges will force themselves onto the attention of any Washington administration whether or not they are ready. This is, as Abe Lowenthal has indicated in his presentation, because of the intensity of the regional integration processes that are currently ongoing and because of both the physical and the sociological proximity of the many nations of the Americas. It's reinforced by the growing influence of a range of Hispanic and Caribbean diaspora populations within the U.S.A. itself.

So, in my chapter, which is the last in the book and which is labeled "A Project for the Americas," I recommend an attempt to anticipate these

developments and to define a framework within which they can be managed and steered in a pro-democratic direction.

The framework I have in mind is not an us versus them identification of friends and enemies nor a one-size-fits-all definition of the complex range of regional issues in terms of one simple category such as the War on Terror. Instead, it envisages drawing on the diverse sources of good will and shared aspirations that potentially link the many nations across the hemisphere.

When I'm talking about the many nations of the hemisphere, I might interject a somewhat British point here, which is let me mention that in my chapter, at any rate, the Americas includes the Anglophone Caribbean. After all, the summit, which is going to be taking place in a couple of weeks time, will be meeting in Trinidad and Tobago and will be attended by about a dozen commonwealth Caribbean leaders, all of whom with long traditions of democratic government and rule of law also.

So there is a very broad hemispheric community, and this I think provides a strong foundation for enhanced multilateral cooperation of the kind just advocated by Ted in his chapter. It requires, however, a willingness to exchange views even with those who may seem unreasonable critics of one's own government and one's own positions, and it also requires sorting out the multiple and overlapping issues that arise across the region.

Our book does not flinch from discussing the hard cases, and Abe has just surveyed those hard cases, but it stresses that they are not all to be lumped together. Rather, effective response to each of these cases requires careful and informed discrimination and attention to the distinctiveness of each episode.

For example, there's the crucial issue of drugs trafficking. Now this could easily be reduced to a one-dimensional and short-term policy priority. But, in fact, the problems of narcotics trafficking across the Americas have grown up over a very long period of time, and many features of it are deeply embedded across the region. They need to be addressed on the basis of clear agreement on the underlying principles, and that includes a recognition of co-responsibility between all countries -- the supplying, the transit countries and the consuming countries. All the countries that are affected have co-responsibility.

Effective policy responses also need to be carefully tailored to the specific realities of each case and the specific policy dilemmas which arise in different contexts. The responses are not always the same. So what is suited to contemporary conditions in Mexico is not necessarily the same as what applied to, say, Colombia 10 years ago. Equally well, as George Gray's chapter on Bolivia suggests, the narco problems that arise in that country would also need to be differentiated and handled in an appropriate way which is not necessarily the same single size-fits-all version.

Moreover, policies that produce immediate results in one setting need to be crafted to take into account their second round and collateral consequences. For example, if you think of having a huge offensive against the channeling of narcotics through Mexico into the U.S., which certainly may be needed and could be successful at one level, one also has to consider the possibility of it being self-defeating if it merely had the effect of diverting the same flows of traffic through weaker states in the Caribbean and thereby undermining the legitimacy of regional cooperation and the rule of law in the longer run.

Turning to the Caribbean then, let me just mention another feature of my chapter which differs from many contributions on the Western Hemisphere by giving specific attention to the important and complex issues arising in connection with Puerto Rico. Puerto Rico, for example, one more case in addition to the other ones listed by Abe, sometimes slips between the gaps. It isn't included in Latin America because it's part of the United States, but it isn't studied as part of the United States because in some ways it's Latin American.

Now that is from the point of view of the Obama Administration, I would say, something that ought to be avoided because, as I argue in the chapter, there are some really specific and pressing issues that are both international and domestic that will be arising in that case. A policy towards the Western Hemisphere should draw on the strengths of the

United States' influence and presence in Puerto Rico but also take into account that component of the relationship.

So, in summary, there's a considerable range of important issues, but there are highly specific issues that will need to be coordinated through any project for the Americas or any overarching approach to the region. Each priority issue needs to be tackled as part of an interconnected strategy. The Mexican narcotics issue cannot be adequately addressed in isolation from issues of migration, from arms trafficking, from money-laundering and, indeed, from the need to fulfill NAFTA treaty commitments, for example.

In summary then, the project for the Americas proposal is that the new Administration should craft an overarching framework based on the affirmation of common values, the strengthening of the rule of law and institutional cooperation within the hemisphere, and also on anticipating problems before they erupt with overwhelming urgency. This requires treating the key issues as both long-term and as interconnected.

That's what we're advocating in this volume, and we believe that it's not only feasible for the Western Hemisphere but also, by extension, a useful foretaste of how the Obama Administration might rebuild U.S. influence and reaffirm democratic values in the wider world as well.

Thank you.

(Applause)

AMB. SARUKHAN: Good afternoon. It's a pleasure to share the podium with my dear friends, Abe and Ted, and with Professor Whitehead.

A dear Texan friend of mine once described giving a speech as comparing it to a Texas longhorn: one point here, one point here and a lot of bull in the middle.

Because I understand that the purpose of this session is that we can engage in a discussion among ourselves and also with the auditorium, so I'll try and compact my remarks as much as I can and given some of the issues that I have here have already been somehow, either tangentially or directly, addressed by my colleagues.

Let me start by obviously pointing to what I think is an underlying truth in inter-American relations over the past 10, 15 years, which is that I think in a welcome respite from Latin America's turbulent history the last decade has been more or less marked by peace and prosperity throughout the Americas. The U.S. has greatly benefited from this tectonic shift and must therefore seek to constructively engage with all nations in the Americas to ensure that our hemisphere remains peaceful and prosperous.

I remember that when Henry Kissinger was Secretary of State he famously quipped when he was asked about the role of Latin America in

U.S. foreign policy. He said that Latin America was a dagger pointed at the heart of Antarctica.

In no way am I going to suggest here today that Latin America has become a threat to the security of the United States, but certainly there are a number of very important challenges taking place in the hemisphere regarding nontraditional threats to security, to democratic governance, to economic development which could start changing the landscape of inter-American relations in a fundamental way.

This is why let me start out by stating the obvious which is that one of the most pressing needs that I think the United States needs to address as it reengages with the hemisphere is it must bolster its diplomatic capabilities to work in tandem with its partners in the region to deliver results, to provide deliverables to that engagement with the region. Nowhere is this more powerfully apparent and important than ensuring the United States ratifies the free trade agreement with Colombia and with Panama. There could be no greater strategic mistake the United States can commit right now, with a summit right around the corner, than it not ratifying these two free trade agreements.

There is encouraging news in general as the Obama Administration moves forward to engage Latin America. First of all, there seems to be the potential for a new paradigm, a new paradigm that I think has a lot to do with the profile and the biography of the man who is President of the

United States today, where work from grassroots to grasstops is a distinct possibility and where civil society in Latin America is playing an increasing role as a co-stakeholder to how we interact and engage in the hemisphere.

And, I think that a lot of the focus that we saw throughout the campaign, both by the President while then the candidate, the President-Elect, now the President and his team could be of extreme importance and usefulness as the United States rethinks how it engages with governments but also how it engages with civil society in Latin America.

I think that Secretary Clinton's now famous 3Ds -- defense, diplomacy and development -- are a very welcome approach to how soft power plays a critical role in inter-American relations.

Defense, because I think that there are critical nontraditional security threats throughout the Americas. In many ways, Mexico was greatly criticized back then, but in many ways I think that if you look at it in hindsight it was very prescient when a Mexican president came up to the OAS on September the 7th, 2001, and denounced the Rio Treaty.

Mexico denounced the Rio Treaty not because we were jingoistic about our relationship with the United States but because the main concern that Mexico had was that the way that we engaged on defense-related issues, security-related issues in the hemisphere had nothing to do with the challenges that the international community was facing in a post-

Cold War world. And, four days later, the terrorist attacks in New York and in Virginia demonstrated why the structures for collective security in the hemisphere were so outdated and were focused on threats that were probably there after the Second World War but which were no longer reality.

So how we go about reengaging and discussing the new challenges, the new nontraditional challenges to security, whether it's organized crime, whether it's weapons proliferation and small arms trafficking, whether it's bioterrorism, whether it's pandemics, there is a whole new ballgame that the United States and the Americas must deal with as we discuss security and defense issues.

Diplomacy, nothing more important for the image of the United States and the Americas. It happened here as it has happened elsewhere. Abu Ghraib, Guantanamo have had a profound impact on the United States' legitimacy and standing in the Americas. I think that the willingness to reengage diplomatically with this part of the world is very important, and we see it in a number of ways and manners:

A President-Elect who decided to meet before his swearing-in ceremony with President Calderón in Washington, D.C., a week before January the 20th.

The fact that I think for the first time in many generations there is a real chance to reevaluate policy towards Cuba. The signals that we have seen from the Administration of some of the first steps that they would seek to articulate in an effort to reach out and rethink policy towards Cuba. It's not going to happen all overnight certainly, but I think some of the steps that the Administration is signaling as it tries to reach out and revisit and revise policy towards Cuba are a very welcome approach because Cuba is one of those three issues that is the prism through which most Latin American nations understand their interaction with the United States. The other two obviously being immigration and narcotics.

The news yesterday that the United States will seek to participate in the U.N. Human Rights Council I think is a very welcome piece of news. Despite the huge shortcomings of the Council itself, I think this is a welcome sign that the United States is willing to engage with its partners not only in the region but also in other parts of the world.

And, development, this has been one of the key concerns of Latin American nations. I think that the whole issue of how do we foster equitable growth with social justice that will underpin the economic development of our nations is something that we will all be looking for.

I would in no way try and put forward the challenge of designing something akin to what the then EEC did with the social cohesion funds which brought the new entrants into the then EEC -- Spain, Portugal,

Greece and Ireland -- up from their bootstraps and allowed to bridge the asymmetries that existed between the newcomers and the core group. This is an issue that is not going to fly easily in Canada or in the United States these days, but certainly I think we have to start a discussion of how do we foster sustained economic growth in the Americas, and I think there are opportunities for this to develop, to occur.

But I would add one more D to the three Ds that Secretary Clinton has put on the table, and that's democracy. Democracy is and should be the only game in town -- the moral Esperanto of the present nation-state system, as John Dunn has aptly put it.

Yet it is not democracy pure and simple but liberal democracy that needs to gain preeminence as our *lingua franca*. We must not forget this all important adjective. Liberalism's basic aim is different from that of democracy. Democracy is about who has the power while liberalism is concerned with setting limits to that power. This divergence in objectives explains why we face the challenge of illiberal democracies. Any attempt to do without the liberal elements of this model will lead to the sort of demagogic democracy that history has shown us to be unstable as well as a serious threat to human rights, plurality and justice.

If we are to strengthen liberal democracy in the hemisphere, as I think we should, we must ensure that it delivers the goods. This is precisely the challenge that this model faces in Latin America. What we're

witnessing in this part of the world today is not a battle between left and right, first of all, because there are lefts and there are lefts in the hemisphere and, second, because a center-right government like mine in Mexico on certain social policies and social issues is much more to the left than where, for example, a center-left government in Chile is today.

So using left versus right as a framework of understanding what's going on in the region is probably not the best. It sells magazines. It sells newspapers. It makes pundits sound wise. But it may not be very accurate to understand what's going on in the region.

What is at stake is where the majority rule with minority rights -- that is liberal democracy -- can deliver sustained economic growth and social justice while ensuring human rights, tolerance, accountability and transparency in the region.

Where does the Mexico-U.S. relationship fit in all of this?

For starters, certainly not as limited and constrained as the book suggests by placing it in the hard cases section. Security may be at the core of the bilateral agenda these days, but the Mexico-U.S. relationship is much more than just security. If we list the pressing global issues of the day between Mexico and the United States, whether it's taking on organized crime, whether it's ensuring that we have the type of infrastructure to facilitate trade, whether it's environmental degradation,

whether it's bridging the asymmetries between the haves and the have-nots, whether it's intelligently dealing with migration flows, remittances, labor mobility -- these are all issues that are at the front of the global agenda.

So, in many ways, what I would like to suggest here as a counterfoil to some of the argument that is in the book is that in many ways the success of Mexico and the United States in untying some of the Gordian knots of the bilateral relationship could provide our two countries and the region with a very relevant tool box to address some of these challenges which I think are common throughout the hemisphere.

I remain highly optimistic about the ability of Latin America and the United States to confront the many challenges that we face. Much of my optimism is based on what the U.S. exemplifies and that we as Mexicans and all of us in Latin America should share -- respect for diversity, strength and plurality. Yet, important as these shared values are in guiding us, a compass is of no use if you don't know where you want to go. Latin America and the United States need to identify a destination and set a clear course for the future, and Trinidad and Tobago will clearly be a first opportunity.

I think that this book does help to provide both a destination and a means to get there. We need a bold vision, statesmanship and hard questions tackled head-on by all sides throughout the hemisphere.

Thank you.

(Applause)

MR. PICCONE: As we're getting microphoned up, I need to remind you all that the book is on sale today at the bookstore and any day, and there's a 20 percent discount. So the bookstore hopefully will still be open as you head out.

We're going to have some time, about 20, 25 minutes, for question and answer. If you could please identify yourself, there will be someone going around with a microphone in the back.

QUESTIONER: Chao Chen, freelance correspondent.

I would like to raise two issues. Dr. Lowenthal, you talked about a change in mindset, and, Mr. Piccone, you mentioned lots of ways to do it, but what you say is against American culture and U.S. foreign policy practice for years. So I would like to ask you two gentlemen. Obama and the people around him are the American product. So how do you change those people's mentality?

And the second issue is this: When I read this book, it mentions four areas. One area is drug trafficking. I think the basic thing is the demand for drugs in the United States. So I think this has to be dealt

with. How do you suggest this Obama Administration does something about it?

If I may, both of you mentioned Brazil. Brazil is a big elephant over there. Could you talk about it a bit?

Thank you.

MR. LOWENTHAL: I'm not sure I understood every word of what you said, but I think the first point you were making was that Mr. Piccone and myself and, indeed, I think all of us are calling for mindset changes in the way the United States approaches Latin America, and I think you were asking how that occur.

QUESTIONER: That is very fundamental. I mean how to do it. I want to know how do you do change the mentality.

MR. LOWENTHAL: Yes, well, I think that we have seen at different stages of history both in this country and in other countries, that eventually reality intrudes on the mental maps that people carry around in their heads. There's always a lag because people develop their mental map, their sense of how the world is based on experience at time one. But meanwhile history marches on. Things change, but they still have the old pattern.

I think we're in a period now with respect to international relations and with respect to a number of domestic issues on which the old mental maps are demonstrably inadequate, and people are looking for new sets of frameworks to understand what is happening and how to respond.

I think this is part of a much larger picture, but I think the country and the foreign policy apparatus and the people in think tanks and media and nongovernmental organizations as well as in the bureaucracies are ready for looking at some of these issues differently.

I think that's true in the narcotics area, which you specifically asked about. The Brookings Institution will have an event probably in this same room next Monday, April 6, at which former President Cardoso of Brazil and former President Gaviria of Colombia will present the results of another commission on looking at the narcotics issue. Again, I think it's something which shows that at various levels and different places in the hemisphere people are looking at these issues in a different way.

I'm not sure what your question was about Brazil, but perhaps in any case we should let others participate.

MR. PICCONE: Well, let me just make two additional comments.

One, I think one of the challenges that policymakers working on Latin America face is that so many of the issues that are important to Latin America go to the core of domestic constituencies here that are very hard

to work through. So, whether it's issues of trade, agriculture subsidies, certainly the drug issue, immigration, you run up against a Congress that doesn't see the world the same way as Latin America on these issues. So that is, I think, the area that needs the most attention in terms of a mentality shift.

I think the Obama Administration gets it. I think if you look at the way they approached these issues on the campaign, there is some fresh thinking going on. I think the drug issue is one area. The selection of the new drug czar is an interesting choice. He is from Seattle, has a lot of experience with community policing and a less punitive approach to the drug issues. It will be interesting to watch.

On Brazil, I think the chapters do raise Brazil in different ways and particularly calling on Brazil to play more of a leadership role on some of these issues and being more of a partner with the United States in a strategic alliance, in addressing particularly the hard cases, Colombia among them.

Let's take a couple more questions, please.

QUESTIONER: John McAuliff from the Fund for Reconciliation and Development, an NGO.

I think we should congratulate Brookings for having the prescience of having on its commission Jeffrey Davidow who is responsible for preparing the U.S. role at the Summit.

I don't know if he's here today, but I wanted to raise a couple of very concrete questions about the preparation for the Summit that goes from Vice President Biden's statements in Chile where he repeated the U.S. is no longer going to act unilaterally and we are there to listen and listen and listen. Then when he's asked what the position is on the embargo, he says, no, we're not going to change it -- despite the fact that if he's really listening he's hearing from every single country in Latin America and the Caribbean that we should change that.

Now, obviously, the President by himself can't. But what could the President do to establish not just warm feelings but some substantive change?

The Post, on Monday, suggested that he's going to loosen restrictions on Americans traveling to Cuba, not just Cuban Americans, and I think that's a good thing. But is there something that he could do, for example, suspending the aspects of the embargo that prevent purchase by Cuba of construction materials or agricultural equipment to deal with the last three hurricanes?

Is there something concrete that has to do with the reality of U.S.-Cuban relations that he could actually bring to the Summit that would say to people? For example, if Chávez is going to make a big case about Cuba ought not to be excluded from the Summit, maybe the U.S. should take the wind out of his sales by saying right at the beginning, Cuba should be part of the Summit. That shouldn't be an issue, and the U.S. is no longer going to play diplomatic games about qualifications. It's going to simply consider Cuba part of the hemisphere.

MR. PICCONE: Let's take a couple more questions before we come back. This gentleman in the middle here.

QUESTIONER: Good afternoon. I want to say I really enjoyed all of the panel members.

My name is Basil Ottley. I'm a former Senator from the U.S. Virgin Islands, and I'm presently the Desk Officer for the Virgin Islands at the Department of Interior Office of Insular Affairs.

I was particularly happy to hear about Dr. Lowenthal set the tone of the Americas as being very broad and that is inclusive of Latin America as well as the Anglophile-speaking areas in the Caribbean, and I want to ask a question.

Since the U.S. has two territories -- Puerto Rico and the U.S. Virgin Islands -- in the hemisphere, Puerto Rico sitting somewhere between Latin

America and part of the United States and the U.S. Virgin Islands as a part of the English-speaking Caribbean but then also part of the United States, is there a potential role for these territories to be part of the new partnerships and a new way thinking of engaging the region? Is that part of the discussion?

If it's not, why not? And if it is, how can these untapped partners perhaps be engaged in discussing how to broaden what are natural linkages between these territories and the region? Thank you.

MR. PICCONE: Thank you. Let's take one more question. Kevin?

QUESTIONER: Thank you. Well, first of all, congratulations with the book. It's great to see it coming out and to see some old friends involved in it.

I got a question about a couple of issues that were hardly mentioned in the presentations and that are two issues that might particularly suffer as a result of the economic downturn. That is trade and immigration.

Besides the obvious, and I totally agree with Ambassador Sarukhan, the obvious measure of ratifying the free trade agreements with Colombia and Panama, I'm just wondering if there's anything to be done regarding the true crux of the matter when it comes to trade in the hemisphere which is the U.S.-Brazil relation. So I would like to hear a word on that.

And then immigration. I'm not sure that people in the U.S. and even the political system in the U.S. realize how crucial this issue is. If you look at the figures, it is truly remarkable to notice that the entire growth of the labor force in the U.S. between now and 2050 will be entirely explained by immigration, and close to 80 percent of that immigration comes from Latin America. So, in a very literal way, the future welfare of the U.S. depends on what they do with immigration reform.

Yet, the question is how do you pursue immigration reform with unemployment creeping up? So I would like to hear a word on immigration as well. Thanks.

MR. PICCONE: Okay. Why don't we come back to the panel, and I'm going to ask Laurence first to address the question of Puerto Rico and the Virgin Islands.

MR. WHITEHEAD: Yes, I was the one who said that the Caribbean was important and was included in our range. Mine is the chapter which discusses a little about Puerto Rico. I'm afraid it doesn't discuss the U.S. Virgin Islands or a number of the other dependent territories in the Caribbean.

It's important to note that we have a lot of small sovereign states which will be present, and we have not only Puerto Rico. We have a

number of British overseas possessions, even Dutch overseas possessions that will not be because they're not sovereign.

Yet, both from the point of view of the overall coordination of policies in the Western Hemisphere and from a more specific point of view of the particular ways in which general policy problems arise and may become acute in the Caribbean at present, you would need to take into account all the jurisdictions. There is scope for doing that. There are one or two suggestions in the chapter about steps in that direction. The Puerto Ricans, for example, have really tried to improve their own forms of representation and communication with neighboring countries in the Caribbean.

I would just underscore the point that all the issues, if it's immigration, if it's drug trafficking, if it's energy security, if it's democracy, all the issues that we talked about arise across all those Caribbean jurisdictions. The right way to think about it is as inclusively as possible and taking account the very great diversity, both of size and the different forms.

You know the way the problem that arises in the Cayman Islands. I speak as a Brit. Well, it's one aspect of the international financial crisis which hits the Cayman Islands in a somewhat different way. Or, people have been following what happens in Antigua with the financial scandals affecting the bank there.

You can see that there are a number of highly specific things which need to be understood in a precise and discriminating way and which need the collective attention and understanding of in that case it would be the sovereign powers responsible for the Caribbean territories but also of the small neighbors and of the community of democracies as a whole.

If I could just mention one other thing, we do have -- and the Ambassador perhaps has a point here -- we do have a list of hard cases in which Mexico is number six. If you were to look at it too superficially, you might think we were saying Mexico is a problem of the same kind as Haiti. This was not in fact the reason why we had the chapter on Mexico, obviously enough.

We needed to have a specific analysis of Mexico because it is so important and it's quite different from the other cases. Our own framing of the book emphasizes that each case must be examined in its own terms. But it is so important and so central for the overall tenor of U.S relations with Latin America to focus on the interconnections and the complexities of the Mexican case.

But again, even there, some of the key policy questions that arise cannot be dealt with exclusively with a bilateral focus. I mean even the Mérida Initiative addresses Central America as well as Mexico. There is a need always for multilateral cooperation and for exploring the ways to

harmonize the interests of states of very disparate size, very disparate capabilities but all facing shared regional problems.

MR. PICCONE: Thank you, Laurence.

Abe?

MR. LOWENTHAL: Yes, I'd like to try to do several things briefly because we're up against the time limits.

The first thing I'd like to do is give you my email address which is AFL@usc.edu because I think we can continue this exchange beyond the confines of this time. I hope if as you read the book you have challenging comments, please send them along.

Second, some of the questions and comments reminded me very much of my days in Washington and the ground rules that I introduced at the Woodrow Wilson Center and then at the Inter-American Dialogue and I carried with me to California, which is that people shouldn't have to disguise their comments in the form of questions because there's a lot of ability to contribute comment as the comments on Cuba and also on trade and Brazil and so on, immigration.

Just responding very briefly to those and then to the last colloquy between the Ambassador and Professor Whitehead, in my chapter which is the introductory chapter, I actually do deal with Cuba, with trade and

with immigration in a very shorthand way. Time being limited, I want to do one thing which is concentrate on the immigration question.

My own instinct is that -- conventional wisdom to the contrary, notwithstanding -- this is the time, not this month or probably not this year but within the first part of the first Obama Administration to deal with the issue of comprehensive immigration reform. I do think the basis exists for doing that.

The perspective I bring to it comes largely from another book I've done. This is outrageous, but I'll only do it for 20 seconds. I've just published through Stanford University Press another book, a single authored book called *Global California*. The work that I've done on *Global California* includes a substantial section on immigration as a policy question of vital importance to the 38 million residents of California.

One of the things that I think I show and that's relevant to the national question is I believe California has the capacity to play a leadership role in breaking the toxic politics of immigration policy because Californians are now beyond the stage of public opinion which was faced in the early 1990s when Proposition 187, an anti-immigration initiative, was passed in California. By now, most Californians understand that the future prosperity and welfare of the state -- in terms of its workforce, of those who are able to support the pensions of its retired people, in terms of its education and social structure -- depends on investing in the

immigrant population and recognizing that they are at the heart of our success as a state and, more broadly, in the country.

I think we will begin to see a change in the discourse to some extent coming out of California's experience. And I draw from that, without going into California, in the discussion of the approach to immigration that I think we favor. That comes up in different places in the book.

With respect to Ambassador Sarukhan, one of the wonderful things about being at my stage of professional life is that I've known Arturo Sarukhan since he was a student, and I know his father as well. Arturo is a brilliant diplomat and brilliant expositor and showed his qualities again today, and, with consummate diplomatic skill, he took exception to Mexico being included in the section on hard cases.

And Laurence responded to that, if I may say so, dear Laurence, somewhat defensively. I don't back away from including Mexico in the section on hard cases. And I don't think Ambassador Sarukhan, in looking through what we say in our overview chapters, Whitehead and myself, or what his countrymen, Carlos Elizondo and Ana Laura Magaloni say in their chapter will find any reason for concern or rejection.

I think it's important to understand that the relationship with Mexico, in all its complexity, poses hard questions that cannot be brushed aside, that have to be faced, that have to be faced with a really strong

understanding of their complex interconnection, of how many of the sources of the issues and problems in the U.S.-Mexican relation arise on the U.S. side of the border, not only on the Mexican side of the border, on how many aspects of cooperation exist in the relationship and how much potential there is for further cooperation, on how significant this relationship is for the United States.

We called attention to its important and, in the overview chapters as well as the Mexico-specific chapter, on the importance of approaching with a very cooperative spirit these hard questions that should be faced early on by the Obama Administration.

There was hope at the beginning of the George W. Bush Administration because Mr. Bush had not had enormous international experience, to put it softly, but he had expressed some interest in Mexico before becoming President. In his campaign, he said something about the great importance of the relationship with Mexico. But for a series of reasons, obviously, he was not able to follow through in a very profound way on that interest.

Mr. Obama has even less experience in Latin America than George W. Bush had. It's hard to imagine, but it's true. On the other hand, he's a very different sort, and he's obviously very internationally minded, has an international DNA and is very much of a quick study and a learner.

It's clear in the first 70 days of his Administration that he does understand the importance of ht relationship with Mexico. His first visit with a foreign head of state as President-Elect was with President Calderón here in Washington. And the fact that the Secretary of State has already been and the Attorney General and the head of Homeland Security are going and that he himself will be going to Mexico, all within the first 100 days of the Administration, are certainly an indication that this Administration understands the importance of working with Mexico because there are hard questions to face.

MR. PICCONE: Ambassador Sarukhan, your opportunity to rebut your professor.

AMB. SARUKHAN: If that is a description of a hard case, then I completely concur with my professor. I would have no gripe with that definition of why Mexico is in that section.

On the issue of immigration, it has to be spelled out clearly. Number one, there are no countries more important for each other's well being -- social well being, economic well being and security -- than Mexico and the United States, period, on the face of the earth, regardless of the Iraqs and the Irans and the Middle Easts and the Afghanistans of the world if you measure it in terms of the day to day impacts of two countries, one on the other.

And, in this regard, no issue like immigration has such a powerful role to play in the future economic well being of both nations.

As you rightly mention, the demographics are going to change profoundly. Mexico, in 15 to 20 years will start becoming, will start looking much more like what the United States looks like today. We will have a shrinking labor pool. Last year was the year that we added the highest number of new entrants into the Mexican labor force, and from then on it's going to start going down. So, even if some of the nightly pundits were to go down to the Virgin Guadalupe Shrine in 20 years and ask for labor, it's not going to be there because our demographics are going to shift dramatically.

So the whole challenge, the whole idea is how do we build a bridge between now and when that demographic change occurs in Mexico and how we take advantage of the fact that we have a capital-abundant country living next to a labor-abundant country and the synergies that can create in terms of competitiveness on the global stage.

I also concur with Abe that if it's going to happen, probably now is the time that it could happen. I would probably be a bit more cautious. I don't know if it's going to be very quick.

I do think that the groups in America that came together both in 2006 and 2007 -- Kennedy/McCain, Kennedy/Hagel -- to support

comprehensive immigration reform have been badly mauled by the legislative defeats in both 2006 and 2007. It's going to take leadership on both ends of Pennsylvania Avenue and the intelligent use of the bully pulpit to put the issue back on the agenda.

I think there will have to be certain triggers in that process. One of them is going to have to be to demonstrate to American public opinion that somehow border security is being addressed and is being looked at. I think that is going to be one of the triggering mechanisms if this debate is going to move forward successfully.

I would caution that some of the lessons that are being hashed out in war rooms across the city and across the nation as a result of the defeat of comprehensive immigration reform in 2007 have got it wrong because what you're starting to hear is, oh, this demonstrates that we have to go now down the route of a piecemeal approach, of cutting up the sausage and let's do one bit at a time and one component at a time. If you do that, I can guarantee today that we won't have comprehensive immigration reform.

The only way to ensure that we have a significant, fundamental reform in this country is if we bind the different constituencies together in one big what the trade negotiators call single undertaking. You don't have a deal unless you have a deal in the different aspects of the negotiation.

If we can't bind labor and employers and the right wing of the Republican Party and the loony left of the Democrats and we bring them all together into one big, single negotiation, we're not going to have immigration reform.

But at the end of the day, as most things in life, you need two to tango. A sensible system will have to be developed in this country, but Mexico is also going to have to do the work that previous governments have been a willing enabler and capable of doing. We will have to create economic development so that we can anchor 300,000 men and women who cross the border without papers every year because they are looking for a better paying job. Our loss is the gain of America. We can't grow if we can't anchor those women and men to bolster and boost economic development in Mexico.

The end game for Mexico has to be that every single Mexican that crosses the border into the United States henceforth does so legally whether it's because he's participating in a temporary worker program or because he's got a passport or because he's crossing a designated port of entry. That has to be the end game for Mexico, and these are the two factors that are going to have to come into play as the Administration seeks to move forward on this critically important issue.

MR. PICCONE: Well, unfortunately, we've actually run overtime.

Just very briefly in closing, on U.S.-Cuba, I won't go into it, but there is a very good product on the Brookings web site. It's a U.S.-Cuba road map that lays out all the steps that can be done by the President. Short of Congress actually lifting the embargo, there is quite a lot that can be done.

I think Biden laid out a 10-year time horizon of the embargo, but I think that plays again to a domestic audience that has to be addressed on so many of these issues. Same with U.S.-Brazil, there is a constituency around agricultural subsidies that is going to be very hard to move in order to get, say, movement on the ethanol subsidies question with Brazil.

But, with that, let me thank our panelists and our guest authors, George and Dan, and Mauricio for introducing us, and we look for to continuing the conversation with you. Thanks.

(Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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