

THE BROOKINGS INSTITUTION

BEYOND THE CRISIS?
THINKING STRATEGICALLY ABOUT MEXICO'S ECONOMIC FUTURE

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PARTICIPANTS:

Welcoming Remarks and Introduction:

MAURICIO CARDENAS
Senior Fellow and Director, Latin America Initiative
The Brookings Institution

Keynote Address:

LUIS ALBERTO MORENO
President
Inter-American Development Bank

AMBASSADOR ARTURO SARUKHAN
Ambassador of Mexico to the United States

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PROCEEDINGS

MR. CARDENAS: My name is Mauricio Cardenas and I'm the director of the Latin America Initiative here at the Brookings Institution. It is a great pleasure for us to have this event today co-sponsored by the Inter-American Dial -- the Inter-American Development Bank. Sorry. This was an idea that came through conversations with Santiago Levy. Santiago and I have been thinking about the long-term issues for Mexico and we thought that putting together this conference was an important contribution to that debate.

So, we invited a group of scholars that are thinking about these issues with the purpose of elaborating a little bit on the agenda for Mexico into the medium and long term. Ambassador Sarukhan was also very supportive of this idea and we thank him for that. This has been also worked with a great degree of collaboration from the Mexican Embassy.

I would say just to motivate a little bit what we're going to be doing today that Mexico is an economy that has many features. And in the past year or so some of those features have been emphasized more than others, and, in particular, the issue related to the problems of security, the tremendous effect of the global recession in Mexico last year. But if you go beyond that you see many, many other shades in that landscape. And the other aspects of the Mexican economy that are worth highlighting is first of all there is a more diversified economy than many others in Latin America. It has a very strong private sector, a private sector that does not depend on a particular form of subsidies or support from the government. That has access, direct access, to the international financial markets. That's a key distinction from other countries in the region. And very importantly, has a very strong and special relationship with the U.S.

Just to give you an idea, the share of Mexican exports in the U.S., total our imports, is about 12 percent and has been growing in the past few years. Mexico has gained market share in the U.S. relative to countries like Germany, the U.K., Japan, South Korea. And that is remarkable. But yet Mexico's economy has been underperforming, not just in the context of the recent global recession, but in the more medium-term perspective. During this decade, the first decade of the century, Mexico's GDP growth was relatively low, less than 2 percent on average, when the rest of the region was booming. And that, of course, poses some important questions as to why was that

happening. Why is it that Mexico's economy lost some of the steam that it had during the '90s when GDP grew at a much faster rate?

So these are the questions. And I guess the purpose is to go beyond some of these very general answers that you hear in the policy debate and in the media here in the U.S. and elsewhere when these issues are discussed. You hear that Mexico has a long pending agenda of structural reforms, but then there's not much detail about what are the specifics of those reforms. What is it that needs to be done and in what order and why? And these are some of the questions we want to ask today. To put it in other terms, if there are constraints to economy growth, which are the ones that are more binding and which should be the priorities?

Another buzz word that you hear frequently in the debate about Mexico is political gridlock that yes, there are good ideas that the country needs a lot of reform, but that those reforms cannot be enacted because of the way in which the political system operates. In particular, the fact that it is very hard to consolidate a majority in Congress to move these things forward.

But we want to go beyond that and we want to understand why is there political gridlock in Mexico and what can be done to solve that? What type of political reform is necessary so that there is greater capacity to adopt this reform? So essentially the idea is then to go beyond those broad generalizations that we hear in the debate on a daily basis.

We're going to begin with two keynote presentations. First, by Luis Alberto Moreno, the president of the Inter-American Development Bank and then by Ambassador Arturo Sarukhan, the Mexican Ambassador to the U.S. They're both truly remarkable friends of Brookings. They've been collaborating with this institution, close friends, close allies, not just for the purposes of our discussions about Mexico, but in a more and broader way in our work on Latin America. So we're delighted to have them here. We're delighted to co-sponsor this event with them.

Let me say a brief word about each one of them before I give the floor. Luis Alberto is a very well-known person in all the policy circles, not just in Latin America, but also here in Washington, having served as the Colombia ambassador in crucial years when there was the significant reengagement of the U.S. with Colombia that led to structural change in terms of the economic growth of Colombia, the security conditions of Colombia. And his role as ambassador to

the U.S. at that time was absolutely essential and he is widely recognized in Colombia where he is a very recognized and prominent individual.

And here in Washington there are many things that you can say about Luis Alberto, but I'll just mention the last one which is quite relevant. (Laughter) Which is absolutely fundamental for the future of our country. He just finished the process of capitalization of the Inter-American Development Bank that will give the bank a lot of additional space to increase lending to the region, a region that really needs the support of the Inter-American Development Bank in a different set of areas and that with that result I'm sure will be a lot better equipped to play a very significant role.

And Ambassador Sarukhan, also a great friend, has been ambassador here to the U.S. since 2007. Prior to that he served in different positions at the Mexican Foreign Ministry having been general counsel in New York, but also having worked here in the Mexican Embassy in Washington in the past. And truly a person that knows the city very well, and that shows in everything that he's been involved with in the past few years as ambassador leading to the very recent state visit by President Calderon where a series of very important agreements were signed and where the Mexican position vis-à-vis is highly recognized as an influential, as a director relationship. And much of that is the result of the work of Ambassador Sarukhan.

So, again, thank you on behalf of Brookings to both of them, the institutions they represent, for having been involved in the structuring of this important event today. So I'll give the word to President Moreno for his initial keynote remarks.

PRESIDENT MORENO: Well, thank you very much, Mauricio. It's a pleasure and honor to be here also with Ambassador Sarukhan, and more importantly to thank Brookings for doing this very important event and to do it with the IDB, of course, is something that I want to also congratulate Santiago and all the team who wanted to put this event together.

You know, I think Mauricio did a very good summary and I don't want -- I know we have a lot of good panels today that will get deeper into the many issues of Mexico. But, you know, in this city, and after being here as Mauricio was saying, that you can say many things about me. That's interesting because that happens after you stay here for a while. But the reality is this. There is still the sense of flavor of the month that is amazing in Washington and soon you seem to forget a

lot of the very basic things. And some of the basic things that one forgets is how, for instance, Mexico has advanced economically by comparison to most Latin American countries.

There's a recent report that came out this week by Deloitte that basically says how in the next three years manufacturing competitiveness in Mexico will surpass that of Japan. Or for instance, in the midst of all of this, you know, coming from Colombia, I remember coming here and trying to, you know, you always woke up and had these horrible headlines and I would just come to audiences like this and I said just watch the trend lines. Don't get bogged down in the headlines.

Well, there are headlines that people don't see about Mexico. For instance, I -- recently there was a huge investment by BMW of close to \$2 billion to basically source parts for BMW manufacturing throughout the world. And if you go deeper into this what you start to look is how strong the manufacturing sector and how sophisticated the manufacturing sector in Mexico has been over the years every -- every day more. And how, for instance, the automobile industry is perhaps the fifth largest market in the world and soon becoming a very important platform, actually, in not only the types of automobiles that it's making, but in the kind of industry and industry clusters that have been developing.

Or for that matter, what has been happening in the aerospace industry. The same thing. There's a total cluster around Querétaro. Or look at, you know, the income per capita and some of the social policy developments. I mean, true, there is a lot of gaps in Mexico. I think there are also gaps in many other Latin American countries. And as we embark in what I truly believe this is the decade for Latin America in which the challenge of all our governments to basically begin to close on some of those gaps.

But on social policies, and I think Santiago Levy and others in Mexico have a lot of responsibility for having been very much in the forefront of really experimenting in social policies that area really world class. Their conditional cash transfer programs, how deep they've become, and all these types of programs that have really begun to produce and create a safety net that basically has helped bring thousands of people out of poverty.

And the real question that you see in a country like Mexico is the growing middle classes. I mean, Mexico; it's interesting and often economics remind me of how it's always been a

leading and lighting indicator of what's happening in the U.S. economy. You know, if you look at what other economy could sustain the kind of impacts that Mexico had last year, there's few in Latin America that could take those kinds of shocks. Not only did you have a profound drop in remittances, you had a very sharp drop because of the integration into the U.S. economy. And you had, you know, the losses of jobs of close to 200,000 or 300,000 last year. And they've begun to turn around already and they're close to this year alone generated over 300,000 jobs.

So that tells you a lot of what's happening in the Mexican economy. And then on the political front I think it's always important to remember that, you know, it's very hard for any society to have a party system to be for so many years and expect that there will not be any kind of gridlock when you start to have, you know, a more fluid political system. And it's only natural that you have that. Not to mention that, you know, Mauricio was talking about gridlock. You know, we can see a lot of that here in Washington. And even with the majority party. So, this is the kind of learning that you're seeing today in Mexico.

I would like to perhaps, maybe because I'm not a Colombian and I live this thing so many years, to do some comparisons. You know, people here seem to concentrate a lot on the debts in Mexico and the debts associated with drug trafficking. Well, it turns out that nine out of 10 of those debts are basically concentrated amongst the five or six different cartels and, of course, the law enforcement that are the two unsung heroes in this war. But think for a minute the courage President Calderon had of taking this problem head-on. That's going to make Mexico better without a doubt. And if we learned anything in Colombia, just look at the last election that happened this past Sunday. And that's after decades of taking this problem on. In Colombia it really was over the last decade that you could see this kind of outcome. I'm sure that in Mexico it won't take that long because the institutionality of Mexico was far stronger than where Colombia started. And I think this is a very important comparison.

And the only way to fight this kind of war is truly with international support, the one that Mexico deserves and needs. But more importantly, the impact on the overall economy of Mexico of the drug trade is far less than it ever was in Colombia. And somehow we get bogged down in this and we're missing the real picture of Mexico. And that's the real thought. And I hope

that out of this conference today it will come out.

You know, if you look at the 32 soccer teams today in the World Cup, and I know, of course, Javier Ageva is now very much concentrated on what the three color can do against Argentina. I want to tell you a very interesting statistic I was looking at the other day. The best performing markets -- I'm referring to stock markets and this study that Goldman Sachs did recently. The three best performing stock markets since 2006, which was the last World Cup, were Mexico, Brazil, and Chile. And so that tells you something that, of course, this World Cup perhaps, as *El Pais* said the other day looks more like the *Copa América*. But in any event, enough about soccer.

The reality is that I think what is really needed, and I really applaud Brookings and Santiago and others for getting involved in this, is to look at the other untold story of Mexico and look at it with perspective. And I think and I hope that this event today begins to look deeper into the realities of Mexico and where the country is going because you find no more sophisticated talent in the, as we see it, certainly from the perspective of the bank in terms of what has been done financially. Mexico learned from so many of the crises in the past and has built a technocracy that is extremely competent and is competent world class today and certainly in Latin American terms.

And the same is true as I was saying earlier on what's been going on continuously in social policies. At the end of the day we all know that the major issues for facing most of our countries, Mexico no exception, are those that could help generate jobs and quality jobs that will come through quality of education, which is some of the tougher reforms and where most of the attention, I think, is being put today in the Mexican debate.

I will stop there and defer to my good friend, Ambassador Sarukhan. And again, thank you very much, Mauricio, for having us here. And thank you, Santiago. (Applause)

AMBASSADOR SARUKHAN: Good morning. It's a pleasure to be here and again, Luis Alberto Santiago, Mauricio, thank you for the support that Brookings and the IDB gave to make sure that this very important seminar conference could take place.

Here today, because it is true as Luis Alberto and Mauricio said a few minutes ago, the narrative today in Washington when you see Mexico on the headline of a conference or a seminar or roundtable, is usually linked to drugs and thugs. And all of us know if it bleeds, it leads.

And that's been the narrative that we have seen in the U.S. now for quite some time. But I think it is very important that we also underscore those other areas of Mexico and Mexico's development that put some of the challenges that Mexico faces certainly in context.

I'm going to start by saying that there's an old Mexican saying that in Spanish says *zapatero a sus zapatos*, "cobbler to your shoes." I'm not an economist and I'll let Alejandro Werner, who is here, do most of the talking on that specific issue. But I'll bob and weave around some of the issues that I think have a particular bearing on what happens in Mexico's economic development over the years, which are obviously related to the U.S.-Mexico bilateral relationship and to the larger picture in which I think Mexico fits into the global economy.

Let me just start by saying I think that Mexico seems to be stuck, and I know that Jesús Marquez here will also address some of these issues. Mexico seems to be stuck as a Mexican from my generation. Today Mexico seems to be stuck between nostalgia for the Mexico that no longer exists, the authoritarian Mexico that no longer exists and that we fought against, and at the same time disappointment in the democratic Mexico that we have now and that we fought for. And it's this tension which is taking place in Mexico today which I think permeates everything from politics to the discussion of economic reforms and what those economic reforms should be, and that lay the groundwork for what I think are the three basic questions that all Mexicans would like to see answered. Do we all agree that we're a democratic regime? That we're a democracy? Where do we need to go? And what do we need to achieve to get there? And those are the questions that I think are permeating a lot of the political and economic debates that are taking place in Mexico and which I hope this seminar by the end of the day will hopefully address some of those questions.

I think that -- I was asked to sort of give some opening remarks and see if I could provide some food for thought for the discussions that will take place later on in the day. And there are probably three ideas that I think that are worth considering.

The first one is the discussion of things that Mexico needs to do on its own internally to be able to boost economic development, competitiveness, economic growth. And a lot is being said. They've already been mentioned here. The famous structural reforms that Mexico needs, which ones they are, in which order do they need to go? But in true Clintonian fashion I'd probably

say that if it is true that it's an economy stupid that we're here to talk about, I would probably insult you twice by saying, yeah, but it's first going to have to be politics stupid because I'm convinced, and this may be my own particular point of view.

Santiago and Alejandro and others may have a very different perspective, but my belief is that whether it's energy, whether it's labor, whether it's pensions, whether it's deregulating the economy, whether it's anti-trust legislation, at the end of the day, the keystone for the success of all these reforms is political. It's the constitutional, political reform of Mexico. And it's the ability of Mexicans to be able to re-elect members of Congress. It's the ability of Mexicans to be re-elect mayors because the mayors are, in particular, the first conveyor belt between citizens and the body politics and policies. I think there'd still be great antibodies to put on the table the potential reelection of a president.

I don't think anyone in Mexico today is suggesting that is a feasible reform, but I think that if we think of Congress and mayors, that is a critically important piece of legislation because, A, it brings accountability into the system, it brings transparency, and I think it cements one of the weaker bonds of Mexico's democratic life today which is that citizens, like in most parts of the world, whether it's in the U.S. We've seen it with the Tea Party, whether we've seen it in Europe during the debates over the constitution of the European Union, citizens don't feel that political parties are co-state holders to their concerns, to their beliefs, to their aspirations. And I think that the ability to provide and to push for re-election in Mexico is a critical piece of this.

But it's not the only component. It's providing a president with a mandate through a second round of votes in a presidential election. It's bringing in the referendum as a way to solve some of the gridlock and some of the challenges that are faced in Congress. So even though this seminar is about the economic issues of Mexico's current circumstances, I am fully convinced that the keystone to the other reforms which I know you're going to talk about here today is the political constitutional reform that Mexico needs.

The second thing that I'd like to put on the table is things that Mexico needs to do working with others outside of Mexico's border, in particularly, obviously, with the United States because of the 3,000 kilometer border that we share with the United States and are mooring into the

global economy via NAFTA. And, you know, I do believe that the pace and the speed with which we advance in the relationship with the United States won't solve the internal debates or challenges that we face. Certainly, it won't decide whether Mexico can open up energy to foreign direct or private -- foreign direct investment, whether domestic or foreign into the energy sector, but it will set the table for enhanced competitiveness in North America. And I think that a lot of the issues that are being put on the table by both President Obama and President Calderon, if you look at the joint statement that they released almost a month ago -- a month ago -- when President Calderon came up for the state visit, that is a blueprint for how we can work together to enhance trade, trade facilitation, border infrastructure, between Mexico and the United States.

For the first time in many, many years, at least in my memory as a career diplomat who has dedicated most of his life to working with and studying the United States, this is the first time in the bilateral relationship where we have the willingness and the ability on both sides of the border to push forward a holistic vision for border management. That is, not only to think about security, but to think about how security fits into enhancing competitiveness between Mexico and the United States. How do we create a modern, secure border infrastructure that allows us to continue to grade and to allow for the free flow of goods and services and people to -- legal flows to go back and cross back and forth across our border? That's a critical component. How do we continue to harmonize our customs form? You know, there's low -- there are things out there which are certainly not rocket science which I believe are low hanging fruit.

For example, can't we harmonize our standardize our customs forms in North America so that we don't have to fill in a U.S., Canadian, and a Mexican customs form? One single North American customs form. How that would enhance trade. How that would deregulate our -- enhance competitiveness along the borders and enhance North America's ability to continue to compete with the likes of China and India.

How do we take on the critical challenge of labor mobility and not, again, I'm not using the term labor mobility as a euphemism for immigration. Immigration is part of it, certainly, but it also means the ability of U.S., Canadian, or Mexican firms to shop around freely in either one of these three countries for the best talent available for their businesses. But it also has to do with what

I think is the most powerful asset that North America has, which is its human capital. And the fact of how do these three countries in North America take advantage of what I think is their unique edge regarding other areas and regions of the world. The fact that we have two capital abundant countries living next to a labor abundant country, which is Mexico. And how do we complement the economies and the labor curves and the demographics of Canada, Mexico, and the United States?

And again, as I've always said, it's not going to be there for forever because Mexico's demographics are profoundly changing. And in 20, 25 years, ours is going to look a lot like yours. And so the trick is how do we build a bridge between now and when our demographics fundamentally shift so that we can take advantage of that labor mobility between our two countries?

The other issue which I think is solely lacking, how do we develop the next steps in the North American vision? And after, I think, I will continue to say it and I truly believe has been a success story, but how do we build the next decade of North American success and North American growth? And what are the next steps in this architecture that Canada, Mexico, and the United State developed in 1993. And here I hope that one of the results of this discussion is that a message is sent out to the private sectors of both Canada, Mexico, and the United States that they need to re-engage in the debate over the future of North America. If there has been one actor that has been solely missing the debates over trade, competitiveness, how we deepen the interaction and the supply chains that exist between the three North American countries, it is unfortunately in the private sector.

I'm not shifting all of the blame to the private sector. I think government has also been lousy in making the case as to why this is an important issue that North American citizens need to take on. But at the end of the day we need the re-engagement of the Canadian, Mexican and U.S. private sectors to rethink where North America needs to go. So, you know, and at the end of the day the common thread to all of this is that we have to -- we have to take these questions on by understanding that because we have a 3,000 kilometer border with the United States, these discussions over competitiveness and trade flows and infrastructure will have to be married to security. If Mexico and the United States were too central European countries in the landlocked central European countries, you know, maybe this issue wouldn't be so important. But in a post 9-11

world, understanding that trade, commerce, trade facilitation, economic competitiveness and security are intricately linked in North America, is critical to understanding what the road ahead looks like for both our countries.

And finally, timing matters. There's an old Chinese proverb that says the best time to do something is 20 years ago and the next best time is right now. And I think that we have the unique opportunity first of having two presidents in Mexico and the United States who are fully committed to changing the strategic tableau on which this relationship has been operating for the past decade. I think both presidents are willing to invest political capital. I think both presidents understand the need for both countries to engage and to cooperate on everything from the fight against transnational organized crime to environmental change and creating green jobs, the way both presidents I think have been leading in the debate as we head to Cancun, the Top 16 conference in Mexico that will take place in November. I think these are very powerful examples of how we need to take advantage of what we have out there today to ensure that this relationship continues to deepen and widen. Because I do believe that one of the success stories of NAFTA isn't just about trade and numbers; it's that through NAFTA Mexico became much less autotic, it stopped looking at its navel, and it became a full-fledged partner of the global community. And I think that through this relationship with the United States we need to continue deepening the engagement and the ability of both countries to move the ball down the field.

So I will leave it at that. But hopefully this seminar and the discussions that we will hear here today will provide us with some clues and with some hopefully important discussions and candid discussions as to what those challenges are, how Mexico needs to take on some of those challenges again on its own, but where are those areas and where are those fields in which the United States can and needs to step in to engage with its Mexican partner because I will continue to say several of you are sick of hearing me say this, but I am convinced that these two countries are joined at the hip for the good and that a rising tide can and will lift boats on both sides of the border.

Thank you. (Applause)

MR. CARDENAS: Thank you very much. Thank you very much. We're running a little bit behind schedule and I think we should get going to the next session, unless there is a

question that you cannot hold for our two keynote speakers. Unless, you know, you have one point. Can you just introduce yourself?

MR. DIAZ: Of course. I'm Jose Diaz with the Reformation Speaker from Mexico.

I wanted to ask both of you; you talked about development, about the creation of jobs and so on. And for the past two decades Ciudad Juarez had been, you know, one of the success stories in terms of growth in Mexico – probably the municipality that had the largest growth within Mexico. What was missing, you know, in development in Mexico for it not to be now, security be with, you know, parks, decent urban planning and, you know, not to be taken by drug dealers at this moment.

MR. CARDENAS: Good. Any other questions? And we'll go with two if anyone else -- yes, Abe. Abe Lowenthal. And then we'll just close there.

MR. LOWENTHAL: I ask the question because I think it's appropriate in this panel, but probably not in the other three and it's one of the questions I have in mind.

We fluctuate between the discussion of U.S.-Mexico relationship and the North American relationship, which presumably includes Canada. And, you know, this is an issue which is looked at from different standpoints differently. One idea that I've been thinking about and I'd like particularly Ambassador Sarukhan to respond to is whether it might make sense to develop an agenda with respect to Central America and the Caribbean in which Canada, Mexico, and the United States all have important interests and overlapping transnational relationships. This might be a way of reconstituting the North American idea.

AMBASSADOR SARUKHAN: Pepe, you've asked a very pressing question because face value the economic development that we saw in Saraquales is, especially after NAFTA because of the important role that the *maquiladora* program played in creating jobs and economic opportunities in Saraquales has created a tale of two cities. And the challenges that we see and to which you refer to in Saraquales is precisely the result of that disconnect. It is true that wages, economic opportunities, even the per capital income of Saraquales has raised dramatically over the past decade, but what was impressive and what is impressive today is if you look at indicators such as theaters, clinics, primary health care centers, day care centers, parks, sports fields, during those

10 years Saraquales was at the bottom of the pile. There was no investment in the social infrastructure of Saraquales that accompanied that dramatic economic boom that we saw in the city.

And I'm not a sociologist, but, you know, it doesn't take too much to figure out that that disconnect between what was coming in the pockets of citizens and the money that was being made and the rising levels of income unaccompanied by more schools and more hospitals and more clinics and more cinemas and theaters is one of the reasons why you have some of the social challenges and dislocations that have made Saraquales is besides its strategic location on the U.S.-Mexico border as a conduit of drugs moving north and weapons and cash moving south has made Saraquales as the breeding ground of some of the experiments that the drug syndicates are now conducting in Mexico as to how to create, regenerate, and control corner retail and distribution of drugs. But I think it's that disconnect that occurred in Saraquales which explains some of the challenges Saraquales sees there today.

Do you want to answer Saraquales and then I'll answer Abe's?

PRESIDENT MORENO: Real quick. Look. I don't know much about Ciudad Juarez other than my roommate in college was there so that's -- my context of Ciudad Juarez is colored by his speaking about Ciudad Juarez at that time and the prosperity that you were referring to. But as you asked that question I was hearing -- Arturo reminded me of Medellin. Medellin was probably the most prosperous city in Colombia. It was an industrial city, very important, but at the end of the day there is no city, no matter how sophisticated, that can take the shock of, you know, drug dealers with a lot of money, a lot of cash, trying to go around and, you know, and create the kinds of problems they created. And that was very -- I mean, if by the way you have this, which was by the same case as Medellin, 50 percent of the city, you know, has huge pockets of poverty, and it was that in which they tapped into, the only solution possible at the end was to have very strong law enforcement response, but hand-to-hand with that very strong law enforcement response was a very aggressive social investment program. And those things take a lot of time and they're very hard work. But they've got to be balanced. And that's the story of Medellin. I'm sure Mauricio could talk to you more about that as well.

But the reality is that when you have these imbalances in a society, it's perfect

ground for drugs to penetrate and, you know, especially being on the border. But the reality is that that city, as I recall, like I say from my memory was largely developed by a huge trade with El Paso.

AMBASSADOR SARUKHAN: You're touching upon one of my pet peeves, but also hobbies which is how do we deepen the North American footprint in the rest of the hemisphere? And I think that there are some baby steps that we have been able to implement, particularly related to disaster relief and emergency response capabilities of the three North American partners in the Caribbean and Central America. We have prepositioned equipment, supplies, emergency supplies in Panama, the three countries, so that the three nations can respond relatively quickly if the need arises for us to fly the North American flag in the Caribbean or Central America if there's an emergency.

But I am convinced that developing a stronger North American -- I don't want to use the word foreign policy identity, but developing a larger North American footprint as to how the three countries engage with some of the pressing challenges in the hemisphere, whether it's development, whether it's the strength of institutions and democracy, whether it's how we take on new threats to security in the region, this should be one of the instruments that we pursue to provide added lift to the North American agenda.

Now, as you started saying, the problem is for a trilateral agenda you need three and right now there aren't there; there are just two. And I'll let you figure out which ones those two are.

MR. CARDENAS: All right. Thank you very much, Ambassador. So we'll finish with that this first session.