



**STRATEGY
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**REGIONAL ALLIANCES – FREE TRADE AREA
OF AMERICAS AGREEMENT**

BY

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ABSTRACT

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This paper proposes that Washington formulate a foreign policy towards Latin America that is based on economic development and growth. The Free trade Area of Americas Agreement is the means to achieve this foreign policy goal and will create an economic community of all democratic nations in the Western Hemisphere. The crux of Washington's efforts to bring the FTAA to fruition should be to gain Brazilian cooperation on the agreement as well as on other regional issues. A tenet of this paper is that strong free market economies will strengthen the institutions of democracy in the Western Hemisphere and this support a core national interest of the United States of maintaining a healthy and prosperous economy. A secondary objective of this paper is to highlight the public service accomplishments of Elihu Root, founder of the Army War College. His foreign policy accomplishments as Secretary of State under President Theodore Roosevelt forged a strong friendship with Brazil that well-served U.S. interests for the first seventy years of the 20th Century,.

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REGIONAL ALLIANCES – FREE TRADE AREA OF AMERICAS AGREEMENT

The United States has been decisively engaged in global events since World War II to preserve its values, institutions and territorial integrity as well as to promote a world environment in which the American economic concept of a free market economy can flourish and spread globally. Each of eleven presidential administrations, from Harry S. Truman to George W. Bush, has encouraged democracy, free trade and sustainable economic development. The national security of the United States directly benefited from the spread of democracy throughout Latin America and the subsequent embrace of the free market economy by these democracies. Why? Because democracies are less apt to have confrontational relationships and go to war with each other.¹

PURPOSE

U.S. foreign policy towards Latin America should be anchored on economic development with the aim to revitalize weak economies to produce an increased standard of living for the entire Western Hemisphere. Countries that work together for the common goal of improving their national economies and the lives of their citizens share a common interest in maintaining regional stability and security. Hemispheric trade agreements are mechanisms that can directly expand hemispheric economic growth and contribute to regional stability and security. The Free Trade Areas of America is an agreement intended to create an economic community from Canada to Chile. This economic agreement creates a de facto alliance between the 34 signatory nations. This alliance can be used to establish a host of multilateral agreements, as well as strengthen diplomatic relations and military cooperation among the signatories, creating a more stable, prosperous and secure hemisphere.

This paper will examine U.S. policy towards Brazil. It will also examine whether or not U.S. foreign policy towards Latin America should be based on economic development for hemispheric economic prosperity through the Free Trade Areas of America Agreement. According to Peter Hakim, "Trade and investment dominate the agendas of nearly every Latin American country in their relations with the United States. Nothing is considered more important to the region's economic future than expanded access to U.S. markets and investment capital."² This paper will also propose changes Washington could take diplomatically, information-wise, economically and militarily towards Brazil in order to further U.S. national interests. This paper will assess if this course of action enhances the achievement of U.S. vital national interests in the Western Hemisphere or if the consequence

might be Brazil's growing assertiveness and influence in regional and global affairs as a second pole of power within the western hemisphere.³

A second pole of power within the Western Hemisphere that is a competitor or that proclaims itself as nonaligned to U.S. policies would be a threat to U.S. interests. Should Brazil develop into such a second pole of power it would invariably fracture established alliances and security relationships of the U.S. in South America. According to the latest Quadrennial Defense Review Report, these alliances and security relations give assurance to U.S. allies and friends as well as pause to U.S. foes.⁴ In Latin America it is intended that these relationships with the U.S. create a community of nations committed to common purposes. For the U.S. this means a commitment to regional stability, economic development, promotion of democracy, and maintaining a favorable military balance. A second pole of power not aligned with the U.S. would invariably threaten regional stability and a favorable military balance. This result would not be in the national interest of the United States.

CURRENT NATIONAL SECURITY STRATEGY

The last published U.S. National Security Strategy (NSS) was in December of 2000 during the final days of the President William J. Clinton's Administration. It was written as the capstone national security document of his eight year tenure and to provide continuity for the government and the American public, as well as a guide for the incoming Bush Administration. For purposes of this paper, it is assumed that U.S. national interests constitute the foundation on which the foreign policy towards Latin America is built.

The December 2000 NSS was framed against the backdrop of the dawning of the 21st Century where the United States had no global rival nor was one likely to emerge in the near future. The threat of a World War III was remote. Terrorism was something that normally happened overseas, although it was acknowledged by Secretary of Defense William Cohen that terrorism could "directly threaten American lives and institutions and seek to undermine U.S. policies and alliances."⁵ The wildcard that threatened the vital interests of the United States, dealt on 11 September 2001 was unimaginable.

The national interests of the United States are far ranging and are grouped into three categories: vital, important and humanitarian. National interests are directly connected to the survival, safety and health of the nation. Vital interests are the physical security of the United States from attack, the safety of its citizens at home and overseas, economic well-being of the society, protection of critical infrastructure and finally, the protection against weapons of mass destruction.

The second category, important interests, relate to this paper because they encompass the area of economic interdependence. They affect our national well-being or that of the global community. According to former President Clinton, "Principally, this may include developments in regions where America holds a significant economic or political stake, issues with significant global environmental impact, infrastructure disruptions that destabilize but do not cripple smooth economic activity, and crises that could cause destabilizing economic turmoil or humanitarian movement."⁶ The United States has played an active role in protecting its interests of this category from the consequences of internal turmoil in South America. Recent examples include "Plan Colombia" – a massive, multi-year commitment to assist the Colombian government in dealing with its drug and guerrilla problem which affects all of Colombia's neighbors.⁷ Other examples of difficult circumstances arising that caused South American countries to turn first to the U.S. for help are the economic collapse of Argentina, and Peru, when President Alberto Fujimori fled the country after he manipulated the constitution to assure his reelection and caused Peruvians to see their democratic future at risk.⁸ There is no other country in South America or the world that can match the might, resources and political goodwill of the United States.

The third category is humanitarian and other long term interests. Examples include intervention in Kosovo to prevent ethnic cleansing and disaster relief in Central America following Hurricane Mitch. President Clinton employed an engagement strategy to protect the national interests of the United States. The three pillars of this strategy were shaping the international environment, responding to threats and crises, and preparing for an uncertain future.

The 11 September 2001 terrorist attacks against the United States have delayed the Bush Administration's publication of its first national security strategy document. However, on 30 September 2001, Secretary of Defense Rumsfeld published the Quadrennial Defense Review, affirming national goals to promote peace, sustain freedom and economic prosperity.⁹ He further states that one of the critical tasks the United States must do is to assure allies and friends, honor its obligations, and continue to be a reliable security partner.¹⁰

In the aftermath of the terrorist attacks of 11 September 2001, one could question the importance of the Free Trade Areas of America Agreement (FTAA) to Washington. The FTAA is very important to the national interests of the United States. On the morning of 11 September 2001, Secretary of State Colin Powell was in Lima, Peru to sign the Inter-American Democratic Charter. Article 1 affirms that democracy is essential for the social, political and economic development of the peoples of America. Article 11 underscores this by stating that democracy

and social and economic development are interdependent and are mutually reinforcing.¹¹ The FTAA will serve as the engine to achieve the goal of social, political and economic development.

The FTAA supports the U.S. national interest of providing access to markets and resources. This directly contributes to the economic well being of the United States. A second order effect of the FTAA is to promote economic prosperity throughout the Americas which contributes to regional stability. This directly supports the U.S. national interest of maintaining a favorable world order.

Using the language of the Clinton NSS and the intent of the QDR, the FTAA provides the United States an excellent opportunity to assure allies and friends in Latin America. The agreement will shape the international environment by creating a collaborative economic pact and this will enable and support collective economic development, with a corresponding increase in the hemispheric standard of living – which should promote stability as well.¹²

The 2000 NSS has three objectives for the Western Hemisphere: enhancing security, promoting prosperity and promoting democracy and human rights.¹³ Each is important for collective stability and prosperity and could be well-served by the FTAA agreement. The 2001 QDR lessens the emphasis on human rights by substituting honoring international commitments, which arguably includes championing accepted international standards on human rights.

Former President Clinton writes in the NSS that in the Western Hemisphere we have "... an unprecedented opportunity to secure a future of stability and prosperity – building on the fact that virtually all nations in the hemisphere are democratic and committed to free market economies."¹⁴ Regrettably absent in Clinton's NSS is any mention of Brazil as a regional leader or as an important friend. Absent also is any memory that Brazil was the United State's closest Cold War ally in Latin America from 1945 - 1977.¹⁵ In the 2000 NSS, Brazil is mentioned only once - as a passing inclusion to IMF and World Bank programs to support economic reform in Brazil and Argentina.

President Clinton missed a golden opportunity to plant seeds for future success by not singling out Brazil as the other key player required to bring the FTAA to fruition. Instead one reads the NSS and infers Brazil is teetering on economic ruin.

The U.S. foreign policy towards Brazil should be the centerpiece of U.S. South American policy. On many of the important economic and political hemispheric issues the United States will not be able to make substantial progress without the backing and cooperation of Brazil. The principal aim of U.S. foreign policy towards Brazil should be to develop cooperation and agreement on key regional and global issues.¹⁶

The most pressing issues are economic development and the subsequent economic integration of the hemisphere and second, to encourage cooperation on regional security to counter threats of terrorism. Latin American countries with weak economies and inequalities in the distribution of income are likely targets of terrorism, as well as fertile breeding grounds for terrorist attacks against the U.S. and its allies. Regional security agreements and economic development programs are the two pillars the U.S. should use as foundations for its counter terrorist efforts in Latin America.¹⁷

In 2003 the two countries share the presidency of the 34-nation group negotiating the Free Trade Areas of America Agreement with the goal of having it in place by 2005. The economic future of the hemisphere is at stake in these upcoming negotiations, and may be determined by the relationship between Brazil and the United States. The FTAA can facilitate economic development and hemispheric integration.

American foreign policy towards Brazil is merged into its hemispheric policy of promoting democracy, prosperity and ensuring security. The United States should leverage the strengths of regional leaders such as Brazil to craft an overall hemispheric policy that furthers interests and values rather than the current hemispheric policy that lumps all countries into a “one-size fits all” approach and focuses on temporal hot spots. The long-term interests of the U.S. would be well-served by a foreign policy that promotes Brazilian cooperation on key regional and global issues.

Historically, U.S. – Latin American relations have revolved around a central issue of concern. A recent article in the Joint Force Quarterly states the main issue over time has been “...first, checking the influence of European powers, then combating Communist threats, and today stemming the flow of drugs.”¹⁸ The time is now to consider a U.S. foreign policy towards Latin America that is first directed at the promotion of economic development and second, that enlists Brazil as America’s principal policy ally in South America. This would result in the strengthening of the institutions of democracy throughout the hemisphere, which in turn will contribute to the needed stability that fosters economic growth.

FTAA

Protecting the economic well-being of U.S. society is one of the four vital interests stated in the 2000 National Security Strategy. The instruments of national power available to the President to safeguard vital national interests are military, information, political and economic. At the 1994 Summit of the Americas in Miami, President Clinton leveraged economic power by becoming a signatory along with 33 other Western Hemisphere nations to the Free Trade Area

of the Americas Agreement. President George W. Bush used the Quebec City Summit of the Americas in April of 2001 to demonstrate his support for continued work on the Free Trade Areas of the Americas. On January 16, 2002 President Bush declared that free markets are essential for the Western Hemisphere at a meeting of the Organization of American States.¹⁹

The FTAA is an agreement which is the centerpiece of economic integration efforts in the hemisphere. The upcoming negotiations on FTAA will strive to create a free trade zone encompassing the Western Hemisphere. The United States is strongly encouraged by the positive impact the North American Free Trade Agreement (NAFTA) has brought to all its members and sees great promise for the FTAA by building on the success of NAFTA.²⁰ According to Robert S. Leiken, Mexico has become the United States' second-largest trading partner after Canada and is now the top export destination for California and Texas.²¹ NAFTA is also credited with assisting the Mexican political system moving closer to the U.S. system.²²

According to Robert Zoellick, U.S. Trade Representative, "The Free Trade Area of the Americas provides a framework for the Administration's hemispheric strategy. This area once completed, will be the largest free market in the world."²³

For the foreseeable future the growth and prosperity of Latin America will have a great effect on the prosperity of the United States. The international balance of power is in a state of change; for the U.S. to retain its competitive edge with emerging power centers, it must use its geopolitical and cultural regions of influence to sustain economic growth. For this reason, Latin America is very important as a source of markets, manufactured goods, raw materials, and investments.²⁴ In the future, as now, the political and military might of the U.S. must rest on a strong economic base.

To shape the future, the United States needs to see that the FTAA comes to fruition. The goal of the FTAA should be to generate economic growth and prosperity for the entire socio-economic spectrum. A modest goal of development for a country is to meet the basic human needs of its population. If there exists within a country the simultaneous existence of modern and traditional economies, then economic growth must be accompanied by changes in the economic and social structures. If economic growth neglects the situation of the poor, then the poor will be further marginalized as the rich become richer. The goal of the FTAA should be to generate economic opportunities for the entire socio-economic spectrum as only this will provide the chance for true long-term stability.²⁵

The immediate challenge for the United States to arrive at a successful conclusion to the upcoming FTAA negotiations is gaining the support of Brazil.²⁶ The United States needs

Brazil's support for the FTAA and that support is problematic given the growing assertiveness and independence of Brazil in both regional and international affairs.

BRAZIL - U.S. RELATIONS

Brazil and the United States have enjoyed close and cordial relations for the past two centuries except between 1977 and 1985. Both countries share common geopolitical characteristics - the largest country in land size and the dominant economic and military power on their respective continents.

The United States has long considered Brazil its friend in Latin America. Washington, considered by some, has been Brasilia's best friend in the world.²⁷ We were the first country to recognize independent Brazil in 1822, following Dom Pedro's dramatic declaration of independence from his father, King Joao VI of Portugal.²⁸ Conversely, Brazil publicly supported the Monroe Doctrine and several times during the 19th Century endorsed its application – despite clamors of protest from many Latin neighbors.²⁹

For most of the 19th Century there was little significant interaction between the United States and Brazil. Economically, Brazil was dominated by Great Britain and Germany. However amicable relations endured and the United States soon became the largest consumer of Brazilian coffee.

The turn of the 20th century brought a visionary to the helm of foreign policy in each country. Elihu Root, Secretary of State under President Teddy Roosevelt, and Jose Maria da Silva Paranhos, the Baron Rio Branco and Foreign Minister of the 13 year-old Brazilian Republic, forged a strong partnership. The results of their diplomacy in pursuit of individual national interests shaped the relations between Brazil and the United States for the next century.

In 1902 when Rio Branco became foreign minister, Brazil enjoyed prosperity at home and peaceful relations with its South American neighbors. Rio Branco saw that it was time for Brazil to play a more active international role. He saw great advantages to an alliance with the United States. As the closest friend and supporter of the United States in South America, Rio Branco justifiably believed he could expect reciprocity of support from the U.S. in any dispute or conflict with a Latin American foe. In pursuit of this tacit alliance, Rio Branco endorsed the Roosevelt Corollary to the Monroe Doctrine and supported the U.S. position on the Panama Canal.³⁰ In 1906 Rio Branco organized the highly successful Pan-American conference held in Rio de Janeiro. To further relations with the United States, he invited his counterpart, Elihu Root to attend as an honorary guest and speaker.

Thus, in 1906 the nexus of power and influence began to swing towards the United States when Root publicly designated Brazil to be the centerpiece of United States foreign policy in Latin America. He sealed this "special relationship" by accepting Rio Branco's invitation and bestowing upon Brazil his first foreign visit as the secretary of state.³¹

The visit of Elihu Root to South America in 1906, the first such visit by a serving secretary of state, was a shot across the bow from Roosevelt that the United States placed great importance on its friends and neighbors in Latin America. President Roosevelt believed that an economically self-sufficient Western Hemisphere was the best defense from foreign encroachment and lessened the need for him to apply the Monroe Doctrine. Elihu Root sailed to Rio de Janeiro to attend the International Conference of American Republics. His message to the conference was to explain in clear and friendly language that the United States cherished the sovereignty of the nations within the Western Hemisphere and desired a prosperous future for all of these nations.³² The following excerpt from his speech in Rio de Janeiro carries a theme familiar to that of the Free Trade Areas of America promoted by Presidents Clinton and Bush:

"We wish to increase our prosperity, to expand our trade to grow in wealth, in wisdom and in spirit; but our conception of the true way to accomplish this is not to pull down others and profit by their ruin, but to help all friends to a common prosperity and a common growth, that we may all become greater and stronger together."³³

Brazil and the United States enjoyed this "special relationship" for most of the 20th Century. Brazil was a solid ally and friend of the United States and within Latin America was an ardent supporter of U.S. policy. For example, during World War I, Brazil was the only Latin American country to declare war against Germany after the United States did so in 1917.³⁴ Brazil's declaration of war against Germany produced lasting results in America's favor following the armistice. Germany's position in the Brazilian economy was effectively marginalized after the war; U.S. business began to fill that void through its own commercial ventures.

In the wake of Pearl Harbor, Brazil reacted strongly by severing relations with the Axis powers and in August, 1942 declared war against Germany. Brazil opened up its territory in the Northeast for the U.S. Army Air Corps to establish bases for an air bridge to Africa.³⁵ Most significant was the deployment of the Brazilian Expeditionary Force (F.E.B.) of 22,000 soldiers to fight alongside American troops in Italy. The F.E.B. fought as part of the U.S. IV Corps under the command of U.S. General Mark Clark and gave a good accounting of itself in combat.³⁶

The war-time association between the Brazilian Army and the U.S. Army set the stage for solidarity and unity of purpose between the two countries into the 1970s. Veterans of the F.E.B.

were enthusiastically pro-U.S. and wielded significant influence. The "special relationship" between Brazil and the United States flowered in the years following WWII.³⁷

The Cold War crystallized Brazil's belief that the U.S. and Brazil stood together in the Western Hemisphere against the threats of communism. Brazil remained the chief supporter of U.S. policy in Latin America and a strong Cold War ally. In 1947 Brazil broke diplomatic relations with the Soviet Union.³⁸ In recognition of its value as a Cold War ally, the United States in the late 1940's tried in vain to secure a seat for Brazil on the Security Council of the United Nations.³⁹ In 1952 the two countries signed a Military Assistance Agreement and Washington provided massive amounts of equipment and training to the Brazilian Armed Forces so that "Brazil could in essence perform an anti-communist hegemonic role for the United States in South America."⁴⁰ Later, in 1964 President Castello Branco stated in one of his first foreign policy speeches that "Brazil is identified with the Western world in its struggle to protect its values threatened by the Soviet sphere."⁴¹ This pro-Western attitude mollified fears in Washington that Brazil could serve as a sanctuary and base of operations for communist insurgencies throughout South America.⁴²

The early 1960s brought a cooling of the ardor Brazil held for the United States. The independent and nonaligned foreign policies of the Quadros and Goulart presidencies strained our relations and fanned the fears of a communist presence in Brazil. President Quadros was a populist leader who sought a leadership role for Brazil in the Third World. He was friendly towards Cuba, China and other communist countries, and made it a point that Brazil not be automatically considered an ally of the United States. Quadros resigned in August 1961 and was succeeded by his vice president, Joao Goulart (who was in China at the time on a trade mission).

President Goulart was pro-Castro and pro-communist. His presidency lasted less than three years. It fell due to a combination of difficulties from economic problems, populism, political nationalism, failure to garner support with the military and last, but not least, deteriorating relations with the United States.⁴³

In mid-1963 Goulart reorganized his government from moderate center to the radical left. A few months later he carried his populism too far by showing sympathy to a mutiny in the Navy and backing a proposal for sergeants to hold political office. The officer corps perceived that he was undermining military discipline and threatening military institutions.⁴⁴ The military moved quickly and with the tacit support of the Johnson Administration, overthrew Goulart in March of

1964 in a bloodless coup. In fact, Lyndon Johnson sent his congratulations to the coup victors before President Goulart went into exile in Uruguay.⁴⁵

From 1964 to 1985 the military ran Brazil. Brazil was a strong ally until the mid-70s and until the mid-70s was often described as a junior partner to the United States.⁴⁶ The extent of U.S. influence can be gauged by the fact that one-third of Brazilian army generals on active duty in 1964 had received some schooling in the United States.

General Castello Branco became the first president following the 1964 military coup. He was a well-known veteran of the F.E.B. and a steadfast friend and ally of the United States. During the Italian campaign he shared a tent with Vernon Walters, an American Army officer who was the Army Attache in Rio during Branco's presidency.⁴⁷

In 1965 Brazil was the lone Latin American voice of support for the United States intervention in the Dominican Republic. A force of 1,200 Brazilian soldiers under the command of a brigadier general was deployed to assist in the post-hostilities phase.

The last American president to single out Brazil as an indispensable ally was Richard Nixon who in 1972 said, "As Brazil goes, so will go the rest of the Latin American continent."⁴⁸

Brazilian diplomats regarded an alliance with the United States as the most expeditious means of advancing their national interests. However, by the mid-70s they began changing course to favor a more independent foreign policy.⁴⁹ In 1977 Brazil unilaterally abrogated the Military Assistance Agreement of 1952 in response to pressure by the Carter Administration to cease development on a nuclear capability as well as to improve its human rights record. President Carter's criticism of Brazil's nuclear agreement with West Germany was perceived by the Brazilian Military Officer Corps as pressure against autonomous economic development and national sovereignty.⁵⁰

Throughout the 1980s relations remained cool. During the 1990s Washington awoke to the importance of Brazil as the eighth-largest global economy whose consolidation of democracy and establishment of a free market economy could have a profoundly positive influence on the Western Hemisphere.⁵¹ Brasilia also demonstrated to Washington and the world its strong political maturity and regional leadership by establishing with Argentina the Agency for Accounting and Control of Nuclear Materials (ABACC) to ensure that the Southern Cone remained nuclear free.⁵² This amicably and unilaterally resolved a longstanding area of concern and censure on Washington's part.

The tone of relations today reflects maturity and absence of ideological difference. This is far different from the days of Joao Goulart, when the proper display of nationalism equated to

assertive independence, to the other swing of the pendulum when under Castello Branco deference to U.S. leadership was automatic.

The 21st Century reveals a Brazilian foreign policy of finesse.⁵³ It is an important member of the Latin American community where strains of military and political rivalry are now rare. It is building on the economic foundation laid by the democratically elected governments of the past 15 years. Brazil is on the threshold of a new role in global affairs.

However, the strong sense of Brazilian nationalism precludes a return to the days as a junior partner to the United States. Brazil does not seek exclusive bilateral relations with the United States. Brazil has a well established pattern of employing multilateral diplomacy. Measured by membership, Brazil is among the most active nations in a wide range of global to regional intergovernmental organizations in the areas of legal, social, economic, political and cultural purposes. Brazil values multilateral contacts and seeks to leverage them to advance its national interests.⁵⁴ Washington must consider Brasilia's preference for multilateral relations in the formulation of future policy in Latin America.

ECONOMY OF BRAZIL

The United States has compelling reasons to establish a close and mutually advantageous trade relationship with Brazil. Aside from possessing the eighth largest economy in the world, and being the largest economic power in Latin America, Brazil has a vast wealth of natural resources. The southern region of Brazil has historically dominated the economy, in particular the industrial centers of Rio de Janeiro, Belo Horizonte and Sao Paulo. A current snapshot of Brazil's economy shows that gross domestic production in Brazil is provided by services (63%), industry (29%) and agriculture (8%).⁵⁵ The unemployment rates for 2000 and 2001 were 7.1 percent and 6.1 percent respectively.

To more fully appreciate where Brazil is going, a short review of where it has been economically is in order. Brazil's role in the world economy since World War II has changed from being a country with a closed economy to a country slowly moving towards an open economy that accounts for 40% of Latin America's GDP. In the decades following World War II, the Brazilian government (civilian and military rulers) oriented the economy to fuel the domestic market. The government tightly controlled imports and national level industries such as transportation, communications and energy. Brazil established an impressive record of development – an eleven-fold increase in economic output between 1947 and 1980.⁵⁶

A review of Brazil's economy would be incomplete without pointing out three flaws that impede its ability to reach full economic potential. The first is the extreme inequality in the

distribution of income. Brazil has the unenviable honor of having one of the largest gaps in the world between the rich and the poor. According to Lincoln Gordon, former U.S. ambassador to Brazil, "Severe inequalities are common to most of Latin America, but even within the region, Brazil stands out."⁵⁷

The second inhibiting factor is chronic high inflation. During the 1970's Brazil averaged an annual inflation rate of 34 percent. This jumped to 428 percent in the 1980's and then rocketed to 1,400 percent in the early 90's.⁵⁸ Inflation has been virtually eliminated in the past few years by President Henrique Cardoso's "1995 real" plan.⁵⁹ However, six years is too short of a time to assess if Brazilian inflation has been really cured or is only in remission.

The third factor against sustained economic development leading to full national potential is Brazil's archaic and inefficient educational structure. Despite constitutional guarantees of universal education for grades 1-8, in both qualitative and quantitative measures the Brazilian "education structure lags well behind first world standards and also falls short compared with other large countries of Latin America."⁶⁰ The shortfall in access to high school education and the low numbers of university students reflects a national failure to invest in the human capital of Brazil.

The turn towards an open economy was as slow and gradual as turning an ocean liner. The process began with the orderly transfer of power from the military to President-designate Jose Sarney in 1986 and started to become a reality under President Collor in the 1990s. President Collor set as a policy objective to open the economy (the "abertura")⁶¹ and to privatize the government industries. These two actions were revolutionary and ran counter to a long-standing patrimonial tradition zealously guarded by a succession of national leaders. President Collor took a courageous step in this action, however his tenure in office was cut short by impeachment on charges of widespread corruption and influence peddling. Nevertheless, the "abertura" began the process of developing a competitive edge to the Brazilian economy.⁶²

Subsequently, under the leadership of the next democratically elected president, President Cardoso, an American-educated economist, Brazil assumed a role of leadership in the General Agreement on Trade and Tarriffs (GATT) which is now the World Trade Organization (WTO). Under President Cardoso, Brazil demonstrated aspirations to be a global economic power. In the past decade alone, Brazil quartered its international trading partners evenly between Europe, Latin America, North America and the "rest" of the world. This demonstrates economic and political vision not to depend on a single region. This diversity in trading partners provides tremendous growth potential and inherently strengthens its trading position as it enters new markets.

Brazil became a regional economic power through the initial success of MERCOSUR.⁶³ Jeffrey Garten, former Undersecretary of Commerce for International Trade during the first Clinton Administration stated, "Brazil is the key to success of MERCOSUR."⁶⁴ He believes that MERCOSUR could not exist without the infusion of capital and leadership from Brazil's expanding industrial base and huge markets. The formation of MERCOSUR proved to be a brilliant success as a regional trade pact in the southern cone of South America.

A meeting between the two newly-elected civilian leaders of Brazil and Argentina in 1986 proved to be the beginning of MERCOSUR. The two presidents, Jose Sarney of Brazil and Raul Alfonsin of Argentina, were reaching out to each other in an attempt to normalize relations between the two historic rivals and simultaneously strengthen the fragile position of civilian rule in both countries. Both men agreed that economic prosperity was a national objective and within a year they signed a 12-point agreement that created the regional common market known as MERCOSUR. The agreement called for the establishment of a regional bloc so as to be more attractive to the United States for future free trade.⁶⁵

Brazil accounts for more than 80% of the population and gross domestic production of the four members of MERCOSUR (Paraguay and Uruguay joined in 1990 and Bolivia and Chile joined later as secondary members).⁶⁶ MERCOSUR has shown itself to be an opportune and exciting development in Latin America. "It has opened, for the first time, possibilities for collective investments in roads, ports, railroads, airports, pipelines, and the sharing of natural resources."⁶⁷

The recent economic crisis of December 2001 in Argentina calls into question the viability of MERCOSUR. Compounded by a recession in Brazil, the difficulties MERCOSUR faces may be too difficult to surmount. How can economic development be expanded throughout the Western Hemisphere? The FTAA is the answer. However, the United States will have to come to an agreement with Brazil over trade and either subsume MERCOSUR into the FTAA or start anew. MERCOSUR should be viewed as a foundational building block, just as the United States views NAFTA, and not as a hurdle nor competitor to the FTAA.

The negotiation table for MERCOSUR is located in Brasilia, so it is a foregone conclusion that the United States will have to deal primarily with Brazil for MERCOSUR support for the Free Trade Areas of America agreement. On December 18, 2001, Brazilian Foreign Minister Celso Lafer summed up the situation as this: "Brazil and the United States share the same guiding principle in the talks: What's in it for us? For the FTAA to advance, there has to be an understanding between Brazil and the United States."⁶⁸

The United States must look after its long term national interests. This can best be accomplished by establishing a trade relationship with Brazil predicated upon viewing Brazil not as a dependent, or an antagonist, but as a coequal participant and partner in the hemispheric and global economy. Jean Krasno writes that the U.S. has multiple interests in Brazil, not only economic and political ones but also the environment, human rights, and nonproliferation of weapons of mass destruction.⁶⁹ Brazilian markets are important to the United States; they will continue to be important especially in view of the benefits that FTAA can provide.

RECOMMENDED CHANGES TO U.S. NSS

Changes to U.S. policy towards Brazil must include all of the elements of national power. By judicious application of these powers, Washington will be better able to assure allies and friends as well as deter threats against U.S. interests.

Economically, the United States must do two things. First, it must reach an economic agreement with Brazil over the FTAA negotiations and second, open its markets to Brazil and the Southern Cone.

An accord on longstanding trade disputes between the two countries must be reached prior to 2003 when Brazil and the United States co-chair the final phase of negotiations on the FTAA. What happens between now and then will determine whether the arrangement will ameliorate or exacerbate differences between the two most important participants in the FTAA process.⁷⁰ Both countries face strong domestic opposition from special interests groups such as trade unions and vital industries. Nevertheless, it is absolutely critical that the United States takes the required action to see the FTAA to fruition. The FTAA will enable Washington to seize the opportunity to create a network of viable free market economies throughout the region, not only to promote democracy and economic stability but also to bridge the unequal distribution of income that undermines the fabric of society throughout Latin America, and most egregiously in Brazil.

Second, the U.S. must open its markets to Brazil as well as the rest of Latin America. For example, in February 2002, Bolivian Foreign Minister Gustavo Fernandez highlighted for all of South America the importance of this access to the economies of the Andean countries, "This is access to markets we're talking about, not foreign aid."⁷¹

The United States has a special interest in opening its markets to Brazil due to the fact that Brazil receives more U.S. investment than any other country in Latin America.⁷² The Brazilian economy of the 1990's was jumpstarted by the unprecedented inflow of U.S. capital, starting from virtually nothing in 1991 to almost \$20 billion in 2000.⁷³ Much of this investment is going

into the privatization of government-owned industries. By virtue of these massive investments Washington must develop policies and programs that afford reasonable protection for American investors. Opening U.S. markets will enable U.S. investors to continue business in Latin America with higher confidence of the security of their investments. Meanwhile, Brazil's growing industrial base, which accounts for 42% of GDP, and the huge market it presents will continue to offer lucrative opportunities for American business.⁷⁴

Washington must present an economic proposal to Brazil that is in the mutual interest of both parties. Brazil, and by extension MERCOSUR, needs export markets and we must assure them access to markets. Guaranteeing access to U.S. markets in accordance with internationally accepted standards will be the carrot required for successful trade talks. The United States can absorb exports from the Southern Cone – in fact the total amount of exports from MERCOSUR in 2000 was less than the U.S. imports from Singapore.⁷⁵

Domestically, the United States must resist the temptation to erect tariffs on agricultural and steel imports that are patently transparent as protectionist measures. By its example the United States can enhance the prospect that the FTAA negotiations will be successful and this could finally launch a productive cycle of economic growth, a more equitable distribution of income, greater social equality, and a strengthening of democratic institutions that would strengthen the entire hemisphere.

Information is the second instrument of power available to the United States Government that can have immediate and lasting effects in furthering U.S. national interests in a foreign land. International Public Information (IPI) activities as authorized by Presidential Decision Directive 68 (PDD-68) can be effective and credible by delivering accurate and objective information to the foreign audience of 160 million Brazilians.

The United States Government should mount a vigorous information campaign targeting the Brazilian population to promote understanding and support for the FTAA. An IPI information campaign in Brazil would be most effective if delivered via satellite television, the internet and international press. A properly planned and "Hollywood-like" series of infomercials would be effective in promoting U.S. values and interests in Brazil.

Specific information points to address in this IPI campaign are to promote independent media coverage of the issues associated with FTAA; to address misinformation and negate incitement by left-wing protectionist factions within Brazil; and to synchronize the dissemination of information by the U.S. Government on issues involving the FTAA in order to influence activities so that the U.S. position on the FTAA is championed and regionally accepted.

Countering anti-Americanism should be a strong part of the IPI campaign. It must be communicated to the Brazilian people the simple fact that most Latin American nations want closer, more cooperative relations with the United States. The last three Summits of the Americas present clear and convincing proof. After the second Summit in Santiago, Brazilian President Cardoso stated that "Brazil and the United States have never had better relations, and that is the situation for many other Latin American countries, as well."⁷⁶

The IPI campaign should also inform the Brazilian populace of the symbiotic nature of the relationship the two countries have enjoyed over the past century. Brazilians have a long memory and they are acutely aware that the U.S. was the first country to recognize the Brazilian Republic in 1890; that Brazilian soldiers fought and died alongside American soldiers during the bitter Italian campaign of 1944-5; and that U.S. business invests more money in the Brazilian economy than it does in any other South American country. A special relationship does exist between the two countries and the Brazilian people need to know that only the United States and Brazil can bring the FTAA into practice .

The desired end state is the acceptance by the Brazilian populace of the merits and benefits of FTAA. Subsequently, their grass roots support must be publicized in order to influence elected officials. The risk we face if this IPI campaign fails to secure popular Brazilian support for the FTAA is that the Government of Brazil would oppose regional support of the FTAA and this would lead to a loss of prestige for our country, not to mention the furthering of the economic crisis in the region.⁷⁷

The third element of national power available is military power. Militarily, the U.S. must maintain close security cooperation ties with Brazil. The cooperative military relations between Brazil and the United States are exemplified by annual Joint Staff talks, extensive service-to-service exchanges and conferences, and increased high-level visits and participation in exercises. The formation of the Brazilian Ministry of Defense in 2000 facilitates bilateral discussions in defense channels. An essential element of security cooperation with the Brazilian military is to reinforce the concept that their profession must further civil-military relations. According to a recent guest lecturer at the Army War College, "The democratic example that American military officers make in the conduct of their duties with their Latin America colleagues is one of the most effective things we have done in Latin America for years".⁷⁸ To further this goal, the U.S. Army's Training and Doctrine Command (TRADOC) should propose a joint venture with the Brazilian Army to develop and publish a civil-military relations doctrine that articulates the proper role of the armed forces in a democratic society.⁷⁹ This doctrine should be made available to all Latin American militaries and simultaneously

added to the curriculum at the new Western Hemisphere Institute for Security Cooperation, located at Fort Benning, GA.

The Pentagon should pursue a resumption of closer military ties with Brazil. Although it is not likely that a "second" military cooperation agreement like the one from 1952 will materialize there are areas of military interest that the two countries can collaborate on. Both countries are active in peacekeeping operations and would benefit by collaborating on standardizing military doctrine and tactics for peacekeeping operations.⁸⁰ Additionally, United States Southern Command (USSOUTHCOM) headquartered in Miami, FL should pursue an agreement for combined training between the two militaries, i.e., ground combat training at the National Training Center in California and light infantry – special forces training at the jungle training center in Manaus. Such combined training would serve as a visible sign of U.S. – Brazilian commitment to the region.

The desired goal for establishing closer military ties with Brazil is to demonstrate a solidarity of friendship and purpose as well as increased contact and communications by the two largest military powers in the Western Hemisphere in the pursuit of regional stability.

The fourth and last element of national power available to the United States Government in crafting a new foreign policy towards Brazil is diplomatic. Washington needs to leverage its skilled diplomatic corps to produce peaceful and harmonious international relations that support hemispheric prosperity.

First and foremost, Washington must articulate a foreign policy for Latin America. This will shape expectations from our friends and allies as well as provide a framework for unity of effort for the U.S. agencies and departments that are involved in furthering U.S. national interests in Latin America. Our foreign policy should have three elements.

Foreign policy should be based first on the promotion of sustainable economic development, including free trade and equitable development.⁸¹ The Free Trade Areas of Americas Agreement is the engine to achieve this goal. The second foreign policy point should strengthen the institutions of democratic governance and the rule of law, including the primacy of civilian control over the military. According to William Spencer, deputy director of the Washington Office of Latin America, "Latin Americans themselves must play the main role in establishing democratic systems, but the United States has concrete interests in promoting that goal."⁸² The third and final foreign policy point should be to promote hemispheric trust and security through aggressive programs of countering drugs and combating terrorism.

The second diplomatic measure the Washington should take is to reassure friends and allies that Trade Promotion Authority (TPA) remains a top priority for President Bush. Although

TPA has not yet received Senate approval, the State Department is confident it will be approved in time for the 2003 FTAA negotiations.⁸³

The third diplomatic step that Washington should take is to initiate frank talks with Brazil for the regional need to have a cooperative relationship. Brazil lacks the international stature and national treasure to counter destabilizing influences from economic crises, right-wing regimes, guerrilla movements and narco-traffickers within South America. The United States has the stature and resources but does not benefit by acting unilaterally in South America. A 21st century version of the Monroe Doctrine can shore up the region but only with the same support Brazil gave the U.S. a short century ago. A region characterized by democracy and economic prosperity is as much in the interests of Brazil today as it was in 1906 when Rio Branco and Elihu Root met in Rio and formed a partnership that benefited both countries.

The last diplomatic action that Washington must initiate is to work with friends and allies in Latin America to ensure terrorism is criminalized in all its forms. According to Ambassador Lino Gutierrez, Acting Assistant Secretary of the Bureau of Western Hemisphere Affairs, the universal jurisdiction created by treaties and legal agreements will deny terrorist refuge. Terrorists and their accomplices will find "it will be a crime to be a terrorist, conspire with a terrorist, or help a terrorist in every corner of the globe."⁸⁴ In addition to criminalizing terrorism, Washington must assist where needed to strengthen, civilianize and professionalize law enforcement agencies. Complaints of abuses by the police and military are familiar and timeless in Latin America. According to Joanne Mariner, deputy director of Americas Division of Human Rights Watch, "There's a pretty chronic problem all over the region of police torture and of weak and overwhelmed judiciaries."⁸⁵ According to Donald Schulz, a failure to civilianize law enforcement would mean that militarization would remain a near-permanent feature of the Latin American political order – providing an easy last resort to a military coup wherever civilian institutions falter.⁸⁶

SUMMARY

President George W. Bush in August of 2002 said of his goals in Latin America, "Our goal will be trade agreements with all the nations of Latin America."⁸⁷ Just like Elihu Root and the other promoters of Pan-American ideas a century ago, President Bush recognized that free trade acts as the lubricant for democracy. He further stated, "Economic freedom creates habits of liberty. And habits of liberty create expectations of democracy."⁸⁸ The unspoken urgency to President Bush's push for free trade is that if people experience democracy in a Latin American country where economic conditions don't improve, that country's democracy is at risk.

The recommended changes to U.S. foreign policy towards Brazil are significant changes. The U.S. is recognizing Brazil once again as a very important regional power. The United States acknowledges Brazil's importance and that it is dependent upon that support to implement the FTAA. In a quid pro quid relationship, the U.S. should fully expect that Brazil will set the example in Latin America by fully embracing capitalism in its entirety, not piecemeal. "Partially opening markets, in response to a crisis or to U.S. pressure, is not building a "capitalist" society and, as such, will never deliver prosperity".⁸⁹ Brazil and the United States have the opportunity to demonstrate that democratic governments committed to the establishment of the FTAA by 2005 are the best guarantors of regional peace, stability and economic well-being.

The resumption of closer military cooperation is a radical idea because military-to-military relations are nearly dormant. In fact, Jean Krasno writes in the Pivotal States that "The Pentagon feels that South America as a whole is not a priority for U.S. strategy, and Brazil is therefore off the radar screen as well."⁹⁰ This continued military contact with Brazil will serve as a strategic and visible sign of U.S. commitment to the region.

The U.S. has the ability to protect and advance vital national interests. Limited but focused military cooperation with Brazil will produce a solidarity of effort between the largest powers of the Western Hemisphere. This application of military power complements the economic, information and political measures recommended above to form the crux of a new National Security Strategy for the 21st Century in Latin America.

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ENDNOTES

¹ William J. Clinton, A National Security Strategy For A Global Age (Washington, D.C.: The White House, December 2000), 2. President Clinton expands on this by stating that the number of world democracies, as a percentage of world states, increased 14% during his presidency between 1992 and 2000. He attributes these results to his efforts to strengthen the post-Cold War environment by encouraging democratization, open markets, free trade and sustainable development – the fundamental recipe for NAFTA and FTAA.

² Peter Hakim, "The Uneasy Americas", Foreign Affairs 80 no. 2 (March/April 2001): 51.

³ Ibid, 53.

⁴ Donald H. Rumsfeld, Quadrennial Defense Review Report (Washington, D.C.: Pentagon, 30 September 2001), 14.

⁵ William S. Cohen, 2001 Annual Report to the President and Congress (Washington D.C.: Pentagon Printing Office, 2001), 16.

⁶ Clinton, 4.

⁷ Peter Hakim, "Two Ways To Go Global", Foreign Affairs 81, no.1 (Jan/Feb 2002): 160.

⁸ Kenneth Maxwell, "Avoiding the Imperial Temptation: The United States and Latin America," World Policy Journal 16, no. 3(Fall 1999): 62.

⁹ Rumsfeld, 1. Mr. Rumsfeld enumerates the enduring national interests of the United States as (1) ensuring U.S. security and freedom of action, including: U.S. sovereignty, territorial integrity, and freedom; safety of U.S. citizens at home and abroad; protection of critical U.S. infrastructure (2) honoring international commitments, including: security and well-being of allies and friends; precluding hostile domination of critical areas; peace and stability in the Western Hemisphere (3) contributing to economic well-being, including: vitality and productivity of the global economy; security of international sea, air, and space, and information lines of communication; access to key markets and strategic resources. The Bush Administration, despite the ongoing "war on terrorism" is keeping a focus on the Western Hemisphere and the global economy.

¹⁰ Ibid, 11.

¹¹ Organization of American States, General Assembly, Special Session. Inter-American Defense Charter, Lima, Peru, 11 September 2001, I, XI.

¹² Susan Kaufman Purcell writes that the end of the cold war discredited socialism and gave a tremendous boost to capitalist development strategies such as NAFTA and FTAA in Latin America in Susan Kaufman Purcell and Riordan Roett, eds., Brazil Under Cardoso (Boulder, CO: Americas Society, 1997), 91. She posits that the U.S. and the newly elected democratic leaders of Latin America have come to see such economic agreements as crucial ways of reinforcing their fledgling democracies and market economies.

¹³ Clinton, 55.

¹⁴ Ibid, 54.

¹⁵ Robert Wesson and David V. Fleisher, Brazil in Transition (New York, NY: Praeger Publishers, 1983), 145.

¹⁶ "A Time for Decisions: U.S. Policy in the Western Hemisphere," Inter-American Dialogue, (December 2000): 22.

¹⁷ The concept for the twin pillars of regional cooperative agreements and economic development to counter terrorism was generated from Stephen Johnson, "Coalition Against Terrorism Should Include Latin America", ROA National Security Report (Jan/Feb 2002): 62.

¹⁸ "The Security of the Americas", Joint Force Quarterly 26 (Autumn 2000): 43.

¹⁹ David E. Sanger, "Bush Declares Free Markets Are Essential for Americas", New York Times, 17 January 2002, sec. IA, p.5.

²⁰ Clinton, 56.

²¹ Robert S. Leiken, "With A Friend Like Fox," Foreign Affairs 80, no. 5 (Sep/Oct 2001): 100. Leiken notes that in the first six years of NAFTA Mexico climbed from being the world's 26th largest exporter to the 8th largest and he credits NAFTA with compelling Mexican corporations to stay competitive by raising quality of production to world levels.

²² Ibid, 101. Leiken writes that the Mexican Congress and Supreme Court have only recently gained independence from the Executive Branch and now possess a degree of leverage over it (the Executive Branch).

²³ Robert B. Zoellick, "Free Trade and the Hemispheric Hope," prepared remarks made to the Council of the Americas, Washington, D.C. on 7 May 2001. (Remarks accessed 31 January 2002: http://www.ustr.gov/speech-test/zoellick/zoellick_2.html)

²⁴ Schulz, Donald E., "The United States and Latin America: Shaping an Elusive Future" Strategic Studies Institute, March 2000, 41.

²⁵ Patrice M. Franko, The Puzzle of Latin American Economic Development (Lanham, MD: Rowan & Littlefield Publishers, Inc., 1999), 15, 22.

²⁶ "A Time For Decisions: U.S. Policy in the Western Hemisphere," Inter-American Dialogue (December 2000): 22.

²⁷ Wesson and Fleischer, 141.

²⁸ Riordan Roett, Brazil: Politics in a Patrimonial Society (Westport, CT: Praeger Publishers, 1999), 5.

²⁹ Wesson and Fleischer, 141.

³⁰ William Darrel Rogers, Brazilian Foreign Policy since 1964: From Close Alignment with the West to Assertive Independence (Ann Arbor, MI: University Microfilms International, 1968), 15.

³¹ Wesson and Fleischer, 142.

³² Robert Bacon and James Brown Scott, eds., Latin America and the United States: Addresses by Elihu Root (Cambridge, London: Harvard University Press, 1917), 243.

³³ Edwin A. Muth, Elihu Root: His Role and Concepts Pertaining to United States Policies of Intervention (Ann Arbor, Michigan: Microfilms, Inc. 1966) 45.

³⁴ Rogers, 17.

³⁵ Rex A. Hudson, ed., Brazil: A Country Study (Washington D.C.: US Printing Office, 1998), 353.

³⁶ Wesson and Fleischer, 144.

³⁷ Wesson and Fleischer take note in Brazil in Transition (143-145) that the war time alliance was of profound importance to Brazilian-U.S. relations for 25 years following WWII and that it even conditions the association of the two countries to this day.

³⁸ Rogers, 20.

³⁹ Wesson and Fleischer, 145.

⁴⁰ Alfred Stepan, The Military in Politics: Changing Patterns in Brazil (Princeton, NJ: Princeton University Press, 1971), 129.

⁴¹ Rogers, 64.

⁴² Stepan, 129.

⁴³ Rogers, 68-72. Rogers offers the position that Goulart was allowing the government to be taken over by communists. To avoid the "Cubanization" of Brazil, the military believed there was no alternative but to overthrow Goulart. Hence the reasoning after the Coup to craft a foreign policy in the context of the international scene as a struggle between East and West; Soviet versus Free World. Castello Branco readily acknowledged the U.S. as the leader of the West and chose that bloc to support.

⁴⁴ Hudson, 76.

⁴⁵ Stepan, 125. Wesson and Fleischer corroborate U.S. support for the military coup in Brazil in Transition (151), by providing a summary of the U.S. military plans for "Operation Brother Sam" which was intended to provide military support to anti-Goulart forces in the event armed resistance occurred during the coup.

⁴⁶ Hudson, 356.

⁴⁷ Wesson, 150.

⁴⁸ Ibid, 157.

⁴⁹ Mark Falcoff, "Mercosur: Precursor to Free Trade Area of the Americas?", ROA National Security Report (September 2001): 24.

⁵⁰ Wayne A. Selcher, Brazil's Multilateral Relations: Between First and Third Worlds (Boulder, CO: Westview Press, 1978), 269.

⁵¹ Purcell and Roett, 9.

⁵² Jean Krasno, "Brazil," in The Pivotal States, eds. Robert Chase, Emily Hill, and Paul Kennedy (New York: W.W. Norton & Company, Inc., 1999), 185.

⁵³ The Brazilian Foreign Ministry, ITAMARATY, has the reputation for fielding schooled and skilled diplomats dating back to the era of Rio Branco.

⁵⁴ Selcher, 2.

⁵⁵ These statistics were accessed on 27 January 2002 from:
<http://www.countrywatch.com/cw>.

⁵⁶ Lincoln Gordon, Brazil's Second Chance (Washington, D.C.: Brookings Institute Press, 2001), 11.

⁵⁷ For a discussion and analysis on the extreme inequality of income in Brazil over the past 30 years see Lincoln Gordon Brazil's Second Chance (120-140). Gordon sums the situation as: the inequality of income is so severe as to rule out equality of opportunity.

⁵⁸ Ibid, 3.

⁵⁹ A detailed summary on how Brazil succeeded in its fight against inflation is provided in Albert Fishlow, "Is the Real Plan for Real?" Brazil Under Cardoso, ed. Susan Kaufman Purcell and Riordan Roett (Boulder, CO: Americas Society, 1997), chapter 2, p.42.

⁶⁰ Gordon, 133.

⁶¹ The word abertura is Portuguese for "opening" and in this sense, the opening of the economy in global markets – both as an exporter and an importer.

⁶² Ted G. Goertzel, Fernando Henrique Cardoso Reinventing Democracy in Brazil (Boulder, CO: Lynne Rienner Publishers, 1999), 131. Mr. Goertzel notes that Brazil's privatization efforts were part of a global trend away from state ownership of industry. Brazil experienced positive economic benefits from selling the industries, i.e., cash infusion to the government for the sale, rising productivity and employment, and receiving taxes from the private sector. In 1994 alone Brazil realized a positive cash flow of over \$2 billion from privatization.

⁶³ MERCOSUR is an acronym in Portuguese for Mercado Sur – Common Market of the South. The common acceptance of Brazilian Portuguese over Spanish reflects the tilt in economic influence and power.

⁶⁴ Krasno, 167.

⁶⁵ Ibid, 187.

⁶⁶ Ibid, 193.

⁶⁷ Roett, 200.

⁶⁸ Larry Rohter and Jennifer L. Rich, "Brazil Takes a Trade Stance and Offers a Warning to U.S.," New York Times, December 19, 2001, sec. WB, p. 1.

⁶⁹ Krasno, 190.

⁷⁰ Greg Anderson, "Hemispheric Integration," International Journal, 2 (Spring 2001): 229.

⁷¹ Karen DeYoung, "4 Andean Ministers Plead for Trade Pact", Washington Post, 13 February 2002, sec. A, p. 10.

⁷² Purcell and Roett, 97.

⁷³ "The Americas at the Millenium: A Time of Testing," Inter-American Dialogue (November 1999): 14.

⁷⁴ Krasno, 167.

⁷⁵ Felipe A.M. de la Balze, "Finding Allies in the Back Yard NAFTA and the Southern Cone", Foreign Affairs 80 no. 4 (Jul/Aug 2001): 11.

⁷⁶ Hakim, Peter, "The Three Temptations of Latin America", Security and Civil-Military Relations in the New World Disorder: The Use of Armed Forces in the Americas (September 1999): 25.

⁷⁷ On January 15, 2002 Argentine President Eduardo Duhalde said Argentina is one step away from anarchy and he implied that the current economic crisis is the result of economic domination of Argentina by the United States. In Anthony Faiola, "Argentina Signals Shift Away From U.S.," Washington Post, 16 January 2002, sec. A, p. 14., it is commented that these remarks that signaled a shift away from Argentina's decade-long stance as Washington's closest ally in South America, President Duhalde called for Brazil to join in a united front against protectionist U.S. trade policies.

⁷⁸ This remark was made by a speaker participating in an academic lecture at the Army War College in January 2002.

⁷⁹ The concept for a civil-military relations doctrine was taken from Donald E. Schulz, "The Growing Threat to Democracy in Latin America", Parameters 31, no. 1 (Spring 2001): 66.

⁸⁰ The U.S. and Brazil both provided soldiers and equipment in 1995-6 to the Military Observer Mission Ecuador-Peru (MOMEPE). The senior military officer coordinating the activities of the troop contributing nations was a Brazilian brigadier general. In reference to a combined doctrine for peacekeeping, Brazil should be included as part of the Enhanced International Peacekeeping Capabilities (EIPC) initiative that was founded in 1998.

⁸¹ The concept for this three pronged approach to American foreign policy in Latin America is taken from remarks made by Ambassador Lino Gutierrez, Acting Assistant Secretary, Bureau of Western Hemisphere Affairs, "U.S. Policy in the Western Hemisphere" to the United States Conference of Catholic Bishops, Washington, D.C. on 17 December 2001.

⁸² William Spencer is quoted in Kenneth Jost, "Democracy in Latin America," CQ Researcher, 10, No. 38 (November 3, 2000): 889.

⁸³ The idea in this sentence is based on remarks by a speaker participating in an academic lecture at the Army War College in February 2002.

⁸⁴ Gutierrez remarks.

⁸⁵ Joanne Mariner quoted in Jost, 884.

⁸⁶ Schulz, "The United States and Latin America: Shaping an Elusive Future", 37.

⁸⁷ Zoellick remarks.

⁸⁸ Ibid.

⁸⁹ Ana I. Eirus, "Don't cry over free enterprise, Argentina," The Washington Times, 14-20 January, 2002, sec.1, p.35. Ms Eirus wrote this article as an editorial critical of Argentina's failure to accept responsibility for the political and economic crisis it finds itself in January of 2002. The importance of fully embracing capitalism is just as important for Brazil as Argentina – a free market economy must be unencumbered by a profligate government in order to be competitive in the global market.

⁹⁰ Krasno, 192.

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