THE BROOKINGS INSTITUTION

LATIN AMERICA AND THE OBAMA ADMINISTRATION:
|A NEW PARTNERSHIP?

Washington, D.C.
Tuesday, June 29, 2010

PARTICIPANTS:

Moderator:

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

Keynote Address:

ARTURO VALENZUELA
Assistant Secretary of State for Western Hemisphere Affairs
U.S. Department of State

Discussants:

CRAIG KELLY
Principal Deputy Assistant Secretary for Western Hemisphere Affairs
U.S. Department of State

MICHAEL SHIFTER
President
Inter-American Dialogue

LUIS ENRIQUE BERRIZBEITIA
Executive Vice President
Corporacion Andina de Fomento (CAF)

KEVIN CASAS-ZAMORA
Senior Fellow
The Brookings Institution

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. CARDENAS: Well, welcome to Brookings. My name is Mauricio Cardenas. I'm the director of the Latin America Initiative here. We're delighted to be hosting this event which, as you know, has two points. The first is a panel discussion and then we'll hear from Assistant Secretary Arturo Valenzuela give a keynote. His keynote, as this panel, will be followed by a Q&A session. So I hope I will succeed in engaging you into a conversation and we will have the opportunity to ask the panelists about the different issues that will be discussed.

I guess the main motivation for the session today is to discuss in a very open and frank way the status of the relationship between the U.S. and Latin America. That is not only the main purpose of our program here at Brookings, to make sure that that relationship evolves successfully, but also I think it's an issue of great interest for a wide audience that follows Latin America and is quite engaged with the region here in Washington.

So, for that purpose we have a great lineup of experts that will be making short comments, about 10 minutes each. And then we'll move into the conversation mode and we'll take some of your questions. I, myself, would like to ask the panelists to add some elements to the discussion. So let me start by introducing our panelists today. I'll do that as they speak so that we make this a little bit more -- we make it faster.

Let me begin with Craig Kelly, who is sitting here to my left. Craig is the principal deputy assistant secretary for the Western Hemisphere at the State Department. He is a career diplomat who has held many positions in the State Department. He has been as principal deputy assistant secretary since 2007, but before that he was ambassador to Chile. And he served in many different capacities in different parts of the world, in Europe, and in Latin America, but also here in Washington working directly with

former Secretary Colin Powell as his executive director, as well as with Tom Pickering. He is a person that really reflects the view of the diplomacy world and, in particular with his long tenure and experience with Latin America issues, is in a privileged position to begin this conversation by sharing with us some of his thoughts about how the relationship within the U.S. and the region has evolved in the last 18 months.

So without further ado, let me welcome you, Craig, again, to Brookings.

MR. KELLY: Mauricio, thank you very much. It's a pleasure to be here. I will try to stick to my 10 minutes because I find that the interesting part of these panels is the discussion, so we want to leave you all plenty of time.

You may recall that a year ago at the Summit of the Americas, President Obama outlined four different pillars of U.S. engagement in the region. I'll just review them very quickly to refresh your memory. One was economic and social opportunity, social inclusion, a major theme of the administration as we engage in the hemisphere. And we have a lot of initiatives to carry that out which I'll touch on in a moment. A second pillar, democratic institutions and democratic governance. The third, citizen safety, which includes not only counternarcotics, but all issues related to safer streets and neighborhoods throughout our hemisphere. And the fourth, clean energy and climate change where we also have a number of initiatives.

Now, one thing that underlines all of these, and the President and the Secretary have been stressing ever since, is that we want to address these issues in a spirit of partnership. And I congratulate Brookings for making this the title of the panel this morning because this really is the defining principle of our engagement in the region. I think too often people have judged U.S. policy in the region by using the wrong proposition. What have you done "for" Latin America and the Caribbean? And we want to answer that question explaining what we're doing "with" Latin America and the

Caribbean because these are countries which have made enormous strides in the last 30 years.

If you just look at the way, for instance, that the region reacted to the financial crisis with many, many countries financing their own stimulus packages out of their own resources coming through this crisis much more strongly than people might have predicted, with democratic systems that are stronger than ever before, naturally many, many challenges remain. But we're talking about a world in which the United States wants to engage around a table as a partner.

And in some ways this is perhaps a slightly new way of doing diplomacy in the region. Focused on the fact that if we want to see significant positive change in the region, this is going to occur through the governments themselves undertaking sound policy decisions. If we look at, you know, the fact that Chile between 1990 and 2006 reduced its poverty rate from about 44 percent to under 14 percent, it did this largely through its own policy changes, opening up to the rest of the world, free trade agreements, implementing sound social safety net programs, education, many, many other things, it was not primarily -- it was not done through international assistance.

Now, we have significant assistance in the region. We consider that assistance very, very important, but we're trying to focus it on facilitating positive policy changes on the part of the government. And going hand in hand with that is the need to leverage other elements of U.S. engagement in the region. This is not just government to government. If you look at our assistance, it's about 2 billion a year. That's a healthy number. We're proud of it. We think we're trying to use it in intelligent ways. But it's 2 billion. If you look at two-way trade between the United States and the same region, Latin America and the Caribbean, we're talking about 650 billion per year. Remittances add another 60 billion per year.

So when you look at those sorts of numbers, obviously the smart thing to do is just step back and think how can we through our diplomacy leverage that overall engagement. And that's just the engagement you can put dollar signs on. There's all sorts of other engagement as well -- cultural, educational -- that we feel we need to do a better job of taking advantage of. And on the people-to-people side we have found over the years that some of the most useful activity we do isn't promoting the educational exchanges, science and technology, youth programs, foreign language training, not only English in Latin America, but also Spanish instruction and Portuguese in the United States. The notion is that the young people of this hemisphere share an opportunity to address an increasingly globalized world by mastering some of the most important global languages -- Spanish, English, Portuguese, French, and so on -- the main languages of our hemisphere.

So the administration has looked at the developments in the region with a view to how we can plug in with partners to affect positive changes. And again, the aid is critically important in that effort, but we have to look at it and how it can leverage the overall engagement that's going on.

Let me just give a couple of concrete examples in the security area. We used to often throw around the term counternarcotics. We still do. But I think we learned through hard experience that when the United States said counternarcotics, the rest of the region and the rest of the world thought we were talking about keeping bad things out of our country: drugs, drug traffickers, perhaps those with terrorist intentions, and so forth. Well, there's an element of truth in that. Of course we're trying to keep drugs out of our country, but what we're really trying to do is engage in programs that make, you know, streets and neighborhoods safer for everybody in the hemisphere. In other words, this is not a selfish policy; it's a policy of engagement with partners to try to make sure

that everybody's security improves and not just the United States.

And this is why Secretary Clinton has spoken repeatedly about our shared responsibility as we go after the drug problem. We know there are high consumption rates in the United States. We know that there are weapons flows from the United States to Mexico and beyond, and we have to address that with our partners in the region. So if you look at all of our programs -- Merida, the Central American Regional Security Initiative, the Caribbean Basin Security Initiative, and our long-running programs in Colombia and the rest of the Andes -- they're very heavily focused on a sort of holistic approach of working with countries, not only going after cartels, which, of course, we have to help those countries do, but also in developing the sort of institution strengthening activities that will have long-running effects and community building and so forth. I think that not only President Calderon, but the heads of state in Central America, as well as in Colombia, there's a very strong view that while this is a terrible problem, it's also an opportunity for countries to actually make their institutions better, more transparent, and less corrupt.

Another example in the economic sphere, we are heavily engaged in an initiative that many of you are aware of called Pathways to Prosperity in the Americas. We realize when we look at, you know, our trade relations in the region that we have free trade agreements with 12 other countries in the hemisphere. With the United States, those 13 countries make up 34 percent of the world's GDP. What can we do more effectively to implement those agreements in ways that help us achieve our social inclusion, anti-poverty objectives? And so we launched the Pathways to Prosperity with all the other countries. And this initiative is developed after an initial meeting of heads of state and several meetings at the level of foreign minister throughout the region into a program in which we are doing lots of concrete things to draw more and more people

positively into the economic integrity that is occurring, not only within the region, but with Asia, the United States, and Europe as well. So everything from customs reform to English language instruction to microfinance to the legal reforms that make it possible for small and medium size businesses to get lower priced, lower interest rate loans to grow their businesses. All those things are occurring under that umbrella.

And the interesting idea here is that, you know, it's not an aid program. We have a certain amount of assistance that we devote to it to help promote the activities, but this is basically a sharing of best practices and sort of putting mutual pressure on ourselves to achieve changes, which up to now have been somewhat difficult, whether it's customs reform or financial system reform to help small- and medium-size businesses and also people who have remained marginalized: women entrepreneurs, indigenous populations, Afro descendants, and others that have not benefitted adequately from world trade. For instance, under Pathways we have a women's entrepreneur initiative that links up mentors and mentees from throughout the region. We're seeking to expand that initiative right now, but it's something which is working well and we want to grow.

Another initiative very similar in that it's a roundtable of shared ideas and innovation, and that's the Energy and Climate Partnership of the Americas which President Obama officially launched at the Summit of the Americas. Again, not an aid program. It is a very flexible forum for countries to come together to address issues such as energy efficiency, search for renewable forms of energy, cleaner exploitation of traditional fossil fuels, energy poverty -- in other words, populations that live off the grid. How do we address these things? Cleaner cities and so forth. And in the space of a year we've seen some really, really interesting projects come to the fore simply because countries are now looking at these initiatives with a much more regional frame of mind.

How can we do these things together? How can we share ideas?

Chile, for instance, has set up a regional -- a renewable energy research center in Santiago. The Peruvians are doing the same thing in energy efficiency. The Brazilians are leading an initiative on developing clean cities based on their positive experience in Curitiba.

So there are lots of other things that are going on precisely because these countries get together periodically. The most recent meeting here in Washington of the energy ministers. And both Secretary Chu and Secretary Clinton addressed the group. And we're seeing some very innovative ideas come to the fore and get shared more rapidly because we're working together.

Another one - and here's a perfect example of the United States learning from partners in the region. As many of you know, there has been a very strong movement -- it started in Mexico, but rapidly developed in the rest of the hemisphere -- called Conditional Cash Transfers, a program by which governments give direct cash payments to families in exchange for a commitment to ensure that kids go to school every day and that they get regular checkups in health clinics.

The Mexicans have developed this to a level of sophistication where the conditional part is very sophisticated with software programs and all that to track whether people are actually living up to their commitment because that's half of the battle here. It's not just to give the families money; it's to make sure that they're doing things that will help the families, especially the kids, move forward. But there are large programs: the Bolsa Familia Program in Brazil; Chile Solidario; several of them in Central America that are growing.

We held a meeting of this initiative last fall in New York and Mayor Bloomberg presented his own initiative in the South Bronx patterned after the one in

Mexico. So, again, the notion here is let's get together and share innovative ideas around a table.

And just to conclude, because I see my 10 minutes are up, we're actually, in the Bureau of Western Hemisphere Affairs of the State Department -- Arturo will address this more, I'm sure, when he gets here -- we're actually optimistic about the region. There have been a lot of challenges recently. But if you look at some of the major challenges, whether it was the financial crisis, the horrible earthquake in Haiti and then the follow up one in Chile, the drug-related violence in Mexico and Central America, the coup in Honduras, if you look at all of those, the region came together in different ways to address those crises, again, as partners. Haiti, everyone pitched in to help and still is. If you go to Haiti today it's extraordinary. The whole world is there trying to help.

In Mexico, Central America, we, as I mentioned, have acknowledged our responsibility and are working side-by-side with our partners there with a view to actually making improvements in institutions. Honduras, an issue which remains controversial for many people, but where we've seen an elected government now see the return of many, many ambassadors from the region, from Europe, the IMF, the IDB, and we're now working in the OAS toward re-integration of the country into the OAS. Again, working as partners. There's a meeting today at the OAS by the commission that was set up at the recent OAS general assembly. We're working this together. Not easy at every point, but we're trying to do it in a cooperative way.

And then finally there's the financial crisis. As I mentioned, the formation of the G-20, the travel that's going on among finance ministers in the region and so forth being addressed in a much more sort of partnership frame of mind which is a positive thing. So despite a lot of the challenges in the region, I think this partnership mentality is taking hold and it's one that we certainly embrace and want to continue.

Thank you.

MR. CARDENAS: Thank you very much. I'm very glad Craig brought the issues of the Pathways to Prosperity, which was an initiative that was launched at the end of the Bush Administration. I think Tom Shannon was the key proponent behind that and it was a very clever idea about articulating not just the free trade agreements, but to go beyond. But that initiative was not lost in translation actually because he had a great translation, *"caminos a la prosperidad,"* which has these other connotations that it involves more than trade. It involves also infrastructure. But it was lost in the transition, I think, because it had that trade element and that included finishing the agenda, especially in terms of the trade deals with Colombia and Panama. But we'll have time to discuss that.

And also I'm very glad you brought the Energy and Climate Partnership for the Americas in your comments because that connects with the next topic and the issues that are going to be raised by Luis Enrique Berrizbeitia, who is the executive vice president of CAF, Corporacion Andina de Fomento. Probably you know CAF is one of the largest regional development banks. It is very active in many countries in Latin America. I would say for some countries in Latin America it is the largest lender, both the World Bank and the Inter-American Development Bank. And plays a key role, especially in areas like infrastructure and energy.

So CAF and Luis Enrique, in particular, have been involved in this conversation about the Energy and Climate Partnership. There was a summit here in Washington with all the ministers of energy from this hemisphere and that's one of the areas where I think there are some positive signs and some hope for a new engagement, which actually was one of the points that was raised by Brookings and its own commission when it presented some recommendations to the incoming administration as

ways to develop new areas of collaboration between the U.S. and Latin America.

So Luis Enrique, I think we will be delighted to hear from you on the views, not just from someone who is working on the development field in the region, but someone who is also playing a key role in terms of financing some of these initiatives that involve the development of infrastructure in Latin America.

MR. BERRIZBEITIA: Thank you, Mauricio. And thank you Brookings Institution for the opportunity to participate in this forum.

As Mauricio just said, my comments will mostly refer to the energy-related activities of CAF, but I will touch upon other issues. I will mention -- I will give you a brief description of CAF for the benefits of those who are not very well acquainted with it; some ideas on the overall energy situation and energy integration processes in Latin America; our current role in analyzing the energy sector with a view to the future; and finally, perhaps how some of these activities relate to the Energy and Climate Partnership of the Americas announced by President Obama about a year ago.

CAF, as Mauricio just mentioned, is a 40-year-old multilateral development bank. We're essentially owned by Latin American countries. Indeed, our shareholders are 16 Latin American, Caribbean countries, plus Spain and Portugal, which are the only non-regional members, as well as 14 private banks in the region that have a more or less symbolic presence in our capital structure.

Some orders of magnitude regarding CAF are we're a $16 billion institution in assets, about $5.5 billion in shareholders' equity. Our loan portfolio currently standards at around $12.5 billion. And we approved last year close to, a little bit over $9 billion. We're a financially sound institution with good -- we had a net income of approximately $300 million last year, solid ratios for return on equity, return on assets, which allows us to have investment grade ratings in international markets and access

financing from the international markets on a regular basis.

Our main mission is to promote regional integration and sustainable development. And of course, these are big words that mean a lot of things. We've used sustainable development as a process aiming at achieving high and sustained quality growth. And this is based on four main principles or pillars. Microeconomic stability, which is a necessary but not sufficient condition for growth; microeconomic efficiency, which is necessary for productivity and competitiveness; social inclusion and equity, which is absolutely essential for long-term social and political sustainability; as well as, finally, environmental sustainability.

And this means that we have to promote investments in all forms of capital. And this is what CAF tries to provide, the capital aims to improve both economic productivity and social equity, and, therefore, we participate in productive capital, infrastructure capital, human capital, social capital, as well as natural capital. We are also very active in integration activities. As our mandate calls, we're very strong in infrastructure and physical integration: roads, energy, telecomm projects, economic and commercial integration, border development, social and cultural integration, energy integration, et cetera.

And that brings me to the energy issue. As you know, Latin America has an important abundance of energy resources, which are unevenly distributed throughout the region. These include approximately 13 percent of world oil proven reserves. This does not include either the result recently discovered and begun to be developed in Brazil nor the unconventional resources of the Orinoco Oil Belt. About 5-1/2 to 6 percent of world proven gas reserves, about 20 percent of installed hydroelectricity capacity with a potential for about 3 times as much, and a large potential for the development of solar, wind, geothermal, and other renewable sources of energy.

This abundance and heterogeneity of our energy resources should allow for greater energy integration and cooperation, both within Latin America and between Latin America and North America, in particular, the U.S., which is a net importer of energy. Unfortunately, this is generally not the case. The reasons are multiple, of course, but the heterogeneity of distribution of resources is accompanied by also a heterogeneous policy mix, both from a microeconomic perspective and from an energy policy. Some economies are more or less market-oriented. Some are more or less government oriented or market oriented. Some are more attractive to private investment than others, et cetera.

CAF, of course, respects the policies of all of our member countries and we try to work with each and all of them in an equal manner. However, the future development of the energy sector will depend on the mix of these policies in individual countries. At the same time, the integration processes in Latin America have generally weakened, although there are some new initiatives, such as UNASUR, which are underway, as well as some cooperative initiatives, mostly of a commercial nature, such as Petrocaribe and Petrosur.

Certainly, the Andean community has weekend with the withdrawal of Venezuela, and there are differences among some of the remaining participants. The situation in MERCOSUR has also shown strains in recent years, although it is generally in better shape than the Andean community. And there has been until these new initiatives, very little new on the U.S.-Latin American relations except, as I mentioned, the new initiatives which we are discussing today.

In the context of energy, CAF's activities in the energy sector are quite significant. Indeed, approximately 20 percent of our portfolio, or about $2.5 billion, are concentrated in energy sector projects and growing. We have supported in the last few

years energy projects with a value of over $6 billion in I would say the last 6 or 7 years. And it is the single largest sector which is financed by CAF. Mostly, the power sector including generation and transmission, as well as oil and gas sectors and a diversity of clean and renewable energy projects. About 25 percent of our energy portfolio is in the private sector.

Beyond project financing, CAF has a series of other energy-related programs and activities which can relate to the ECPA Initiative. For example, the special fund that provides grants for pre-feasibility, feasibility, environmental sustainability studies of energy projects, and other types of infrastructure projects. Project financing services for small, say less than $30 million, clean energy projects, which typically are difficult to obtain project financing for such small projects. Financial advisory services to help structure public-private energy projects, and the Latin American carbon program which has been a leader in Latin America in helping our clients develop and cash in on carbon reduction credits in the context of climate change markets.

As we look to the future, we see CAF's role in the following areas beyond the financing areas. We feel that there is a need to help articulate regional networks to promote the exchange of experiences on best practices on energy issues, including policies, regulations, management, integration, et cetera, as well as in the generation of knowledge in the region and generating synergies among the various organizations related to energy in Latin America. We are in the process of supporting, and we have been doing that for a long time and will continue to do so, energy projects that contribute to the long run development of integrated energy markets in Latin America. Even though the process of integration itself in a broad sense may have weakened, in specific senses it has strengthened and there are very many energy integration projects that in the long run will contribute to the development of integrated energy markets.

We are also aiming to promote the energy efficiency in Latin America, both as a single most important source of clean and efficient energy supply for our region, as well as a means of contributing positively to the climate change process without, of course, limiting in any way the supplier requirements of energy for the development of Latin America. And we are also aiming to promote the use of energy investments, which is the largest single sectorial investment in Latin America, as a means of achieving technological transfer and adding value added to Latin America's production and exports of energy resources and products.

A final word on the Energy and Climate Partnership of the Americas, the ECPA initiatives address the following issues among others: energy efficiency and conservation; renewable energy development; energy infrastructure; energy poverty, which used to be called basically rural electrification; clean energy technologies, et cetera. Many of these activities are logically overlapping with CAF's own energy initiatives. And while we are not, of course, part of what might be called the Washington financial and development community, we do interact actively with the Washington community. And there is room for joint collaboration in some of these areas where our interests and policies overlap.

We are certainly prepared to cooperate with the ECPA initiatives and specific projects and activities of mutual interest, as well as in other areas of activities that may contribute to promoting a stronger partnership between Latin America and the U.S. In that context, we are also involved, of course, in social environmental initiatives, in private sector support, in micro financing activities, in public policy research, and dissemination of knowledge in climate change issues. And many of these are related to the relationship between the United States and Latin America. We are, therefore, prepared to contribute in whatever way we may be able to do so.

Thank you very much, Mauricio.

MR. CARDENAS: Thank you, Luis Enrique.

The Energy and Climate partnership of the Americas, it's an interesting idea. My impression is that it is going to become an even more urgent priority for the U.S. government, especially if the ban on deep sea drilling in the Gulf of Mexico is prolonged because it is well known that Latin America is the number one supplier of energy to the United States, even well above the Middle East. And naturally, this supply of energy from the region can grow both in the fossil and in the non-fossil fuels.

But this partnership, it's only at the very early conceptual stages. It actually hasn't begun the stage of implementation of projects and implementation of projects and development of initiatives. And one of the longstanding ideas in this partnership has been the removal of the tariff on ethanol. Not just for Brazil's exports, but also for exports from other countries in Latin America that are becoming important producers of bio fuels. And those are the things that need to take part of that partnership for the partnership to really have significant content and impact.

Let me now turn to Michael Shifter. Michael is the president of the Inter-American Dialogue. He became president last April. I think this is the first event here at Brookings where he's speaking as president of the Dialogue, so this is a good opportunity to welcome him. The Dialogue plays a very important role in the debate of issues pertaining to Latin America here in Washington. And it is an organization that has strong ties with Brookings and with our program in particular. And we are sure that your leadership, Michael, those synergies are going to be expanded and we're going to continue having this terrific and productive collaboration. So welcome to Brookings once again. And we look forward to your comments.

Let me just say in order to provoke you a little bit that we've heard from

Ambassador Kelly and from Vice President Berrizbeitia a little bit more the facts and the information about what's going on. We're hoping on you and Kevin to add the controversial aspect to the discussion. (Laughter)

MR. SWIFTER: Thank you. I never bother with facts, so you don't have to worry about that. (Laughter) I'll try to stay away from any facts.

Thank you very much, Mauricio. It's a pleasure to be here. I appreciate the opportunity and it's great to be here with Craig and Luis Enrique and Kevin, as well.

The Inter-American Dialogue, like Brookings and a lot of other groups in Washington, produce their reports for the Obama Administration. Ours was called "The Second Chance." It laid out 10 broad goals, aims of U.S. policy. And I think the sense is that all of those goals, whether it's the drug issue, immigration, Haiti, trade, all of those have been addressed, have been outlined by President Obama in the Summit of the Americas in Trinidad and Tobago. And that, of course, makes us happy because it shows that the administration identifies the issues that we thought were important as well and there's a certain alignment or agreement.

The concern is, and the question is always, to what extent have those goals been implemented and that framework that was laid out in April of last year been carried out? I think the main focus, and it's not insignificant -- I want to recognize this as an important advance -- has been on almost technique of the Obama Administration that there is an interest in a better tone, a better style. I think the speech that Secretary of State Clinton gave recently in Quito, which I thought was very interesting and very good, was really an emphasis on sort of technique of how we can work together this notion of partnership that is sort of the theme of this meeting this morning.

And I think that's important. The United States' image has improved under this administration. President Obama himself is personally very popular according

to all the data polls that we have. And I think what's happened is there has been a kind of a coincidence between a preferred way of acting of this administration; that consultation, working together, combined with some very powerful realities.

First of all, limitations and constraints in U.S. domestic politics about how far the United States can actually move because the political realities are very strong. An administration that's inundated by so many issues in dealing with many crises at the same time. Bureaucratic inertia in a number of issues. It's very hard to change things because there are bureaucracies that have been established for decades that it is very, very hard to undue. Very different approaches and orientations and how to deal with foreign policy issues. Different foreign policy and diplomatic traditions in the United States and Latin America. New regional organizations that have emerged that don't include the United States, don't include Canada and represent an expression of a greater confidence and assertion of sort of regional agenda and regional identities. The role of China. All of that I think kind of come together to force a certain modesty and approach. And I think it's also the predilection of the Obama Administration, so maybe all of those things come together.

And if we look at issues that have come out that perhaps sidetracked some of this very interesting framework that President Obama laid out: the Honduras crisis, which we just marked a year; I guess yesterday was a year from the coup in Honduras; the agreement between the United States and Colombia on the Defense Cooperation Agreement, which caused a lot of irritation; the Cuba issue, which always causes irritation and continued to cause irritation in the relationship. I think all of -- if you look at all of these three, I think you could see some of these problems that I identified as creating difficulties that makes it hard to get to the real issues that are on the agenda that all of us are concerned about.

If one looks at the two big countries in Latin America, and if you talk about partnerships, Brazil and Mexico, when the Obama Administration came in. There were people here talking about a strategic partnership between the United States and Brazil. I don't know anybody today who refers to a strategic partnership between the United States and Brazil. I think the realities of the differences between the United States and Brazil are becoming increasingly clear and the differences over Iran and how to deal with the nuclear program in Iran I think underscore those differences.

Now, the notion is we agree to disagree. There are different agreements. There are disagreements over Iran, but there are other areas where we agree. There are areas where we cooperate. There was recently an agreement on securities issues between the United States and Brazil and other agreements as well. It doesn't mean that Brazil and the United States have become adversaries, but certainly the notion that this was a strategic partnership and the high expectations that accompanied the beginning of the Obama Administration with the Lula Administration. I think some of that enthusiasm has diminished a bit and there's more of a sense of reality of what can possibly be achieved. And the Iran issue, I think, underscores that.

My sense is that the way we're seeing Brazil may be a signal of where other countries have -- not only in South America, but even in Mexico and Central America may be headed. Greater political confidence, assertiveness, disagreements with the United States on a range of issues, not only economic issues and social issues, but also very sensitive securities issues, like Iran. Clearly Brazil is the most formidable and biggest power, but I think if one sort of looks ahead the next 10, 15 years, this I think is the direction that we can anticipate things going, which poses real challenges for the United States.

In the case of Mexico, there's a very high level of cooperation between

the two governments. The level of institutionalization is deep -- is deeper than ever. The realities have forced, I think, that cooperation. There are things that Ambassador Kelly talked about, which are very real. But they're the two issues that are still not -- certainly not resolved and not even managed as effectively as they might immigration. And the drugs fuel violence, the insecurity issue, which it's hard to see really any improvement on those issues. And those are creating serious problems in the relationship despite all of the cooperation that's going on.

Within many agencies and many bureaucracies in the U.S. Government, and the Mexican government, which I think is more advanced than it's ever been, but still those issues make it very difficult.

On Mexico, I want to stress one area where I think there has been progress which I think has been very important. And if one asked themselves, what's different between the Obama Administration versus the Bush Administration, which is a logical question to ask. What's new? What's different? I think one area that is different is there has been a more serious attempt to control the flow of arms that come from the United States.

The Mexico what's used in the vast majority of the murders and killings that we're seeing in Mexico today. It doesn't mean it's stopped. It doesn't mean they can't do more. But certainly, my sense, comparing what's being done now compared to what was done before, there's a lot more resources devoted to that. And that's, again, an example of what Ambassador Kelly called "shared responsibility." That this is what's happening in Mexico. The United States bears some responsibility, as well as the anti-drug program. At least at the level of discourse, if one looks at the anti-drug strategy that's been unveiled by Kilakowski there's certainly more emphasis given in that strategy to reducing demand and consumption in the United States of drugs.

Whether there's enough resources to do it, directed to that, is a different question. But at least there's a recognition that this was an important shared responsibility. And I give the administration credit for moving in that direction because I think it's very, very important, particularly given the gravity of the situation in Mexico. Also, the Merida Initiative, there are some steps that have been taken to make it a more holistic, a broader, more integrated program not so security focused. I think that is also a welcomed development.

On Cuba as well, my sense is that there has been some change and some things that have been done that perhaps wouldn't have been done under the Bush Administration. The fact that a year ago, a little over a year ago, Cuba was -- there was suspension on Cuba to the Organization of American States that had been in effect since 1962, was lifted with some conditions, but lifted nonetheless. It's probably something that the previous administration would have resisted a little bit more than this administration. And this administration went along with it, found an agreement with Latin American countries to sort of lift the suspension of Cuba. There have been some other small steps as well, but clearly the relationship and the policy has not changed in any fundamental way.

The problem -- there are lots of problems, but certainly one of them are the conditions in Cuba themselves. There has been a lot of concern about the political situation, human rights situation. The death of hunger strikers, dissident hunger strikers, the tension of a U.S. contractor. What everyone thinks should happen; the practical realities are that it makes it very difficult here in Washington to open up, to engage more when there aren't any steps happening on the ground in Cuba. That at least is my sense of where that issue is.

Now, Cuba could, whatever, you know, looking ahead, anything can

happen in Cuba and we have the two Hs already, Honduras and Haiti, that have consumed a lot of attention. We may add to that Havana. Looking ahead, this was an issue that obviously at any moment could become something very, very important on the agenda.

Let me just go through a few others and then I'll conclude. Venezuela. I think the -- my sense is that the administration is essentially continuing the approach of the previous administration. The last years of the previous administration, of the Bush Administration, and trying to not play into President Chavez's hands, not going for the bait. Speaking out occasionally. But my sense is that there could be a little bit more of a coherent, consistent voice on some of the, particularly some of the very worrying political developments in Venezuela. There are some statements that are made, and we all know that policy is very fragmented in Washington, and so coordination is always difficult. But I think that this is -- Venezuela, what's happening is of greater concern, and I think it would be good to have a consistent, coherent voice without -- without having the kind of rhetoric that would only bolster the current regime in Venezuela. But I think essentially it's been building on the previous administration.

Colombia. I think there's a real opportunity for a change in the relationship. Everybody talks about continuity between the Santos government that's coming in on August 7th and the Uribe administration. What strikes me so far listening to Santos is the change, more than continuity. There's more of a conciliatory tone. Talk about national unity. Talk about respecting institutions. Respecting the courts. It wasn't exactly something that one heard very often from President Uribe. With that different tone and style and approach that we're beginning to see from Santos and even the election of some of the members of his cabinet, I think that really, I think, really opens an opportunity for a deeper relationship.

With Washington, there's a free trade agreement that's been signed and negotiated since 2006. That I think would send a very important signal to Colombia and to the region of U.S. following through on its word, even though that's not going to happen this year because of domestic politics. Next year I think we should try to focus on that.

Let me just conclude by saying that I think that the focus on technique is welcome. I think it's important and should not be understated. I think there is a challenge of looking at strategic priorities moving forward. I think the way Brazil is heading and what we're seeing with Brazil-U.S. could give us a feel for what we might see with other countries and the United States in the future. And I think the way to go is to focus on the global agenda. Climate change, what Luis Enrique talked about, energy, counternarcotics, financial management, reform of institutions. This is the agenda. Latin America has global interests, global aspirations. They're participating in global fora, like the G-20 and like other fora. And that, I think, is where the U.S. can work together constructively with its partners in the region at that level.

That I think is the challenge, but that means going beyond some of the old irritants that one sees in Honduras and one sees in Cuba. And other issues that keep coming to the surface and are still very difficult to manage.

Thank you.

MR. CARDENAS: Thanks, Michael. Let me now turn to Kevin Casas-Zamora, one of our own here at Brookings. He's a senior fellow and he's a former minister and vice president of the government of Costa Rica. So, Kevin.

MR. CASAS-ZAMORA: Thank you. Thank you, Mauricio. It's really an honor for me to share the panel with such distinguished speakers. And I guess I'm left with the unpleasant task of being the bad cop.

I'll start by saying that if you want a partnership, any kind of partnership, you have to want it and you have to devise a strategy to make it happen. Yet, when one looks back at the past 17 months of relations between the U.S. and Latin America, you get the nagging feeling that the U.S. is sort of playing catch up. And that it is mostly reacting to events in the region. And that is mostly tactics, but very little strategy.

I really don't see a clear strategy as to where the U.S. wants to take this notion of partnership with Latin America. There are things that I like. As Michael was mentioning, there's a change in the tone of the relationship, and the arrival of President Obama was very welcomed in Latin America. And I guess part of the reason was simply because he's not President Bush. And this is likely puzzling for me because I give President Bush more credit than most people do to his handling of Latin America. I really think that the Bush Administration was not a disaster for Latin America. And actually, in many respects, particularly trade, his legacy is quite commendable. You know, whatever his failings may have been in other regions of the world, he didn't do disasters in Latin America.

You know, this might be the Central American in me speaking. You know, my yardstick, coming from Central America, is the nightmare that we went through during the Reagan years. So compared to the Reagan years, the Bush Administration was rather benign from my perspective. But all the same, there was a welcome change in the tone, in the relationship, and that was welcome in Latin America.

There's also, and this is something that I give people like Mr. Kelly and Assistant Secretary Valenzuela, a lot of credit for. There's some more sophisticated view of the relationship with Latin America, and a more sophisticated view of development. And actually, I'm very -- I'm pleasantly surprised about the fact that there are some issues and topics that are being put on the table that haven't been mentioned in the

context of U.S.-Latin America relations since the '60s. You know, things like tax reform. And this notion that if development is ever to come to Latin America, it will have to come from within, not from anything the U.S. does to the region. I mean, that's a very good thing to emphasize.

Yet, I also have the feeling that this kind of discourse is also -- I mean, that we shouldn't -- I mean, by emphasizing the responsibility that the region, that is Latin America, has to itself, we shouldn't leave the U.S. so easily off the hook. Because the fact of the matter is that there are issues in which without very decisive actions from the U.S., there will hardly be any progress. And when you take a closer look at the main issues, and I think Michael did a very good job in summarizing what the main issues are, I really -- I mean, I can't help but to think that not much has happened over the past 17 months.

I see hardly any progress when it comes to trade. And this is particularly unfortunate because, as I mentioned before, the previous years had seen a lot of progress when it came to trade. You know, both the Colombian and Panamanian trade agreements are stuck in Congress. I mean, there seems to be something cooking there. And the fact that the government is changing Colombia will certainly help. But the fact of the matter is that these 17 months have been barren land when it comes to trade between, you know, the trade agenda has not moved an inch forward.

Then you have the whole issue of counternarcotics. And here, I have to say that, you know, it's treat to talk about, you know, about security and citizen security and that we are all in this together. But, you know, the truth is that when it comes to the tragedy that is unfolding throughout the hemisphere when it comes to drug trafficking, the status quo, that is the war on drugs, can only be undone by the U.S.

So this whole notion that we are in this together and that we should talk

about security and not about counternarcotics. I find it slightly disingenuous because it's a way to dissolve the very point of responsibility that the U.S. has when it comes to drug trafficking.

Then you have energy issues. And as Mauricio I think mentioned, you didn't see any attempt to undo the very nagging tariffs on ethanol that are certainly a problem, a lingering problem in the relationship between the U.S. and Brazil, and not just Brazil.

Immigration. Immigration, I mean, you see a lot of lip service paid to the idea that there should be a comprehensive reform and all that. And we might yet see it. But we haven't seen anything yet.

Cuba, I think there were some interesting measures taken at the beginning, but the fact of the matter is that as Michael was suggesting, we're back to the same -- I mean, we're back to square one. We're back to the same kind of dynamics whereby the U.S. demands, rightly or wrongly, you know, there's an argument. There's a bird complexity discussion. Rightly or wrongly, the U.S. demands the Cuban regime to free political prisoners to hold election, as a precondition to any kind of normalization of the bilateral relation.

That's just not going to happen. I mean, we might not like it, but, you know, we've been there before. We've been there for I don't know how many decades. And that's just not going to happen. That's no way to untie this knot. And then you have the whole issue of democracy. And as seen through the lens of the episode in Honduras, I have to say that the message when it comes to democracy, the message that we are getting from Washington is slightly confusing because I think that the Obama Administration got some things right in Honduras, but got a lot of things wrong. I think their initial reaction to the coup was very rigorous and good, and then it all became very,

very muddled. And they did well to recognize the results of the election, to bestow legitimacy on the election. But they did terribly wrong in bestowing that legitimacy without demanding any condition from the people that overthrew Zelaya.

And I agree that Zelaya was a rather unsavory character. But the guys that overthrew him were no better, quite frankly. And I find it disturbing that the U.S. ended up dancing to the tune of a very reactionary and corrupt oligarchy. As corrupt and as reactionary as any you're likely to find in Latin America. So I guess the inventory of this 17 months when it comes to U.S.-Latin America relations is not bad, but it's certainly light.

Now, if we really want to build a hemispheric partnership, I think that we have to recognize three big points. And some of them have been mentioned here. Number one, that there is no such a thing as a policy toward Latin America. I think that's neither feasible, nor desirable. And for a number of reasons. I find it very difficult to think of an overarching concept that will encapsulate the whole approach toward Latin America, you know, in the same way as containment of communism was during the Cold War. I mean, Latin America is way too complex for that at this point. But there's also the fact that there are multiple institutional actors involved in this story here in Washington. I mean, it's not just the White House and the State Department. I mean, you also have the Department of Justice. You have Homeland Security. For some countries the DEA is more important than the State Department. You have the governors of the Border States. I mean, there are just too many cooks around this stove.

So, and there's also the fact that, you know, the needs and the realities of the sub regions within Latin America are very heterogeneous. So we should really do away with this notion that there should be a policy towards Latin America. It's more complicated than that.

Number two, I think we have to recognize that at this point Latin America is not desperate for a partnership with the U.S. One season, it has been mentioned here that there's a very fluid relationship, very good, you know, working relationship with Mexico. Other than that, for the rest of Latin America, as I was trying to suggest before, the relationship between the U.S. and the rest of Latin America is sort of a limbo. Yet, I find it remarkable that no one seems to care an awful lot about this in Latin America, quite frankly. And that's a testament to the fact that Latin America has become more worldly. That it has more diverse alliances than at any point in history. And one of those alliances is with China that is playing a crucial role in the region. I mean, China is keeping afloat some of the South American economies just as it is creating huge problems for some of the Central American economies in Mexico. So China has become a crucial actor. And so I don't see a Latin America that is desperate for a partnership with the U.S.

And number three, we have to recognize that -- and I'm very -- I was very happy to hear Mr. Kelly saying this or implying this. We have to recognize building a partnership is not just about governments doing things with governments. The most important interactions between the U.S. and Latin America these days happen through the private sector and happen through the phenomenon of migration. The main vectors of the relationship are done -- run through government channels. So perhaps we should cast a wider net. And I guess the U.S. administration should indeed leverage some of these things and should build more, you know, should build stronger and closer relations with the private sector in Latin America, for instance.

But it should also recognize that -- and I'm surprised that we haven't heard this in the previous presentations -- it should also recognize that the most important asset to build a partnership is the 40 million-plus Latinos and descendants of

Latinos that live in the U.S. They're an amazing instrument to tear down the walls of mistrust that have long defined U.S.-Latin America relations. And I know this from direct experience. I mean, my parents were immigrants in this country. I mean, this country was good to my family. I mean, I cannot but feel, you know, positive things towards the U.S. And I think, you know, that phenomena is being replicated massively, you know, with this 40 million people that live in this country and have a connection to Latin America.

So that means that in order to build a partnership, Latinos should feel welcome and valued in this country, not harassed. And we're seeing a little bit, a little bit of that. And I guess it also requires that this country comes to realize that the cultural cross-fertilization that is taking place in this country is truly one of the most exciting and important phenomena happening in the world today. So this is about more than just governance. It is about building a partnership between societies. That partnership is happening before our eyes and will continue to happen just because the forces of geography and economics are just too powerful.

So it is really a question of whether we cast this phenomena in a positive light or an ominous light. As far as I'm concerned, this phenomena is something to celebrate, to nurture, and to cherish. And as I see it, it is the first building block of a real hemispheric partnership.

Thank you.

MR. CARDENAS: Thank you, Kevin. We have about 25 minutes for the Q&A comments before Assistant Secretary Valenzuela arrives and gives his keynote. So I think I'm going to turn to you directly. We'll collect five or six questions, then we'll come back to the panel. I'm going to urge you to be really, really short in your questions so that we have, you know, more time for more people.

So let me start with you right here. I'm going to ask for help with the microphones. Then you, then we'll go to you, and the gentleman next to you. So we'll have four. We'll do I hope two or three rounds. But please, be short.

SPEAKER: Thank you. My name is Gloria Chadwick. Considering that Mr. Valenzuela yesterday said that Venezuela represents one of the most difficult relations in the hemisphere, I was wondering why it was absent in your remarks. And I would like to know what did he mean by that? Where is the difficulty between the U.S. and Venezuela?

And if I may, a second one. Mr. Berrizbeitia said something about the integration has been weakening in the region. It seems to me a contradiction on what he said -- Mr. Kelly said that integration in the region or the countries in the region have become more together to solve common problems.

Thank you.

MR. CARDENAS: All right. Thank you. The lady next to you, please.

MS. MORALES: Thank you. Good morning. This is Isabel Morales from RCN in Colombia.

My question is basically very soon we will have a new president in Colombia. The relationship with Colombia will change or will have a new approach in the future?

MR. CARDENAS: Thank you.

MR. BRENNER: Philip Brenner, American University. Thank you all. This was a very good broad spectrum on this panel.

Michael Shifter described Cuba as an irritant. And there is a bill pending in the Congress that has a good chance of passing with respect to trade and agriculture trade. And another one with respect to travel. Can Mr. Kelly tell us: would you advise the

president to veto those bills?

MR. CARDENAS: Thank you. I was thinking you were going to ask if it's true that the cardinal from Havana came to lobby for those bills, which was argued by the Wall Street Journal yesterday.

MR. McCULLOUGH: John McCullough from the Fund for Reconciliation and Development, an NGO.

I wanted to say first that I think having a concept of partnership in the Americas is wonderful, but a bit hollow when we totally ignore the overwhelming sentiment of the Americas about our policy on Cuba. It's either patronizing or hostile, one or the other. I'm not sure which.

Question to Mr. Kelly, specifically you talked, and I would agree with you on the importance of educational exchange, cultural exchange, and religious and humanitarian exchange. But essentially, administration policy is still the Bush policy. A year ago you did Cuban-American travel and it was phenomena. You're doing Cuban cultural groups coming here and that's also phenomenal. But you're still not giving the rest of us the right to unlimited travel for religious, for cultural, for humanitarian, for support for the Cuban people. And why aren't you?

MR. CARDENAS: One more for this round. Yes.

SPEAKER: My question is to -- I'm sorry. I'm from the *Houston Chronicle*. My question is for Mr. Michael Shifter. You were talking a lot about the relationship with Brazil. And I was just wanting to know, like, how do you think the politics in Brazil could affect the United States in the future, if that will have significant, I mean, outcomes. Like, will it actually have something bad? Like, you said Brazil is going in a different direction than you were expecting in the beginning of the Obama Administration. And I just wanted to know how do you think maybe the elections in Brazil this year would

probably affect this relationship further? Are there any expectations you have on Brazil?

MR. CARDENAS: Good. All right. So let me -- I think I'll start with you, Ambassador Kelly. I think then I'll pass them to Michael and others.

MR. KELLY: Okay. Well, I definitely want to share the wealth among my colleagues here, but first of all I want to -- since we only had 10 minutes, obviously we had to pick and choose. There are lots of subjects that we could address in 10, you know, the Venezuela or the theme -- Kevin, as you rightly said it -- integration between Latin America, the Caribbean, and the United States through immigration which is a great theme. Estimates are that by 2050, 25 percent of the U.S. population will be of Hispanic origin; 40 million people, maybe close to 50 million if you count Puerto Rico speaks Spanish in the United States now. This is a huge factor in our relationship, and a positive one. We like to say at the State Department, you know, there are six bureaus at the State Department, regional bureaus: Africa, Europe, South, Central Asia, and so forth. And we like to say that the Western Hemisphere Bureau is the only one that we actually live in. And that does affect the nature of our policies in the region because there is a very strongly domestic component. So many of our issues -- we probably spend more time than anyone on the hill because of the very strong interest.

And so, as I said before, in terms of language, it's a great theme for young people of our hemisphere as I indicated to be able to master these very important world languages. And that's why we're pushing this -- that sort of exchange. We also have a special program in our front office and a person dedicated to reaching out to Diaspora communities in the United States, whether they be Haitian, Hispanophone, Lusophone, and so forth. Something -- recognizing the importance of that part of our policy.

Venezuela. No particular reason I didn't mention. I was trying to

address in 10 minutes the theme of partnership. I did say at the end that we're not Pollyannaish. We realize that while the vast majority of countries in the region have a roughly shared vision about how to move forward to address problems of social inclusion and poverty through opening up doors to the rest of the world through trade, stronger social safety net programs, macroeconomic reforms, stronger democratic institutions, it's clear that some countries don't share that vision. And those relationships are, you know, trickier in some ways. But as the president and the secretary have said, we have a policy of, you know, exploring issues and common interests with every country in the region. We will continue to do that, at the same time speaking out on principles which we consider very, very important -- freedom of expression, rights of the opposition, and so forth. And we will continue to do that.

Let me use that to jump ahead to the question about Cuba. This administration, as you well know, has loosed up the family travel, the remittances, and a whole array of telecommunications links. We have resumed the migration talks which were suspended several years ago. We have now done three rounds of those. I had those talks for the U.S. side and the Cuba side it's the vice foreign minister. We had a round in New York last July, a round in Havana in February, and then another round just last week here in Washington. Based on the fact that we have a common interest in exploring certain very specific themes to the benefit of people in both countries.

While our countries are very, very different, there are areas that we have sought to explore in our own national interest. The fact that we continue to speak strongly about issues of human rights, and the fact that when we were in Havana in February we met with leaders of civil society, which actually occasioned a protest from the government, shows that I think regardless of whatever administration is in office in the United States, the themes of human rights resonate with the American people more

broadly. And as Kevin correctly cited, our diplomacy is not just the diplomacy of facilitating a conversation between and among governments, but also between and among societies, which is one reason we did meet more broadly in Havana. This is what I think increasingly the diplomacy is about today, is that broader society connection.

And let's see, question about -- I will not speak publicly about what we might recommend to the president if something hasn't happened yet. You know, we tend to avoid hypotheticals in diplomacy. I don't want to fall into the trap of the old saw that a diplomat is someone who thinks twice before saying nothing, but we often don't comment about the future. (Laughter)

So, as Charles de Gaulle said, don't insult the future; I won't today.

Colombia. Again, that's a future question. We have an excellent relationship with the government and people of Colombia. We speak very frankly on a whole range of issues and we look forward to a continued and a very strong relationship. And another thing that I think is interesting when you look at Colombia, Colombia is an example as we look at how this region has moved forward, as countries resolve some of the internal challenges that they face, they have the luxury of turning outward and contributing more to addressing problems in the rest of the region. As Colombia is doing, as Chile is doing, Brazil. Look who is in Haiti, for instance. Look who is undertaking peacekeeping missions around the world. Many, many countries in Latin America. Uruguay, at least until recently, I don't know if the statistic is still correct, had the highest per capita participation in U.N. peacekeeping operations of any country in the world.

So one of the positive aspects of this region achieving, you know, greater progress is that it's also achieving a more positive role beyond its own region. And finally, before I shut up, the whole issue about, you know, China, Europe, others investing in the region, this is actually something we welcome. We don't have a jealous view of our

relationship with the region. We believe that anything that makes the region as a whole more prosperous, more secure, is good for the United States as well. So we actually -- Assistant Secretary Valenzuela will travel soon to Asia as his predecessor did to have a conversation about trade, investment, energy, and so forth, democratic institutions and so forth in the region. We have regular conversations with the Europeans about those themes. We welcome that sort of greater international integration as well as our own integration in the hemisphere.

MR. CARDENAS: Thanks, Craig. Michael.

MR. SHIFTER: Thank you. Let me just ask Brazil. It's hard to understand the differences between Brazil and United States on Honduras, Cuba, the Colombia-U.S. agreement, and certainly Iran without looking at the Brazilian domestic politics. I think it's true we tend to focus on U.S. domestic politics, but the Latin-American countries and Brazil have also important politics that plays a role in these questions.

My sense is that the election, you know, will not change fundamentally Brazil's identification. Brazil's role that it's playing in the region and in the world is a product that it's arrived as a country. Its economy grew, what, nine percent in the first part of this year. You know, it's going to have, you know, it has established -- there's been enormous continuity and enormous progress. And whoever is the next president, that's not going to change. I think there'll be a continued identification with the BRIC countries, so-called India, China, Russia. Brazil sees itself very much part of sort of a regional power. They want a permanent seat on the Security Council at the U.N. Whoever wins, that's going to continue.

I think some of the things, and perhaps in terms of style, particularly if one looks at the Iran issue, there may be some factors that were part of Lula himself in terms of his, you know, the man of the year, the most popular president in the world. All

these kinds of things. That's pretty heavy stuff. And it may lead to a certain kind of defiance that one may not find in either of the two leading candidates for the next president of Brazil that don't quite have the international credentials and cache that Lula da Silva has. And that may make some of their decisions somewhat more tempered and less bold than we've seen in the case of Lula.

That's on the edges, on issues like Iran. Perhaps fewer abrazos with Chavez. But I think fundamentally in terms of establishing itself as a major player regionally and globally, that's likely to continue because it's a product of where Brazil is today in terms of its economy essentially.

MR. CARDENAS: Thanks. Yes. Luis Enrique.

MR. BERRIZBEITIA: Just a brief comment on this integration question.

I did refer to the fact that the formal processes of integration, such as that represented by Andean Pact or the community of MERCOSUR have weakened, even at the same time some formal processes are burgeoning or arising, such as UNASUR. But the factual processes of integrity have really boomed in the last 10 to 15 years. If you measure this by cross border trade, investment, cultural exchanges, travel, et cetera. So, in fact, even as the formal processes have weakened. The real process of integration measured by factual realities have really strengthened over time. There was much more exchange among Latin American countries culturally and economically these days than there ever was in the last.

So, I'm sorry if I confused you in that respect. However, the real process of integration seems to be advancing better than the formal processes.

MR. CARDENAS: Well, thank you. Let's go back and do another round. There is one person in the back. Again, please be brief and introduce yourself first. And then the gentleman over there.

MR. SIMON: Hi. I'm Will Simon from the Washington Office on Latin America. And I was just wondering if you could touch on Peru and U.S. relations with Peru a little bit, both with regard to trade and the free trade agreement that is being implemented, as well as the drug problems that are kind of been pushing over the Colombia border into Peru more recently.

MR. WAINWRIGHT: Sam Wainwright from the New America Foundation.

I was just wondering if there has been discussion about how the oil spill in the Gulf might affect U.S.-Cuba relations in terms of both the ban on private sort of exchange of funds and both public engagement.

MR. WALSER: Hi, Ray Walser from the Heritage Foundation. This will be directed to Kevin and Michael in particular, but also to Craig.

We didn't touch much on Central America. Clearly, we did talk about Honduras, but with due respect to the Guatemalan ambassador, the situations there -- crime, government corruption, Ortega in Nicaragua, the assault on freedom and sort of his efforts to perpetuate power. Like, just some general comments on what we could do to make things a little bit better in Central America, which seems to be falling off the agenda these days.

MR. CARDENAS: Yes, please.

MS. RAMON: Yes. This is Senna Ramon from *Clarin* Argentina.

I just wanted to go back to Brazil. We heard what Michael thought about it, but I would like to hear Mr. Kelly and Mr. Casas perhaps about how do they feel about these tension created by Iran and if this is going to be a last effect in the relationship between Brazil and the United States and how this could affect the rest. Because it is true what Michael said that this could be a trend of, you know, other countries taking a

stance, a stronger stance.

MR. CARDENAS: The last question here.

MS. SALAZAR: Katia Salazar, Due Process of Law Foundation. This is a question for Mr. Berrizbeitia.

I would like to know what is the role played by the rights of indigenous peoples in the projects funded by the CAF, especially the right for prior consultation -- prior consultation when a project or investment would or will affect rights of indigenous people.

MR. CARDENAS: Thank you. We'll close it there. Should we go in a different order so that you don't go first? Kevin, why don't you start? And then Luis Enrique and then Michael and then we'll let you close.

MR. CASAS-ZAMORA: Thank you. I'm going to start with the question about Brazil. I don't see a lasting problem in the current difference of the approach that both Brazil and the U.S. vis-à-vis Iran. I mean, I think this is likely to happen. I mean, we're seeing a much more assertive Brazil and it is to be expected. And this thing, you know, this kind of thing will happen every now and then. I mean, even Secretary Clinton has said as much.

But my sense is that the fundamentals of the bilateral relationship are very strong. That the U.S. is cognizant of the fact that Brazil will play a key role, particularly in South America. The role of Brazil in Central America is, you know, again, if judged by what we saw during the Honduran episode, I mean, Brazil is not terribly interested in Central America. But it will definitely play a crucial role in the future of South America.

And the U.S. has accepted that. To some extent even I'm pretty convinced that the U.S. will be very comfortable letting Brazil deal with some of the

recurring political crises that emerge in Latin America to sort of outsource that to Brazil. I mean, different matters, whether the Brazilians would want to play that role. But my sense is that generally speaking the U.S. is comfortable with the emergence of Brazil. And to go back to one of the things that Michael just mentioned, in the case of Iran, one factor that has been generally overlooked is the fact that trade between Brazil and Iran is not insignificant. It is about $1.5 billion a year. Almost all of it in Brazilian exports. I mean, 90-plus percent of that trade is in Brazilian exports.

So there's more to this than meets the eye. And there are very strong domestic reasons as to why Brazil is doing this. It's not just about the way Brazil sees itself. It's not just about the role that Brazil sees itself playing in the international sphere. It's also about domestic political reasons.

Central America. Well, yes. It is quite remarkable. I have to say, you know, as a Central American to think that, you know, given the current dearth of attention for Central America here in Washington, it is quite remarkable to think that 20 years ago this city was totally obsessed with Central America in the same way it is now obsessed with Afghanistan. I wish we had if not more attention at least steady attention paid to Central America because some things -- some things are unraveling in Central America. I think that the tone of optimism that pervaded Central America after the peace accords and the resolution of the civil wars 20 years ago is pretty much gone. And we're seeing very significant political crises happening in Honduras, in Guatemala, and certainly in Nicaragua.

I'm particularly concerned -- I'm particularly concerned with Guatemala. I think that, again, I think with due respect to the Ambassador of Guatemala that is kindly joining us here, I see that Guatemala, as opposed to other Central American countries, doesn't have -- to quote one of the things that Professor -- former Professor Valenzuela

has repeatedly said: Guatemala doesn't have a problem of government. I mean, it has a problem of state. I mean, it's the viability of the state that is at stake from my perspective in Guatemala. I mean, the fact the Guatemalan state has very limited control over significant chunks of its territory; there are very significant trends, ominous trends happening in Guatemala.

And in the case of Nicaragua, I think we should start paying attention to the 2011 election, which doesn't bode well. And the U.S. will have to say something. But given the very heavy historical burden that the U.S. has towards Nicaragua, I think it will fall upon the shoulders of the neighbors of the Central Americans to deal with what appears to be an inevitable political crisis in the region.

Thank you.

MR. CARDENAS: Luis Enrique?

MR. BERRIZBEITIA: *Gracias.* Very briefly, all CAF projects that are financed by CAF are subject to intensive and extensive social environmental impact evaluations. And this includes, of course, the interests of the indigenous people. And we will only undertake financing to such projects that satisfy our established policies on these issues. And these policies are based not only on best practices, but also on a consensus of interaction with our Latin American shareholder countries and their own policies. So we do take all of these issues into account and we will finance projects that are satisfying all of our policies in this respect.

Thank you.

MR. CARDENAS: Michael.

MR. SHIFTED: Thank you. I wanted just to take the Peru question and also Central America, which I think is somewhat related in the sense that they both -- the situation highlights the problem of the drug policy and this very, very -- this is the biggest

threat to democratic governance I think in most of the region. You know, obviously Mexico is of urgent priority and great concern. What are the effects, you know, if that absorbs the attention and all the resources, you know, what is the capacity of the drug cartels and others to move to other places? And there's great mobility. And if they go south to Guatemala it makes an already difficult situation that much more difficult for a government that's struggling to cope with this very, very difficult problem.

So that underscores, you know, I think sort of a shortcoming. It's hard, I know, but if there's any problem that's a regional or even a global challenge it's this drug and transnational crime question. And if it's treated at one place it tends to show up at another.

And Peru, you know, it just recently has come out. It's a major producer of cocoa. Maybe the success of the efforts in Colombia are being shown in terms of what Peru is dealing with. Obviously on the economic side there has been enormous success. I think the free trade agreement is being implemented pretty well, but the drug issue is very, very strong. And if anything I think it's worsened compared to now over the last five years. And one has to ask the question is the overall policy really attacking it at one place? And when it moves to another place what's the overall impact that may improve somewhere, but it may get worse elsewhere?

So that would be my comment. The other thing on Peru is there's an election in less than a year. Despite its great growth and progress on lots of fronts, anything could happen. I think it's unlike the election in Chile or in Colombia that we just saw. The one in Brazil where I think there's essentially broad continuity and predictability in what we might see. I think in Peru there's a measure of unpredictability still.

MR. CARDENAS: Craig.

MR. KELLY: I'll be very brief because several others have commented.

On Peru, hugely important to the United States. Perhaps when Arturo speaks he can address that at greater length. But it's a country -- the secretary was just there, had an excellent bilateral program as well as attending the General Assembly of the Organization of American States. When I had the privilege of being in Chile as ambassador -- and I would note that we have the newly arrived Chilean ambassador, Ambassador Fernandez, as well as the Guatemalan ambassador here this morning -- the Chileans were sort of delighted to hear President Garcia say that Peru was going to out-Chile Chile. And the Chileans took this in the positive sense. It was in a sense a compliment that what Chile has done with its economy Alan Garcia wanted to do in terms of his own economic reforms. If you look at the economic statistics, a country which has reduced its poverty rate from the mid-50 percentage to mid-30s in the last few years, they're making real headway.

And again, do we want to work in partnership with other countries in the region? And Luis Enrique's comment about economic integration of the region. If you look at investment, Chile, Peru, other countries, something very strong and very promising.

Central America certainly has not fallen off our agenda. The secretary of state has been to four of the countries in her first 15 months of office. And with respect to Honduras I might pick up on Kevin's fairly detailed comments. I would note he referred to -- well, praising several elements of our engagement there. He referred to a muddling in the middle of the process. I'd like to just comment on that very briefly. The peace efforts and the efforts to return to constitutional and democratic order in Honduras got a major impulse from President Arias in Costa Rica with the so-called San Jose Accord. What happened in time is the Hondurans took that accord and tried to implement it, which resulted in a national dialogue called the Guaymuras, which then became the

Tegucigalpa/San Jose Accord, which was brokered by the OAS and the United States and some others.

The fact that the Hondurans took a hold of this and made it a national dialogue involving the inevitably messy politics that occurred at the time, I think while there were controversial aspects certainly I think showed that the region was trying to work with Honduras as it addressed its own political crisis. And so, you know, as I mentioned earlier, we're still working on that with respect to the theme of reintegration into the OAS. But again, with that same notion of partnership with the country.

Brazil, again, I think Arturo will probably have more to say about to the U.S.-Brazil relationship. I think it's suffice to note that it's a vast relationship covering lots and lots of different issues: energy, the economy, cultural exchange. We have a wonderful program called the Joint Action Plan to Eradicate Racial Discrimination where we bring people together from academic, private sector, and so forth to figure out concrete ways to push back against persistent elements of racial discrimination in our societies.

We, of course Haiti, General Peixoto, who has done a magnificent job as head of MINUSTAH in Haiti. So this is a vast relationship and one that will continue.

With that I just want to say thanks very much again for hosting this panel. I think it's been a terrific exchange. We really appreciate it. Thank you.

MR. CARDENAS: Thank you. It's been our pleasure.

So let's now move into the second part of today's program. I'm going to welcome Assistant Secretary Valenzuela to the table.

MR. CASAS-ZAMORA: I'm going to give my place up.

MR. CARDENAS: The others, you can stay because there are no seats.

SPEAKER: We have a full house.

MR. CARDENAS: But Kevin has graciously offered his seat. So don't worry. You can stay.

SPEAKER: I'll go back.

MR. CARDENAS: Okay. Well, so let me welcome Arturo. And in welcoming him let me add a few words so that it also gives you a sense of the conversation we've had so far and some of the elements for the discussion we're very much looking forward to your presentation. And I'll mention a few points so that you can have a sense of what was discussed here earlier.

Let me, first of all, welcome you to Brookings. It's a great privilege to have you here. You know, this institution has been very close to you throughout the years and definitely we take great pride in the fact that you are coming today as the assistant secretary. As I was thinking about this even this morning when I woke up I said, well, we have a double feature. We have the panel and then we have the keynote, but we also have a double feature in one sense which is that with Arturo we have a combination of both the diplomat and the scholar. And a place like Brookings is the right place to see if we can extract from that interesting combination the, you know, your vision, your wisdom about the relationship between the U.S. and Latin America that goes beyond these diplomatic recounts of how many visits you've made and who met with who and, you know, all that; more about that strategy and long-term vision.

For those of you who do not know the Assistant Secretary well, he's a well-known and regarded political scientist; he's been the professor of government at Georgetown University for many years now. He was also a professor of political science at Duke University. He's -- in these two institutions, he's directed the Centers for Latin American Studies. So, in that sense, he's built a reputation as a leading scholar in the issues of governance, democratic reform, rule of law, institutional building, widely read throughout

his publications and widely influential.

But he's been able -- as in, this is one of the highly remarkable aspects of his curriculum -- to combine that with a very successful career in government as well. As you probably know, he served during the Clinton Administration as senior director for Inter-American Affairs at the National Security Council. He also had a stint at the State Department as deputy assistant secretary for Inter-American Affairs. So, you know, that combination of exposure to key government positions, but also to research and scholarship, I think it's unique. And it's actually a privilege for our region, our part of the world to have someone like him taking the leadership of U.S. diplomatic policies in Latin America.

Let me -- before I give the floor to you, let me give you a sense of what I think is the current thinking about these things -- at least in venues and in groups like the ones we've assembled today.

First of all, it is very difficult to talk about one Latin America policy. It's very difficult to talk about the U.S. policy towards Latin America, in general, I think, because Latin America is, if anything, is not unity. Latin America is highly divided, there are different problems, there are different approaches, there are different strategies, different countries have different priorities in the sense of what they want to accomplish in terms of relationship with the U.S. So, that makes it very hard to speak about the Latin American policy from the point of view of the State Department.

The other aspect is that a lot has taken place. Not in the last decade or so -- which, you know, we could spend hours and hours speaking about -- but if we just talk about the last 18 months, since the time the Obama Administration began, since all these reports that were published, you know, around the time of the inauguration on recommendations -- one of them actually done here by a group of highly prominent

individuals at Brookings, but others had also reports issued at that time -- a lot has changed. And I think what has changed is that Latin America has a sense of self-confidence and self-esteem which is growing stronger, and it has grown stronger as a result of these global recession.

The fact that Latin America withheld the recession relatively well, was able to, for the most part, grow last year, was able to adopt a series of policies to offset the effects of the global recession, has generated a sense of -- as I said, of self-confidence and self-trust.

Latin America has also been exposed to presidential elections. And the presidential elections have, you know, already concluded in countries like Chile and Colombia. It's in the process of elections in Brazil right now. And there is also those elections are quite interesting, because they are showing that at least for the case of Chile and Colombia, the defense of a market economy, engagement with the rest of the world, a good, sound relationship with the U.S. are things that the electorate is favoring.

And those, I think, are aspects that one needs to take into account. Of course, we could also talk about Brazil. There was a long discussion about Brazil in the Q&A session, and the general sentiment there is that yes, there are these positive aspects about Brazil and the way Brazil is growing stronger, but then there are also concerns about some of the approaches that Brazil has taken, especially in the international arena. And one does not need to mention the specifics.

And I'll just end these interrogatory remarks by saying that I don't know if you are familiar with the latest polls, particularly the Pew Research Center's Global Attitudes Project. And it's interesting because they just released the last data and there are a couple of questions are -- you know, interestingly because -- they're interesting because they reveal a change in the mood of Latin America relative to the U.S.,

especially for the countries that are surveyed here, which are only Argentina, Mexico, and Brazil.

One question that really got my attention is this question about the U.S. favorability rating. And the largest drop in favorability among these large list of countries between 2009 and 2010 -- keep in mind that these surveys are collected around April and May each year -- was in Mexico. The favorable rating of the U.S. in Mexico dropped by 13 percentage points, much larger than the drop in other parts of the world like Egypt, for example, where it was a drop of 10 percent.

And when people are asked about the perceptions and their views of the U.S. president there is also a change, and it's a change that is worth highlighting. In Mexico, the answer to the question of whether the U.S. president will do the right thing in world affairs, which had a 55 percent approval in 2009, dropped to 43 percent. That's -12 percent decline in the perception on the U.S. president in Mexico. There was also a decrease of the same magnitude in Argentina, and these were the two largest declines relative to other parts of the world, including the Middle East and Asia.

So, that shows that this sense of the opportunity that arose when President Obama came to power and the fact that President Obama had a great favorable opinion in Latin America -- that Latin Americans really related to President Obama in a very special way, in a way that was not really -- had no precedent. And that had to do a lot with language that President Obama used in the way he approached Latin America, but also had a lot to do with the way in which President Obama came to power and the proposals of his campaign. That can be fading slightly.

So, that means that that opportunity that many of us thought that could be captured by reengaging with Latin America has to move fast, and has to move fast because it is not just about the policy. It is not just about what these numbers say; it is

also about the sentiment of the electorate. And the sentiment of the electorate can -- if things do not materialize in concrete issues, the sentiment of the electorate can move in ways that are probably not in the interest of the U.S., particularly in countries like Mexico.

So anyway, those are some of the topics just for your benefit and for your information. We are, as I said, delighted to have you here. We're going to listen to your keynote and then we're going to open again for a few questions, with your indulgence, from the public.

So, thank you very much for accepting our invitation and we look forward to your comments, Arturo.

MR. VALENZUELA: Thanks very much. It's a delight to be here and to see so many friends and colleagues and to be, as you say, in an academic venue. It's -- which means, of course, that I can take the liberty to put more of my academic hat on and I'm very comfortable with it.

And it's true that there's a lot to talk about. I don't have a keynote address. I had one, which when we originally thought that I would be able to speak this morning -- but I've decided to just react to some of your comments and to raise a few points so that we can then have a discussion.

In fact, the reason why I wasn't able to come this morning is because the Secretary did have -- with the regional assistant secretaries this morning -- a meeting in which he does kind of strategic overviews of what's happening in different regions of the world. And these are all the sort of regional assistant secretaries. And when you sit in a meeting like that and you hear what your colleagues are saying about the situation in Africa or the situation in the Middle East or the situation in South Asia or the situation in the Far East and the challenges that the United States faces from a foreign policy and national security perspective elsewhere -- Europe and so on and so forth -- and you then

come to the Western Hemisphere, you realize that in some ways everything is relative. And that indeed despite the enormous challenges that the countries face, that the United States faces in this hemisphere, that in many ways we're in a very good time.

And this allows me to put my more academic hat on to just simply remind you that we're not in the same place that we were in the 1980s. That if you go back and look at the long sweep -- I was asked by Leslie Bethel once to write an essay on the emergence of democracy in Latin America for the Cambridge History -- from, you know, 1930 to the -- in that case, the 1980s. But it was essentially a 20th century overview of democracy. And it meant, looking back, at all of the various key periods where there was something of a democratic opening on a continent that was founded -- as was this country -- on the basis of the ideals of the enlightenment.

There were some geopolitical problems. Napoleon, you know, essentially overtook Spain and so the king was kicked out and the original cries, you all remember, for (speaking Spanish). No, it's not that everybody was necessarily committed to the enlightenment, but in the earlier period of independence you found that it was, in fact, the Americas, it was the New World that adopted this radical conception of authority based on popular sovereignty through written constitutions and specific rules, rule of law; in Bayber's terms, the authority, a rational, legal type authority based on the notion of popular sovereignty as opposed to traditional authority of kings or charismatic authority of religious leaders, which is what Bayber had in mind.

And if you -- but if you look, of course, at the sweep of Latin American history it was a very -- it was very hard to consolidate these processes. Some countries succeeded in doing so, you know. If you go back -- if you could compare Chile, for example, with some of the European countries at the time, Chile's electoral turnout was about the same as Norway's in the 1840s. And from 1830 until 1973, there are only 13

months of unconstitutional rule in Chile. Now, there are disruptions, you know. 1892, 1924. And that contrasts significantly from societies where there was really no capacity ever to be able to establish a pattern of constitutional rule.

And I don't want to take too much time, because I want to be able to open up to questions, but simply -- this is just as a reminder that you have different phases and periods. So you get, for example, a period of consolidation of oligarchic -- admittedly, republicanism -- towards the turn of the century. And there's a period of opening right before the Great Depression and then again right after World War II. But where we're going with this is just simply to say, this is the longest period in the entire history of the Americas as sovereign independent states of continuous constitutional rule, despite the ups and downs.

There's 16 presidents that didn't finish their terms of office. But unlike the past when they were overthrown by military coups -- remember, from 1930 to 1980, 40 percent of all changes of government in the Latin American countries were through coup d'état. And this is a situation today, beginning in the 1980s and on, when in country after country after country you have a process of insipient difficult consolidation of constitutional continuity and democratic governance. That's why the coup in Honduras was so, so, so serious. And that is why the United States joined all the countries in the Americas in condemning the removal by force without due process of law, you know, a concept that is so dear to our Western traditions that goes back to 1215, you know. To remove anybody -- whether it's a citizen or whether a president -- by force without due process of law, that is without being able to defend him or herself, is just simply not acceptable in this context.

So, this is a -- in that sense, if we look at it from that point of view, we're really in a very -- it is the longest phase. It's Huntington's third phase of democratic

governance, and we're seeing some progress. And as kind of again, as an academic who's looked at the processes of a democratic consolidation not only in Latin America but also elsewhere, you know, we have to remind ourselves that these are not easy processes. In fact, it's not after World War II that significant countries in Western Europe were finally able to establish and consolidate significant -- you know, democratic processes. And some of Christian Europe today is still struggling in that regard. So, this is where we stand.

And this leads me directly to one of the points that you made, and that is any policy on the part of the United States, even if it's premised on this fact that we're facing a period of general continuity and constitutional rule, has to be premised also in the fact that there really are discontinuities and that there are regional differentiations that are really significant. Not only are countries different in terms of their paths, also sub-regions within the western hemisphere are different. So the realities of a Central America or the realities of the Caribbean or the realities of the Andean Region or the realities of the Southern Cone are going to be different. And policies need to be smart enough that they don't just simply apply a series of conceptual constructs in a sort of cookie cutter way to the whole region. You have to sort of be adaptable.

And that's precisely what the administration is trying to do. There are four pillars to the policy. The pillars are, you know -- to start with, addressing issues of competitiveness and social exclusion. There's just no question that the fundamental and single greatest challenge that all of the countries face -- and here I'm going to say all of the countries, because I'm not going to just differentiate some into a greater degree than others -- it's become much more competitive in the 21st century.

This is the case for countries that have been successful, because they need to go even further, you know? Value added competitiveness; the ability to be

effective economically in the 21st Century requires a different sort of approach and a much greater commitment than Latin America's willing to so far make. And, in fact, our countries are falling behind. Even the success stories in Latin America are not necessarily there, you know?

I think about, you know, in the case of Chile. Everybody talks about Chile, but people realize that now, in fact, there really -- in order to be able to get to the standards that Chile requires going to have to invest much more in education, in technology, and that sort of thing.

It's investment in infrastructure; it's an investment in people. And that third pillar -- infrastructure, people -- the third pillar has to be institutions. Those countries that are going to be the most successful are the countries that are going to have stronger institutions.

So our policy, then, the four pillars are: the first is competitiveness and social exclusion because widespread gaps of inequality are simply not viable over the long haul. The second, of course, is the issue of public insecurity. And the questions are crime, narcotics, violence, and that kind of thing, and we need a much smarter and more effective strategy to do that. This means two critical pillars: one is we have to work far more effectively in a multilateral fashion, including sub-regionally. So, we have to work with CECA, or with a certain group of Andean countries or whatever on these issues of crime and violence. The Caribbean is another place where we're worried; of course, Mexico.

But when I said that there are two elements to a successful or a smart strategy, one is to really genuinely engage in a multilateral fashion. This is not the United States going in in a bilateral way through a bilateral approach to try to address these kinds of problems with projects and programs in specific countries when we're dealing

with a transnational problem -- transnational problem requires transnational solutions and it requires solutions of cooperation among countries. And that's absolutely critical.

The second is that the object has to be different. The approach has to be different. It can't just be the old approach of going in and eradicating, for example. It has to be a holistic approach, it has to be an integral approach, and it has to be an approach that, in fact, in the final analysis doesn't really put the fundamental emphasis on things like police or military or the hard side, but puts the fundamental emphasis on such things as creating and strengthening law enforcement institutions and creating the justice systems and the rule of law. Or as the -- one of the four pillars of the Merida Initiative with Mexico is building viable communities. You know, ultimately alternative development has to be a critical part of this sort of thing.

So, the integrated approach to this is critical. It has to be viewed not so much from a law enforcement perspective; it has to be looked at from -- in the case of narcotics strategy, as also a public health perspective where the issue of demand becomes a very central part of it. Secretary Clinton's comments when she went to Mexico echoed when she said, look. We're here in this because we have co-responsibility. We have a co-responsibility because the United States is one of the largest consumers of these sorts of things and, therefore, we have to engage with you in a respectful fashion in order to be able to come up with common solutions so that we can work together effectively to do that.

But the narrative has been changing, too. It used to be said, ah, well, you know, from a southern perspective, South American perspective was, you know, how come you do all the consumption and then this -- what it does is it creates right here, you know, a production process that in turn contaminates and corrodes institutions, which it does do, you know? This is a terrible side effect of this sort of thing.

The trouble is that that narrative is -- today is even changing with increases in demand within the countries themselves. And you see different demand patterns with demands increasing very significantly in Brazil and significant in Argentina and other places. So it's no longer you consume and we produce and we have to pay the price for producing while you're consuming. We're all in the same boat and that's why a strategy has to be one that takes smart approach to law enforcement. At the same time, a smart approach to dealing with this is a public health issue, on in which we're cooperating now much more with our counterparts on things like demand reduction and things like that as well.

And our -- if you look at our programs, whether it's CARSI, the Central American Regional Security Initiative, or whether it's CBSI, which is the Caribbean Security Initiative, which are just beginning. It takes a while to get these things through; it takes a while to get the funding processes through. We're facing a very significant and difficult funding challenge in the United States government, as you all well know.

But you know, this is not about aid. It used to be said -- I remember when I was back in the Clinton administration everybody said, look, it's trade, not aid, you know. And so everybody went and said, it's all trade. Well, it's not all trade. It has to be a holistic approach. We need to think about the -- trade is not a magic bullet in the same way that aid actually is also not a magic bullet. It depends on how these programs are constructed. And we're redefining how these programs are constructed.

Let me say on this question, too, that we're taking very, very, very seriously the fact that we have to cooperate with other countries in moving ahead. This is no longer about the EU having its programs in Central America and the United States having its programs and its own negotiations with the CECA countries in Central America or the Canadians. In fact, one of the things that we've done from the beginning -- and

I've, you know -- I've been more on the road than I've been in Washington. And it's not only to Latin America, but it's also to Spain, to France, to Canada, to other places. I'm going to be going to China; I'm going to be going probably to Japan. I just saw some Japanese in my office the other day.

We're working together to see how donor countries can be more effective in coordinating their strategies so that we can have common, smart strategies. We might emphasize different sorts of approaches, we might invest more -- as the European Union does -- in a significant contribution to CECA through customs union reforms. But how do we, for example, address things like judicial reform or the strengthening of judicial institutions? Maybe it's better to do that not on a bilateral basis, but also working on a multilateral framework through something like CECA but with all the various different donor countries at the table with a common set of priorities.

And, you know, this is a conversation that rings well everywhere. Everybody's committed -- I'm talking about the donor community at this particular point -- to these objectives. And we all know that our assistance is limited and is not about assistance anymore. As the Secretary of State herself has emphasized in several of her speeches, and she certainly did when she was in Central American and other places, this is an issue of a different definition of co-responsibility. Co-responsibility may be, oh, we're also involved in this struggle against narcotics trafficking because, in fact, we're consumers. But co-responsibility also means, listen, if we're going to work with you to try to strengthen the institutions of police, of governance, and so on to be able to meet the challenges that countries are facing, then you will also have to be prepared to make some of the critical reforms. You know? You have to -- as the Secretary has said several times, you have to start paying more taxes, in many cases.

And it's true that in many countries your elites will say, why should we

pay more taxes if it's going to be paid to corrupt governments and, in fact, we're not going to be able to -- so, you know, it's this perverse sort of logic where we won't pay taxes and get effective law enforcement institutions because we don't trust the law enforcement institutions, and so they create private armies. And so they fund private armies, you know. We have to get away from that sort of thing.

Ultimately -- and this -- I said that we had four pillars to this strategy. The first was competitiveness, the second one is security. The third has to be governance. Governance is really very critical. It's going to -- ultimately, that's the single most important thing. You're not going to be able to address issues of competitiveness, you're not going to be able to address issues of social exclusion, you're not going to be able to address issues of crime and violence in the trans-national threats unless you have strong, legitimate, effective governing institutions. And this, in turn, is commitment by the countries.

But where the international donors and the United States can play a much more constructive role in this much more -- what I might call "respectful dialogue." But it has to be a respectful dialogue based on the notion of co-responsibility, in a true sense of the word.

The fourth pillar of our emphasis is an element that's of great importance to this administration, that you are all aware, but it's also very important for all the countries of the region, and that's alternative energy sources, climate change, environmental protection. All the issues of deforestation, all the things -- which goes back to the whole notion of sustainable development as being a critical priority.

And this degradation that you see in so many places -- I was just in Peru not too long ago. And when you fly over the Amazonian basin in the Peruvian area, where the damage that's being done through deforestation -- or also certain kinds of

mining, like gold mining, that leads to mercury, you know, going into the rivers and contaminations of that sort of thing -- are a significant, significant problem for the sustainability of development in the region. So we're committed to working respectfully with countries in that regard as well.

So I think that, you know, that's the overall contract of the policy. I would argue that so far we're doing very well. While there may -- you know, I haven't seen the full results of the Pew poll. The Pew poll, unfortunately, I think only has Mexico, Brazil, and Argentina in it. But if you go back to the Latinobarómetro poll of last year, it was pretty striking.

Now, maybe there's been some slippage, but when I was sitting in this meeting this morning with the other assistant secretaries, I happened to mention -- because several people mentioned, well, what's happening? I think the Secretary even asked, what's happening with the trends in terms of public opinion in the world? If you look at Latinobarómetro poll, there's no country -- and this is only -- the sample is only in Latin American countries; it doesn't include the Caribbean. There's no country in Latin America where the valuation of the United States foreign policy, you know, was less than 58 percent. There were 13 countries where it was above 65 percent, and there were 8 countries where it was above 75 percent.

This is a stark, dramatic contrast with 2003, 2007 where when elite opinion polls, including Latinobarómetro itself showed, you know, acceptance of the United States and U.S. foreign policy in the world at one of its lowest points. So maybe we did take a very significant bounce. Perhaps there's a bit of a decline here and there, but generally speaking I think that we're in pretty good shape in terms of the support that you find from mass publics within Latin America.

And this makes it much more easy for us to also move ahead and push

in to strengthen the organization of American states, to develop a stronger dialogue among countries, to push back on some of the countries that have a very clear anti-American argument.

Our policy is not to think about the hemisphere in Manichaean terms. This is not about the good guys that are on our side and the bad guys who are against us. We will -- you will look askance at anything that our friends do, and we will lambaste our enemies -- this Manichaean view of Latin America is just simply not an appropriate one. It's not appropriate way to do foreign policy.

We engage each of the countries in the sub-regions on their own terms. We're mindful of the fundamental historical differences, and the processes that lead to the development of certain kinds of leaders. You know, Morales is a very different kind of phenomenon than Hugo Chavez. And the response of historical realities are very, very different.

And then finally, if I might make a comment about Brazil. Brazil is a very significant partner for the United States. It's a country that is rising in importance in the world. It's a country that was historically very autarchic. Ironically, it's very much a country very similar historically to the Untied States. The United States was also a very, in a sense, autarchic country. And Brazil is much slower, for example, in opening to the outside world.

And it's a country with whom the United States has a whole range of cooperative activities. Craig Kelly mentioned one this morning, but if you just sort of -- if I look at what the State Department is doing with Brazil and so on, it is across the board very, very significant. We have to have a strong, effective relationship with Brazil. That doesn't mean that we may not disagree on certain things. And as we have -- it's been very much in the news that, in fact, the states and the Obama Administration has been

disappointed on the position that Brazil has taken with regard to the Iran situation. That doesn't mean that we don't continue talking to them and we won't continue a dialogue with them. Quite the contrary, that's very important.

On the other hand, let me say this, too. We are mindful of the fact that the United States plays a very important role in Latin America in the eyes of other countries. And that the suggestion that was popular in this town at a certain point not too long ago that, oh, well, you know, we have so many other challenges elsewhere in the world that we should just sort of simply think, let's have just a relationship with Brazil and not pay attention to anybody else. Have Brazil do U.S. foreign policy in that region. That, of course, is not a viable construct at all. The United States can play a very significant role in the region -- both with Brazil but also with other countries. And other countries look to the United States as well.

In some cases, it's something of a counterfoil to Brazil. As they advance their own interests, what we need to do is we need to be -- you know, we have a relationship with Brazil, but we also have a very respectful relationship with other countries in the region, mindful of the fact that our fundamental national security and foreign policy interests are what in the Western Hemisphere. Why should we worry? Why should we be concerned? Why should we be having this kind of discussion?

We have vital interests in the Western Hemisphere. They're extraordinarily vital interests, and there's a whole range of topics that you could cover if you want to address why we have vital interests in the region. But how can we best, you know, address those vital interests and meet our national security objectives? It's by encouraging the development of strong, viable, democratic societies that are prosperous, that address the problems of their people.

This is a region of the world that I like to remind my friends from other

places that does not have, at this particular point, a redentus politics, the politics of nationalism that drives wedges between societies. This is a continent where conflicts between states have pretty much been put aside, although here have been some difficulties in the past. This is a continent where you have a reduction, generally speaking, of expenditures in armaments. And that was a discussion that was on the table in the last OESGA. That's a welcome trend, if you're really looking for resources in order to try to expend in the other things that are important: you know, encouraging competitiveness, investing in people, and strengthening institutions of governments.

That's what our policy is. If you -- it may not sound really grandiose, you know. But what is grandiose? It doesn't have a label. Some people say, well, you need to put a label on it. (Speaking Spanish) Latin Americano, or (speaking Spanish) Americano, or something like that. The New Deal, *El Nuevo Contrato*. I don't know, what's (speaking Spanish)? You know, historians and students may like that because then you can put a capsule on it. There's big-stick diplomacy, and then we move to a new deal, and then we had the Alliance for Progress, and then what? And then we had nothing. Because we didn't label it, we didn't have anything?

So give me a label. Maybe what we should do here is if you could just send me an e-mail or something like that with a label and see what we put on this particular thing. I can tell you that there is a (speaking Spanish). There is a (speaking Spanish) and the (speaking Spanish) is a really significant one of countries that, in fact, share for the most part significant values and countries that are working together to overcome many of the difficulties that we have that are in the interests of the United States as well as in the interest of all the countries in the Americas.

Thanks very much. (Applause)

MR. CARDENAS: Thank you. Thank you very much. I gather you have

a few minutes to stay with us.

Let me -- before I open up, I'll give you the floor. Just make a couple of points. I think you are absolutely right that we've come a long way from this kind of like framework in which the U.S. was lecturing Latin America on what to do, and Latin America was at the same time blaming the U.S. for all its problems and difficulties. So, finding that middle ground that is more pragmatic is not grandiloquent. It's more about common issues; I think that's the right approach. And that actually was the spirit of all this work that was done before the elections here in '08.

One thing, however, I mean, I relate very well to the anxiety of the building blocks. And I think the building blocks are a good way of articulating policies to highlighting priorities. I think they're conceptually very useful, these four building blocks.

However, some of those blocks are more in the area of policies, strategies, objectives that are domestic in spirit. Is what the countries themselves are doing.

I mean, if you ask people in Colombia, one of their big goals is to increase competitiveness. Same for social inclusion. I mean, different countries in the region in different ways have been trying to do that. And I think to some extent, in a good number of countries, succeeding.

I think same wise for governance. I mean this idea of strengthening institutions, not just holding elections but also respecting the rule of law, the system of checks and balances -- all of that is ingrained in our own objectives. That's something that's part of the, say, political process internal in this country.

So when people look at the U.S. -- and I'm speaking with some liberty here, you know. Speaking on behalf of what I feel and what I sense is the attitude in Latin America towards the U.S. It's not really about those issues; it's more about what

the U.S. can do to improve. What can the U.S. do in terms of, say, trade or in terms of demand for drugs or in terms of immigration policies? Things like -- that could compliment, if you wish, those strategies, those building blocks. Those building blocks, you know, give and take could be at the same time development plan of a country -- of a particular country.

So, I think the point of intersection with the U.S. is really about U.S. policies that could, for example, promote trade. And that speaks of issues like trade agreements. Those are the things that really could enhance trade and I think countries like Panama and Colombia will certainly make sure that they do everything possible to enhance their competitiveness. But they also need the trade aspect and the trade aspect is the U.S. But I'm sure that that's not just Colombia and Peru. I'm sure that in conversations with countries like Ecuador it's the issue of trade preferences and everywhere.

On the public insecurity front. I think that's a really interesting concept, and I really think you've got it right by putting a lot of emphasis there. This is what we in Latin America call the (speaking Spanish). It's a key concern for people. I mean, you cannot be elected to office in Latin America if you don't put that at the top of your list. But when people think about the intersection between that objective and the U.S., they think, well, yeah. The U.S. can help us deal with organized crime and with the supply of drugs that is at the very root of that problem. But the key issue is demand, and we need to see action on the front of demand. These ideas that you were mentioning, more discussion about treating drug consumption as a public health issue rather than a criminal behavior.

And guns. I think guns are fundamental, and I think that if there is nothing -- I think there is nothing that could be more damaging to the relationship with Mexico if there is no greater control on the flow of illicit weapons from the U.S. to Mexico.

I was actually quite discouraged by reading the *Washington Post* this morning that has the recounts of the ruling that was issued this past week by the Supreme Court that makes that even harder.

So, those are the issues. I mean, it's that intersection where I think that there -- that these strategies and these four pillars could be part of a meaningful policy with Latin America.

One aspect of those pillars that I think encapsulates perfectly this spirit of the change in the relationship is the energy and climate partnership of the Americas. That is exactly right, because it's about a new area of collaboration -- a new area in which the U.S.'s own interest is to have these alternative sources of energy. And I may say also that traditional sources of energy -- the fossil fuels -- in a way that is sustainable in Latin America. But that, of course -- I mean, that had a good start. The summit of the Ministers of Energy was good, I think it was encouraging. They had a lot of high profile. But we need to go beyond that and we need to start finding these common projects, specific things.

Like for example, a laboratory that will develop these solar, wind, biofuel energies. And that countries can all benefit from that public knowledge. And those ideas, I think, have to materialize. Not to speak about the tariffs on ethanol, which I think are an important part of the equation.

So, I'll just say that it's well-conceptualized, I think, this idea of the pillars. But I will tend to move in the direction that you avoid falling into trap of lecturing about what's good governance, about what's -- what countries have to do to improve their competitiveness, and you stay more on this side of the problem, which is what can the U.S. do to make sure that these economies are competitive, that they're socially inclusive, that there's good governance. So, not to repeat the cycle of lecturing that

actually is followed by the blaming. And that's what you want to avoid.

So, those are just some general thoughts. Now, let's open. You've been waiting. You two -- we have two journalists, we have to know that. And then we'll go to you, and then you.

MS. SHADU: Thank you. Sonja Shadu with Globovision Venezuela.

Dr. Valenzuela, you already leveled the relationship with Venezuela yesterday in your remarks by saying that it's the most difficult one the U.S. is having in the region. So I would like to know, what are the specific points in this relation that makes this relation difficult? What can be improved to make it better? What will be the silver bullet in this relation? Or has the U.S. given up?

Thank you.

MR. CARDENAS: I think it be best to collect a few. Yeah.

MS. MORALES: This is Isabel Morales for RCN in Colombia.

My question basically is you mentioned a new approach for different countries. Could you be more specific how will be the new approach with Colombia with the new president? And also, what do -- how do you think Colombia and people could be interpreting the new President Obama saying there will continue with the process -- with the negotiation with trade agreement with Korea.

MR. CARDENAS: The lady in the back and then we'll go to you.

MS. McBRIDE: Yes, Kelly McBride from the Carter Center.

My question is about a *desencuentro* which we hope will move to a *reencuentro*. I'm talking about Bolivia, and I'm interested to know how the dialogue is going there to reestablish diplomatic relations, especially the concerns from Bolivia about the U.S. aid practices in that country.

MR. McCULLOUGH: John McCullough from the Fund for Reconciliation

and Development.

I want to ask about the policy in which the U.S. is least in conjunction with Latin America and the Caribbean, which is Cuba. Two aspects. One is, when Secretary Clinton testified several months ago to a congressional question, she said that the administration would not object to -- would obviously, therefore, not veto -- a legislation that ended the embargo. Is it fair to infer that the administration would not object to and would not veto the way the Bush Administration threatened the legislation that's before Congress tomorrow for markup on ending travel restrictions?

Second question should go very close to your heart as an academic. How much longer will this administration continue the Bush Administration policies that make it extremely difficult to have educational, cultural, religious, humanitarian, and other forms of non-commercial visits to Cuba?

MR. CARDENAS: The gentleman in the back.

MR. VERAS: My name is Gregorio Veras. I'm a reporter for Televisa Mexico, and I would like to ask you, Mr. Valenzuela, U.S. and Mexico are struggling with the Mexican cartels, and sometimes it seems like they are succeeding. But we can also see serious setbacks, like the murder of the candidate to governor in Tamaulipas, which was considered like a national tragedy. How do you think -- what do you think about this assassination? And how do you think Mexico is going towards the path that Colombia lived about 10 years ago? And when do you think the violence can end?

MR. CARDENAS: I think we'll stop there, because we have a lot -- ladies, full.

MR. VALENZUELA: Okay, thanks very much.

Look, let me just -- a quick response to your comment. When I said at the outset that it used to be it was trade and not aid, and then I said the emphasis was all

on trade -- this was -- and then I said trade is not enough. When I said trade not enough, I meant trade is not enough. But I did not mean it's not trade.

I think trade is extremely important, and in fact, you know, it's been proven that trade lifts all boats. It's a sure strategy that has to be done in such a way that you also have trade adjustment policies, that you have environmental policies, that you have labor policies. And in that sense, the discussion on trade has evolved, and in the right direction. But the administration is completely committed to a trade policy, and working with the Congress trying to get that going.

And that does lead me to the question on Colombia. We are committed -- we continue to be committed to a free trade agreement with Colombia and with Panama and, you know, I would look forward to eventually to try to see how we can expand, even, the trade agenda.

And then your other -- the other -- the suggestion that you made, you know -- what more can the United States do from its side. I -- there's no question that -- and I'm not going to get into it in any detail. It's -- issue of immigration reform, for example, are very important in that regard. And one of the things -- and here I put more of my academic hat on than my policy hat -- one of the things that's often difficult is, sometimes the domestic debates are debates that take place on issues that also have a significant international impact. And when they have a significant international impact, there's tendency -- and this happens in any society -- to downplay the international foreign policy or national security issues. And certainly, I don't think we're going to have a debate on immigration issues without thinking about the national security and the foreign policy implications of it with regard to countries like Mexico and countries in the Central America and other places like that.

So, it's something that needs to be factored into. Although that's, in

some ways, above my pay grade once it gets to be a domestic issue. And it has to be dealt with in that kind of arena. But if I'm asked as a foreign policy expert or even as an official of the U.S. government, what do you think about some of the challenges that we face? I would have to say, yes, indeed. You know, unless we were able to address significantly the problem of comprehensive immigration reform that does have a significant foreign policy implication for other countries.

And you can say that about a series of other things like this. It happens in any society that your domestic politics -- trade policy gets very much involved in this, you know. The issue of -- well, anyway, I can go on and on.

And so, I think that that -- I think with regard to just to add on Colombia. We, you know -- our approach with the new government of Colombia will be the same. We want to continue to have a strong relationship with Colombia and want to work with Colombia moving forward. And, you know, there is an ample dialogue with Colombia that we've had for a period of time. But it's a country that we've -- you know, I've certainly myself have been deeply involved with Colombia, having been at the White House in 1999, 2000, when we worked on a bipartisan foreign policy towards Colombia, which became Plan Colombia from our side.

The thing is that one of the things that we have to be mindful of, too, is that in bilateral relations over a period of time, things change. And so, you know, in this particular situation because there's been successes on the counter drug effort and the security efforts in Colombia, some of the assistance needs to be recalibrated and rethought in different directions. But that doesn't mean that we're no longer as committed to Colombia. That's simply not the right reading of it. And the Secretary did meet with both Santos and with Mockus, because it was during the campaign, as well as with President Uribe in the last trip.

With Venezuela, it is a difficult relationship. I'm not sure I can add any more to what I said yesterday. I don't want to go into specifics. I think we all -- you know, this is an academic audience and a few other people who are, like me, failed academics who have gone into other pursuits. We all understand what the difficulties are, and when you get, you know -- when you get certain pronouncements and when you get certain attacks -- verbal attacks and so on that are tied to certain sorts of things, it doesn't make it easy to try to see how we move ahead.

If the premise of the foreign policy of a particular country -- and I'm not going to refer to any specific country by name -- is that, in fact, the United States is the greatest enemy that that country has in the world, then it makes it much more difficult to have an engagement that's based on the premises that I've outlined here of mutual respect and of discussion where we can disagree on certain kinds of things.

If the fundamental premise is, you're my enemy and you're one of -- we need to defeat you, or something like that, then it's very difficult to have. Having said that -- and here I will use the word Venezuela -- we're open to, you know, having a discussion with Venezuela on issues of common interest. But it would have to be, you know, a frank kind of discussion.

Let's see. Kelly? With regard to Bolivia, it's difficult. And it continues to be a complicated relationship with Bolivia. We are working on trying to come up with a framework agreement. We've had continuous discussions. I made a trip just to Bolivia and not any other country just to be able to touch base with Foreign Minister Choquehuanca; I was on the phone with him yesterday. We're continuing to talk about how we might move it forward.

These matters are complicated because you have divisions within governments; you have certain suspicious that are historically based, perhaps, that we

need to understand and that we need to take into account. And also sometimes it's just simply difficult to move beyond certain constructs. It's not easy, but that doesn't mean that we're not -- you know, our policy is to work with every government, you know, on matters of mutual interest and to try to see how we could advance our relationship. And that doesn't exclude anybody. And in that sense we're trying to move forward on various different.

With regard to Cuba, I cannot say what the administration would do with regard to this legislation. I have no -- it's above my pay grade. But secondly, you know, our fundamental policy is one to try to see how we can continue to improve people-to-people relationships with Cuba. And at the same time, have a constructive discussion with them on matters of mutual interest. You know, when I said we don't exclude any country I meant, any country. And that's the premise of the discussions that we've been having where we've been dealing with migration issues, for example. And there are other things like that.

There's certain issues that are of fundamental interest to the Untied States where it -- we have to engage with countries even though we may have fundamental disagreements on other things like that. If we can have a discussion that's based on a certain degree of understanding, that we can disagree on certain kinds of things it's, for obvious reasons, much more difficult. In the case of Cuba -- you know, we have not shut down the migration talks. We continue to do that. And I think it's fair to say that, you know, we are interested in trying to see how we can think about moving ahead more to expand the things that this administration has already done. And that is, how can we encourage greater people-to-people sort of contact and exchanges.

And (speaking Spanish) Mexican cartels. (Speaking Spanish), you know, it's -- let me say it in English first. The -- obviously this is a matter of extreme

concern. You know, these assassinations that are taking place, the brutality of the fights between the cartels is something that is extremely serious. It's a serious problem for Mexico, it's -- this is an issue, this issue of crime and violence that is not only peculiar to Mexico. We're seeing it much more in Central America. Homicide rates, in fact, have increased in Central America and they're much higher than they are in Mexico. And this includes common crimes and things like that. I think Honduras is now leading the list, where El Salvador had always had very difficult -- the battles in Mexico tend to be more between cartels and criminal organizations and things like that.

But they're very damaging and they tear at the fabric of a society and they contribute to fear among people and Mexico is being hurt now with fewer tourists going because of the news out of Mexico. But this is our commitment. Our commitment is to work with Mexico to acknowledge that there's co-responsibility -- where issues like the firearms transfers in to Central America from the Untied States are things that have to be stopped, because they do add to the problem. But we're committed to working with the authorities in Mexico.

On a strategy that is one that also takes seriously the fact that it is also about building stronger communities on the border, for example. I was in Cuaras just a couple weeks ago, and I stayed in Cuaras for a couple days, and met with people in the community. Impressed by the citizens within the community who are trying to get hold of their own responsibilities in this regard. So, it's something that we're very committed.

(MR. VALUENZUELA'S FOLLOWING REMARKS WERE TRANSLATED INTO ENGLISH FROM SPANISH)

We are very much committed to working with Mexico in the future, and we know that without a doubt these deaths and murders, these violent acts cause problems to society. There is a palpable fear in certain sectors, but this must be

appropriately evaluated. We know that this must be handled with care and that the United States understands its co-responsibility and, at the same time, it is very much willing to continue working with all of the elements in genuine cooperation with the government of Mexico to solve our problems moving forward. That is our commitment.

SPEAKER: Do you see Mexico becoming more like Colombia?

MR. VALENZUELA: No, sir. No, we don't see that at the moment. *Muchas gracias.* (Applause)

MR. CARDENAS: Thank you very much. You've been very generous with your time.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

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.

/s/Carleton J. Anderson, III

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012