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Mexico-US Relations

Diana Negroponte: First of all, I kindly thank Verónica and Ambassador Sarukhan for opening their beautiful home very generously to the Women's Foreign Policy Group. I am a member of the Board of the Women's Foreign Policy Group. We are dedicated to inspiring women to follow a career often related to foreign policy, mentoring students, and providing opportunities to reach our membership and inform our members of the present issues of our day. This evening we have a special speaker. Four days ago, the President of the United States and the President of Mexico met for 24 hours of intense briefings, and our two speakers tonight are Ambassador Arturo Sarukhan of whom I have the pleasure of saying I've known for close to ten years – an academic, a political advisor, a businessman, and really top-notch. He's let us into his home, together with his wife Verónica, who is a scientist, who is now on board with the [National Museum of Women in the Arts and] the Washington Performing Arts [Society] Both of them have agreed to let us into their home, and share with us, under the careful eye of Mary Beth Sheridan, who is also a top-notch professional – a woman who at one moment was covering DC gun laws, immigration stories from the metropolitan area and is now covering the same issue about US relations with Mexico. Ms. Sheridan accompanied [Secretary Clinton] to Mexico last [month]. The two of them are going to tango.

Ambassador Arturo Sarukhan: Good evening and welcome to the House of Mexico in Washington, DC. It's an honor to host the Women's Foreign Policy Group here. It was an organization with which I entered into contact fairly early on in my tenure as Ambassador here, and I immediately understood the importance that it plays in engaging many in Washington with some of the most critical foreign policy issues, so it's an honor especially for Verónica and for me to talk to you tonight. I think the point is that when Patricia and Diana said we would do this, I thought, "Great! It will be a girl's night and

only a girl's night." I look around, and I see that it is not a girl's night and only a girl's night, but that there are all of the other guests as well who are here with us tonight.

Welcome, welcome, and I think it is very pressing, very pertinent that we talk because we certainly knew that the Summit of the Americas was going to take place on April 17th and 18th, but what we didn't know when we agreed upon this date for this session was that we were going to nail down a visit by President Obama to Mexico for a bilateral visit to Latin America, so I think it is very relevant that we're having this discussion now on US-Mexico bilateral relations.

But let me start by remembering a quote. When Henry Kissinger was Secretary of State, he famously quipped, I think it was at an event at the Council on Foreign Relations in New York City, and he was talking about the big foreign policy issues of the day, he was asked, well, you know, "where does Latin America fit in the grand, strategic design of the United States?" This was in the midst of the Cold War, and Henry Kissinger famously said that Latin America was a dagger pointed at the heart of Antarctica, obviously suggesting that Latin America was not a strategic threat or was not of strategic relevance to the United States. And I'm not going to try to put that on its head today by suggesting that Latin America today is a threat to the security of the United States, but I think that certainly, a lot of people have been aware recently that Latin America, which is less in check, could pose a fundamental challenge, not only to the economic well-being of the United States, but also to the security and prosperity of a host of nations in the region that depend on what I see as the critical engagement of the United States in the Hemisphere.

It will sound strange to some of you that a Latin American diplomat and nonetheless a Mexican diplomat would probably say that he fully agrees with what Madeleine Albright said several years back when she said that the United States was an indispensable nation. Well, clearly, the United States is an indispensable nation in the Hemisphere. It is the only country that can partner with a number of nations in the region to engage in a forward-looking, holistic agenda of economic growth, prosperity, democracy, and respect of human rights. In many ways I think that one of the greatest challenges that the new Administration faces as it comes back from Trinidad and Tobago, which I think, especially if you compare with the rigmarole and the so-called cooperation that we saw in Mar del Plata, has been a mitigated success, the Summit of Trinidad and Tobago. But if we are to build on what I think has been a very successful trip by President Obama to Trinidad and Tobago, the challenge at the end of the day is that the United States, along with some of its Latin American counterparts, will have to do it with results. And there is no more pressing result that I can think of right now on the radar screen of the United States, in its relationship with Latin America, than improving free-trade agreements with Colombia and Panama. It is now critically important, in these bilateral relationships with Panama and Colombia with the United States, for both countries to believe, like Mexico in the region, in its agenda based on open and free trade, not black-market economies with no economic accountability.

And there is much more at stake than just the status of bilateral relationships between the United States and Colombia or the United States and Panama. There is encouraging news

as we set off on a new course for Inter-American relations. I think that there is a new paradigm in place, in many ways President Obama's profile, biography, his experience as a community organizer in Chicago, his emphasis on a grass-roots to grass-tops approach, I think is critically important for a region where civil society is playing a much greater role in establishing modern co-responsibility and co-stakeholdership with public sectors in Latin America. In many ways this approach, I think, is very neatly summarized by the three D's for American diplomacy: defense, diplomacy and development. I would probably add a fourth D, which is democracy.

Let me very quickly talk about these three plus one. Of course I think that what is on the agenda here for Latin America and for the Hemisphere in general, is how we take on the few non-traditional threats here in the Hemisphere. It's no longer about an extra-hemispheric country invading a country in the Americas. How do we defend ourselves against that? It is no longer the premises of collective security as they were designed in the Rio Treaty which underpinned for decades the principles and paradigm of collective security in the Americas. In many ways, it was much criticized then, and a few days later at a conference in New York, and across the river in Virginia, proved Mexico right when President Vicente Fox came to the OAS on September 7, 2001 and said that Mexico believes that the Rio Treaty does not respond to the true threats that the Hemisphere faces in terms of security. We don't face the threat of Russia or a European power invading a country in the Hemisphere. We're facing new challenges; we're facing nuclear or biological threats, organized crime, climate change. There are a different set of issues that the Hemisphere needs to understand and address. And four days later we had tragic and dramatic proof of how the edifice that we had built on since the end of the Second World War was no longer relevant to take on some of the challenges we face, not only in America but in the global community. So I think that the issue of defense and how we go about addressing some of these non-traditional threats to the security of the United States will continue to be potent.

The second point is very important, especially when the soft power of the United States, the image of the United States, the legitimacy of the United States, whether we agree with it or not, the truth is that when you go out onto the street in any major city in Latin America, there is a profound erosion of the United States' legitimacy as a regional and global power. And I think that in many ways the United States' willingness to listen, to reengage, to turn around some of the tenets that underpinned American policy toward the region, especially after 9/11 – 9/11 is being understood in many ways like the decision to rethink policy toward Cuba – the United States' decision to at least engage, with a flaw, yes, the critically important Human [Rights] Council in Geneva, and the United States is willing to come back and engage with it. These are important steps that, I think, the Hemisphere is achieving as the United States reengages with the region.

Development has been a constant concern in Latin America of how we develop the tools to guarantee sustainable, fair, just, economic development. I think that the fact that there is talk about how the United States probably got off par with what was done in the then EEC, the European Economic Community, when the likes of Portugal, Ireland, Spain, and Greece came into the then EEC, what was called the social cohesion from it, which

we use to pull these countries up from their bootstraps and mitigate the economic and social asymmetries which existed between the then EEC and a few countries, and how it bridged the economic and social divide. No one would doubt that today, until the global recession blew up on everyone, that Spain and Ireland were two of the most powerful success stories of economic reengineering that we have seen, not only in Europe, but on the face of the whole global scene. And I think that the fact that there is emphasis on development is a very important, welcomed change.

The one that I would add is democracy, and I think in particular democracy is extremely relevant in the Hemisphere. Yet it's not democracy pure and simple, but liberal democracy that needs to gain prevalence in our lingua franca in the Hemisphere. Democracy is about who has the power, but liberalism is concerned with setting limits to that power. And it is in the divergence of these objectives that we can explain the challenge that illiberal democracies pose to democratic governance in the Americas today. Any attempts to do without the liberal elements of democracy will lead to the sort of demagogic democracy that history has shown to be disabled and a serious threat to human rights, plurality, and justice in the Americas. What has taken the Americas today is whether majority rule with minority rights—that is, liberal democracy—can globally sustain economic growth [inaudible]while ensuring human rights, tolerance, and economic relief and prosperity. This is what is being played out in Latin America today, not a fight between the left and the right. This is the true challenge, the true battle that is taking place in our Hemisphere these days. That's why I think that, at least with respect to the Hemisphere, this is a fault which should be at the quiver of American diplomacy as the United States reengages with the Hemisphere.

Whether the US-Mexico relationship is flawless? In many ways, if you look at the pressing global challenges of the day, all of them materialize within the context of the US-Mexican bilateral relationship. Whether it's bridging the symmetries between the haves and the have-nots, and with validation closing the breach between those who have taken advantage of globalization and those who have fallen behind. How have we been developing border frustration? How do you take on the challenges of potential terrorist threats? How do we take on the issue of transnational globalized crime? How do you take on the challenge of environmental policy and environmental degradation? What place does labor mobility and labor mobility immigration flow play in the regional global economy? All of these issues are present in the context of a bilateral relationship between Mexico and the United States. So in many ways, what I would like to suggest here today – although I'm not sure if we will go into some of the very specific issues, not only when Mary Beth and I engage in a conversation, but I will open it up to some questions and answers – is that the way that Mexico and the United States untie some of the Gordian Knots of a very complex, very dynamic bilateral relationship, can serve as a toolbox with which Mexico and the United States may address some of the regional and global challenges that have very similar genetic code matter for the ones that take place everyday, in and out, along our common border.

Just look at the four potential drivers that will propel this bilateral relationship forward in the coming years, and which we are certainly laying the groundwork for, not only in the

first year with President Calderón and President Obama, and with President-elect Obama in Washington in January, but also through the conversation that just took place in Mexico City last Thursday and Friday. And again, see how that addresses the three D's plus one that I have just described.

The drivers of the bilateral relationship are, and should be, first, security. We're not surprised, with a 2,000 mile border, that security plays such an important role in our bilateral relationship. And despite the naysayers or the nightly pundits on cable TV, it behooves Mexico to work hand-in-hand with its American counterpart to ensure that the border is not used to threaten, undermine, or challenge the national security of the United States. The day that happens, the relationship we have been building and developing between Mexico and the United States is over as we have known it. So Mexico and the United States need to work together to ensure that both sides of that border are secure against the potential threat of terrorists and against the clear and present danger of transnational, organized crime, working in both directions. Shipping drugs north, shipping weapons and more cash from the United States in a southern direction. You need two to tango.

The second strategic driver: how do you ensure that border security, common security, matches common prosperity? And that is where border infrastructure plays a critical role. Do we have the border infrastructure that, while ensuring that our trade and the flow of people is safe, is also expedited, competitive, and allows North America – Canada, Mexico, and the United States – to continue to compete globally with the likes of China and India? You will be surprised to hear that, as we move forward in taking advantage of the fact that both President Calderón and President Obama have put stimuli in both their economic packages for reconstructive development, and as we move forward in creating a border infrastructure that is modern and a backdrop that is efficient and that is secure, that we will probably be developing the first railroad crossing between Mexico and the United States that has been built since the Mexican Revolution in 1910. This is not the border infrastructure that we had in mind when we signed NAFTA. This is not the border infrastructure we had right after NAFTA. This is the border infrastructure that we had in 1910. If this plan goes forward, we will be building the first railroad crossing between Texas and Torreon to be developed in over a century. So this tells you the challenges that we still face in ensuring that we have a 21st century border infrastructure that allows us to ensure that, while the border is secure, we can still compete, and we can still ensure that that infrastructure is allowing Mexico and the United States to compete globally.

The third strategic driver is the nexus between energy efficiency and energy security and environmental policy. And here again, we have a unique advantage of having two presidents – President Obama and President Calderón – who have placed climate change at the center of their domestic agendas. Brazil may be leading the charge in terms of how to use ethanol as an alternative fuel, but Mexico is leading in terms of how Mexico is using its diplomacy to put these issues back on the multi-lateral agenda. Mexico rebuts the trend of emerging economies by saying, "We do have a responsibility, in regards to the size of our economy, in bringing down carbon emissions," something which has not been acknowledged by our Brazilian, Indian, and Chinese friends, who have stuck to the

mantra of well, “we’re small, we’re developing, you’re responsible, and we shouldn’t be blamed for what we’re doing in terms of carbon emissions.” President Calderón said, “This is poppycock!” Despite the fact that Mexico is an emerging economy, we do have a responsibility to play. That’s why Mexico is the only one of the emerging economies that to date has complied with the agreed mandatory carbon emission reports to the UN under the Kyoto Protocol. And that is why Mexico is leading on environmental policy, and that is why Mexico will be hosting the next major economies’ environmental conference on the road to Copenhagen, and we will be hosting next year’s summit—the Copenhagen summit of this year will take place in Mexico next year. So I think that there is not only a huge room for Mexico and the United States to together lead by example, but to use the challenge of developing green, environmentally sound technology to generate economic development on both sides of the border.

The fourth strategic driver is economic growth and social well-being. And how do we take advantage of the fact that we are two neighbors; one is abundant in labor, the other is abundant in capital. One of us will not be abundant in labor for too long: our demographics are profoundly changing, and in 15 – 20 years, our demographics will look a lot like yours. And again, even if one of the nightly TV pundits were to go on his knees to the shrine of the Virgin of Guadalupe in Mexico City to ask for excess labor to the US market, it will not be, because the Mexican demographics will have profoundly changed over the next 15-20 years. Last year was the year that Mexico added the largest number of new entrants into the labor force, and from there it will start going down. What we need is for Mexico to do what previous governments have been unable, unwilling or incapable of doing, and that is to create sufficient, wealthy jobs to anchor three hundred thousand men and women who every year cross the border into the United States. How do they get into the United States? If we can’t handle these women and men in Mexico, we will not be able to grow at the rhythms of growth that we need to grow. And second, the end date for Mexico, is that every single Mexican crossing the border into the United States does so either (a) legally, or (b) through a designated port of entry. That needs to be the end goal for Mexico. And at the same time, what we need on this side of the border is an immigration system that makes sense, that brings people out of the shadows, that not only extends to the economic and social welfare, but also security. It is much better to know who 12 million undocumented migrants are, where they came from, what their names are, where they live, than to not know exactly who you have. Second, it will have to bring back 60 thousand regulatory migrant workers from both places that have a work permit that allows people to go back and forth in a transparent, legal, orderly fashion, and cap that labor pool as part of the important effort, sector to sector. But it will also have to deal with ways in which you allow people – after having paid a fine, gone to the back of the line, demonstrated that they do not have a criminal record, demonstrated that they’re learning English, if they choose to do so – to be able to opt for a path towards some form of regulatory migrant status in the United States. So again, this is another strategic driver where both countries will have to work together.

And finally, the last strategic driver: how Mexico and the United States engage on global and regional issues. It’s not a coincidence that Mexico today sits on the UN Security Council as a non-permanent member. When we made the decision to resubmit Mexico’s

candidacy for the UN, back in 2006 when we were during the campaign of President Calderón, we surely didn't know who was going to win, whether it was going to be a Republican or a Democrat, and who he or she would be, but what we did know was that these two years were to coincide with the first two years of new foreign policy in the next Administration. And we saw that as a unique opportunity to ensure that Mexico and the United States would continue to work together on a host of regional and global issues with real common outlooks, common mentalities, and common aspirations. I believe that a country like mine, in this fully globalized world, has two choices: you sit at the table, or you're on the menu. And I certainly believe that Mexico needs to sit at the table, and by engaging in this across-the-board dialogue with the United States on regional and global foreign policy issues, that we will continue to deepen and widen the horizons of a bilateral relationship.

In closing, let me say that I remain highly optimistic about the ability of Latin America and the United States to confront many of the challenges that we face. Much of my optimism is based on what the United States exemplifies and what we as Mexicans, and what all of us in Latin America should share: respect of diversity, respect of plurality. Yet, as important as are these shared values in guiding us, the compass is of no use if you don't know where you want to go. I think that this Summit in Trinidad and Tobago should provide all of us in the Hemisphere a sense of where we want to go. And I think we need both issues taking shape and have questions tackled head-on on all sides throughout the Hemisphere. Mexico is certainly ready to do its part along with its US partner. Thank you.

Mary Beth Sheridan: Thank you very much Ambassador. Thank you for that presentation. Ambassador, you talked about a new paradigm, and indeed that was the language coming out of the Summit, a new relationship with the US and Latin America. While clearly a number of policies of the last Administration were very unpopular in Latin America – Iraq, for example – there were also, regionally, a lot of committees, the Merida initiative [inaudible] that moved ahead in terms of energy. [inaudible]. So my question is when you talk about a new paradigm or a new relationship is that style or substance?

Ambassador Sarukhan: No, nothing is ever black and white. And I believe that there were certain critical factors in the eight years of the Bush Administration that affected certain regions [inaudible] But I think that certainly, the fundamental shift that is occurring and the certain dynamic with how the US and Mexico view one another in terms of security, as it happened under the aegis of the Bush Administration. Secondly, for the many impacted, perceptions—that you may or may not agree [with], but which most definitely exist—what I think happened is that the three most critical issues, the three prisms through which Latin America [sees], in general, those three issues, during the last part of the Bush Administration, seemed to congeal. One is immigration, the second prism is Cuba, and the third prism is counter-drug policy.

In Cuba, not much changed throughout the eight years and there is a feeling that there was a reason to move the ball down the field slightly and that there would be some

profound changes of everything that's happening and everything that has happened, in the make-up of the Cuban-American community and how that's played into the policy in the United States. In immigration, despite the perception that it was a very sneaky move on the first part of the Bush Administration after 9/11's sort of collapse, and then it became very toxic with the 2006-2007 debates of Congress, and immigration reform and Congress, and again whether it's true or not, in Latin America we're at times of Republican, anti-immigrant fears towards migrants of Hispanic origin in the United States. I don't agree that this is what actually happened on the Hill in 2007, I do think that both the Democrats and the Republicans were equally guilty of allowing this to drop in 2007. I think the big perception in Latin America was that this was a Republican problem.

And the third one: counter-drug policy. You really didn't start seeing a fundamental change across the reaches of the US-Mexico bilateral relationship until the last year of the Bush Administration when they started to move forward with the Merida Initiative which I think will be seen, in hindsight, as one of the most important achievements of the Bush Administration. Not only with Bush and Mexico, because of having a co-responsibility and taking on the paradigm of the central tenets of the US-Mexico relationship was, I think, the Bush Administration's full understanding that you weren't going to solve the problem by putting Mexico on its own, that this was a much larger and more complex problem of regional security and that we needed to mix in, to bring in, Central America because of the old cliché of the working maneuver that should Mexico succeed, that it will create a problem for other countries that have Caribbean passages. Over lunch, a few four or five days before we all headed down to Mexico for the Summit, I told them 'if we succeed in doing what we're doing to fight drugs, you have a huge problem on your hands'. And so it's happening—look what is going on in Fiji and with the Dominican Republic asking you to shut down a lot of the air traffic from Colombia going into Mexico and now going out into Venezuela and eventually into the Dominican Republic and into Africa. So I think that the Bush Administration realized that you couldn't pigeonhole counternarcotics in terms of Colombia-US or in Mexico. The US has to start developing a regional, holistic approach. But I think that they came in with perceptions about the United States in its policy toward Latin America were very – they've always [inaudible] in Latin America. So it's very hard if you look at – especially this last one – being very late in the process.

So beyond economic prosperity, President Obama's statements before the Republic, which I think have had a very positive impact in terms of the perception today, we will see. We will see if this Administration is capable of talking the talk and walking the walk. And I think that the proof will be in the pudding. And I think that many leaders in the region, after the summit, will now say okay, now what? You came, you listened, but now how do you build upon that agenda? Whether it's energy, whether it's development, whether it's security and regional security; whether it's how do we engage in the Hemisphere to trigger economic growth in the midst of this global recession? How do the nations of the Hemisphere work together to ensure that when the US economy starts climbing out of recession, that the economies of Latin American can quickly latch on? So

this was a very long response to say that I think that the hysterics are right, but soon I think that the Administration will be challenged to try to produce some deliverables.

Ms. Sheridan: Thank you. What is the relationship like between President Obama and President Calderón?

Ambassador Sarukhan: I think all journalists would agree, they share certain chemistry. It's true. They're both lefties. They were born one year apart. They're both left-handed. They're both married to brilliant women lawyers. They were born one year apart. But more importantly, I think certainly what I think is a budding relationship in which both of them understand where each one comes from. Both became president after beating all odds inside their own parties. Felipe Calderón was not the chosen son of his party or its president. And certainly Barack Obama was probably not one the candidates who was thought of in the primaries as being the contender who was considered the natural heir of the Democratic Party. They both won against all odds inside their own parties before they then won their presidential campaigns. And I think that that has given both of them a resiliency, a sense of direction, and the means of profoundly affecting society, which I think is creating a very unique bond between both of them.

The first thing that you hear in Washington is that we're separate states, but this time I think you can really see the sense of a strategic partnership, the understanding of development between them, and I think that is very good news. Nevertheless there will be days when they will not agree, there will be disagreements, and there will be issues where we don't see eye to eye, but I think there is a budding relationship. Both Presidents understand the strategic urgency of pushing this relationship forward and ensuring that our two societies will remain co-stable with one another, and that yes, the United States may be enmeshed in probably more pressing geostrategic challenges – Iraq, the Middle East, Afghanistan, North Korea, and Iran. But if you measure the bilateral relationship, it assumes that the direct impact on security, on social wellbeing, on economic prosperity of Americans, there is no more important bi-lateral relationship than the one that exists between Mexico and the United States. And I think that it should be fully extended.

Ms. Sheridan: Thank you. We were talking about the Merida initiative, a lot of the talk on the Merida initiative was over in 2007. Right now I know that in Mexico the intensity of the drug violence clearly has grown enormously. Could you see, considering the furious progression, the death toll confirmed in the US... [Should the Merida Initiative be extended?]

Ambassador Sarukhan: I would be very tentative to speak on the initiative of Congress and whether or not it should be extended, but the Merida Initiative is not far from the goals of what was originally envisioned as the three-year program. Mexico, in fiscal year 2009, spent 3.9 billion dollars in security-related pursuits. In fiscal year 2010, we'll be spending almost ten billion dollars of this budget. So if you put 1.4 [billion dollars] over a three year period into the mix, should it be extended? I don't know. What should be extended is the willingness and engagement, both Congress and the Administration understand that there are no silver bullets. And that what is really important for the

Merida Initiative is that I think both nations for the first time have understood that the mutual recriminations, the finger-pointing, that have sort of back-lid our counter-narcotics efforts, if you can call them that, in the past, are no longer relevant. [inaudible] When the United States to say that Mexico is the springboard of all the drugs coming into the United States, this idea that Mexico is either a convenient resource or a springboard... this back and forth of our relationship is irrelevant and is not current to the challenges that we face. So I would say that I do hope that we decide that the main issue is all about a long-term, holistic engagement with the Administration, Congress and Mexico, at least to ensure that we are putting in play and in place the instruments – the equipment, the infrastructure, the collaboration – that we need to sustain an effort that will not be open for years. It's going to take time, but President Calderón has been saying from day one of his Administration, "The decisions that I am taking will require a [period] of several years. But I think that if we can save the level of attrition that we have unleashed on the drug [passages], if we continue to engage Congress in understanding that we need to work on both sides of the border, if we can continue to work with our office of the Administration in understanding that the gangs see that we are creating a challenge for countries in Central America, and therefore we need to develop a much broader holistic strategy to shut down and mitigate the harm that the drug Cartesians are making in the Americas. Then I say yes, I think that it should be a mental, philosophical, policy approach that will go on because it will require a program of long-term engagement.

Ms. Sheridan: We're going to ask a few questions now from the audience.

Patricia Ellis: I was just wondering if you could talk about the increasing role of China throughout the Hemisphere and how do you see this playing into the situation in Latin American countries? And how do you see this affecting the US role and leadership?

Ambassador Sarukhan: I think like you mentioned it: it's not moralistic. It's a very important country with sovereignty in the region. As this is a public forum – diplomats and flies have one thing in common: they can all be killed by newspapers – so I'll be careful with how I say this. I personally do not think that China is a strategic challenge because I think China is all about commodities. And certainly there is more than just that in Latin America today. That may change and there may be a process in which China understands its role in the Hemisphere. It can exist under different paradigms. But as for today, China hasn't had access to the commodities that it needs to continue undercutting the economic development.

Question: Hello, my name is Graziella Reyes, I am the Permanent Mission Representative of Uruguay to the OAS. Mexico has an extraordinary reputation [in terms of engagement in international security institutions, such as the OAS] Commission of Security. How do you make compatible that very good image internationally with the institutional problems you have inside the state? [...]

Ambassador Sarukhan: I think that what has already been explicitly stated by President Bush has now been sort of moved one step further by Secretary Clinton, Secretary Napolitano and now the President puts Mexico in making revisions in the mantra of the

bilateral relationship and how it relates to organized crime. I do want to mention Mexico, and Mexican diplomacy in the Hemisphere compatible to what goes on inside Mexico. I think that because we have so many challenges that we face, we try to assure that at least diplomatically that there is some dynamic in the Hemisphere. We're not suggesting that what is happening in Mexico today, inside Mexico, the level of violence, is not happening in a vacuum. What do I mean by it's not happening in a vacuum? I mean that we sit next door to the largest consumer market in probably the world and that involves one of the largest markets of illegal drugs in the world, which is the United States. So already there is a demand for drugs. Second, the pattern of violent crime as it relates to drug trafficking that we see in Mexico, did not begin here. The result was the United States' success in shutting down the Caribbean routes from Colombia into Florida in the 80's and having the then drug cartels in Colombia, figuring that if that traffic route was closed to them, they had one point of very small assistance which was through Central America, and Mexico, and into the United States. That at the end of the day fundamentally changed the nature, the scope, and the violence of organized crime in Mexico. Why? Because until then, the Mexican drug syndicates were, I don't want to say, mom-and-pop operations, but they were basically based in and focused on marijuana. And two, they took part in the US-Mexico border for decades. What happens is that when cocaine starts coming in through Mexico, there are two stages in the process. First, the Colombians use the Mexican drug syndicates as mules. All that Mexican drug syndicates do is basically ensure that cocaine coming across the border of what now is Belize, is delivered safely across the US-Mexican border, almost immediately. They control neither production nor distribution in the United States.

When Mexico starts becoming successful in the mid-1990s and shutting down leverage of drugs coming from Colombia into Mexico, we start seeing a fundamental shift which explains why the drugs syndicates in Mexico today are so famous, so powerful, and so wealthy, which is what the Colombians decide that their Mexican counterparts would be much better motivated if, instead of paying them with cash, they paid them with cocaine. They paid them in time, they gave them cocaine. And what this does is overnight, they've allowed the Mexican drug syndicates to develop distribution and reanalysis of their role in the United States. And this drives profits through the roof and provides them with the money and firepower to bribe, to corrupt, and to unleash the violence that we have seen on the border with the United States. So as for the paradigm, as Mexico is developing bilaterally within the region, taking into account what happens internally, we can see what is behind the creation of multilateral evaluating measures at the OAS because we thought that it was critical that war was not the answer, and that we needed to develop a much more holistic approach to how we deal regionally with the challenge. So I think this is a back and forth that we've seen in Mexico's engagement on these issues point-blank.

Question: Earlier you mentioned that in about, 10 years time, Mexico will be self-sufficient [inaudible]. How is that going to come about [inaudible]?

Ambassador Sarukhan: Well, the basic reason is demographic change. Mexico's becoming an adult society. We have declined in all things, and simply because how the village factory in Mexico was founded [inaudible]. One of the success stories of

development in Latin America today, is related to two things: NAFTA and the mainline economic policies in Mexico. Since the last major economic crisis in Mexico was the Tequila Crisis of 1994, Mexico integrated into the world economy with NAFTA after 1993 and then by sustaining our economic policies in 1994. There has been an unheralded and very important shift that has been occurring social demographics which is the rebirth of a middle class. A middle class which was created in Mexico in the 70's as a result of the boom and bust and devaluation that characterized every single Administration transition from Luis Echeverría in 1970 to Ernesto Zedillo in 1994. So this long-term process as a shifting demographic occurred, due in part to birth rates and an expanding middle class, and what was explained simply by lesser available labor coming via farming, and to this we add economic growth above the 3.2, 3.4 average in which Mexico has been growing in the past eight years with the exception of this past year, obviously, with what's going on locally. If Mexico were to start growing at a six to seven percent rate of growth, that combination would not only bridge the economic disparity in both places, but would factor that labor today crossing over and with the culmination of supply and growth rate and the growing economy would affect that labor in Mexico. So at the end of the day, the challenge between Mexico and the United States is how do we build the bridge between now and the next 15-20 years, combat the decline and take advantage of the synergy that exists between our current economy and ensuring that if there is available labor, in a legal, orderly safe mechanisms that will allow migrant workers to go back and forth over the border and do it in a legal, orderly, diplomatic fashion.

Question: President Obama has been criticized somewhat strongly today [...] for not responding to what President Ortega said at the conference in Trinidad, which I gather was something like a 50 minute diatribe against the United States. Do you have any idea of how Mexico would have reacted or other Latin American countries, had he defended some of the events He said nothing as it was.

Ambassador Sarukhan: I am not here to speak for what President Obama should or should not have done. All I can say is that I think that he was well aware that he could basically try to [endure] long-winded speeches, as President Calderón told him 'be prepared to listen to President Ortega's speech for now'. But look, all I can say is this: I think President Obama was right by not responding and not taking the bait. I think that his message was, look, I'm here, because I haven't come to revisit the past. I've come to try to set a new course for relationships. And I don't want to go back in the past and get copies of books which were written 30 years ago or ten years ago. It has nothing to do with what Latin America looks like today. So I understand that some Americans maybe a little bit uncomfortable because the President did not respond and say, "Hey I disagree with you on A, B, and C." And I think that the President made the right call.

Question: I just wanted to ask about the differences between the Colombian cartels and the efforts that the US made in trying to break those up? And if you might comment on first of all on how those compare or contrast to ones in Mexico, and what are two or three things that you think might impact the cartels as they exist now in Mexico? What do we need the current policy to do there, and what has been successful about Colombia [...]?

Ambassador Sarukhan: The current health: first of all, finances are very important in this issue and I hope that there are no cartels that are moving between Colombia and Mexico. The structure of how they operate is no longer valued as a cartel. There were cartels in Colombia back in the 80's and 90's and they were broken down into small units of connected control and intelligence that are uniquely specialized from the cartels that were more centralized. Some of them just deal with money laundering and some of them just do intelligence. Others just make sure that the coca leaf is processed into cocaine. And in many ways, from what we see in Mexico today, is that same process: of actualization of the traditional process of cartels that we used to see in the drug trade ten, 15, 20 years ago. So I think that there is a lot in common between Mexico and Colombia.

I think that the big difference between Colombia and Mexico is that we are fortunate not to have the breakdown that our Colombian friends faced of trying to get drugs under control, of arms of the paramilitary, armed insurgent groups, or drug traffickers, and you don't see that in Mexico. There hasn't been a belief in the doctrine that was used in Colombia. There was a very important component: we gain territorial control, which you don't have in Mexico. That is a very important difference: the strategies, the equipment and how you go about fighting organized crime both in Colombia and in Mexico. Whether or not Colombia has been extremely successful [inaudible]. How it rebuilt civilian institutions, how it rebuilt police, how five, six, seven, eight years ago people were scared to go out onto the streets of Bogota; that change has been a very important success story of how the regime gained control over the cities and streets of Colombia. I think that this component of rules, law, public security – a very important step toward what was achieved in Colombia.

Question: We hear a lot about the violence and crude measures that Mexico is facing. You mentioned the need for Mexico to grow and to create competitive jobs and such in Mexico. Can you talk a bit about what Mexico is doing or what it will be doing to improve education, to enhance investments in globally competitive jobs to integrate it into the North American market?

The question of what Mexico is doing to ensure that it can continue to grow. First we'll have to continue to have full-scale investments in the economy, we'll have to continue to break down monopolies, we'll have to continue to streamline our economy, we'll have to continue to ensure that you can start a business in much less time than you can today, so that type of support will have to continue. Having said that, it will be important for Mexico to continue to move forward. And this is one of those issues that areas in which Mexico has to invest heavily in ensuring that it has the human capital that it needs in order to compete, and to develop programs that will have a significant role in the ideas that tie small community cultures in different parts of Mexico to the specific needs of businesses so that the kids coming out of the community cultures are being fostered by those businesses to ensure that the curricula is as high as the needs of the company established in those regions within Mexico, so by the time those kids come out of school, they have a job guaranteed in the industries, in the firms that are located in those regions off Mexico. Another one we need is an investment in infrastructure - roads, ports.

Mexico is developing what I think will be, if I am not wrong, the single largest infrastructure program in the Western Hemisphere, called Punta Colonet. It is a multi-modal port on the Pacific Coast of Baja California with the fundamental economics of a project that will have a profound effect on Mexico. It will have a profound impact on all of Americans. It will decongest all of the Western seaports in the United States. By diverting traffic from Long Beach and San Diego to Punta Colonet, shaving an average of seven hours between the western seaboard of the Pacific and the mid-western United States. And if your business is that you're a consumer, shaving seven hours off that shipment time has a profound impact on price and on property.

And the other one is how Mexico is positioning itself in the niche economy and here we have been very successful, especially in the aeronautical setting. Bombardier – the company that does trains and aircrafts – has established a very important facility in the center of Mexico in the Querétaro region. In this facility, by 2012, every single aircraft by Bombardier will come off of a plant in Mexico City. This is creating a huge center for the aeronautic sector, and we're already getting aircrafts from Boeing facilities in the Guajiro area tied to the Bombardier plant that is being developed there. So Mexico is developing, especially in IT and aeronautical, the type of niche economic development in high R&D that you would not have seen in Mexico in the past, that is profoundly changing the face of some of these communities in Mexico.

Ms. Sheridan: I want to thank you all very much for coming.