

BUSH-LULA SUMMIT

By Joel Velasco, Stonebridge International LLC
May 22, 2003



The White House is expected to announce shortly that President George W. Bush will host Brazilian President Luiz Inácio Lula da Silva for a bilateral summit in Washington on June 20. This meeting fulfills President Bush's proposal last December to then President-elect Lula for a presidential summit in the first half of 2003.

ONGOING COMMITMENT

In light of the war in Iraq and the other pressing international crises, the fact that the meeting is taking place as promised is further evidence of the White House's commitment to strengthening relations with Brazil. The summit follows a six-month period of heightened engagement between the two countries — a “strategic conversation [with an] essential partner in the hemisphere” in the words of Under Secretary of State Marc Grossman. Presidents Lula and Bush are expected to discuss also the prospects for Argentina's new government, cooperation in fighting the threat of narco-trafficking, political challenges in Venezuela, and other regional and global issues.



Lula & Bush meeting on December 10, 2002

EXCEEDING EXPECTATIONS

Surprising many analysts since his election last fall, President Lula's Administration not only has gained economic credibility by maintaining sustainable macroeconomic policies domestically but also has benefited from a positive bilateral relationship with the Bush Administration. In our view, the solid performance and good relations are not surprising and benefit from foundations laid in recent years and the strong interest in the success of the Lula Administration by the United States government. While the hemisphere suffers from inadequate attention in Washington, the Bush Administration recognizes Brazil's progress will affect not only the bilateral relationship but also the outlook for the regional and global economy. In fact, several senior Administration officials and Congressional leaders have visited Brazil this year — including a highly successful visit by Treasury Secretary John Snow — laying the groundwork for this important summit. We expect a number of bilateral initiatives to be announced around this summit, ranging from economic assistance to social programs to cooperative research and partnerships in areas such as education and the environment.

Rather than contribute to a self-fulfilling prophecy of gloom, I believe we should look for ways to support Brazil and its new president — and do so not only for Brazil but because our nation has a stake in its success.

From October 27, 2002, op-ed by
former U.S. Ambassador to Brazil
Anthony S. Harrington

TRADE NEGOTIATIONS

Ambassador Robert Zoellick will be in Brasilia next week to continue the dialogue between the two countries. The United States and Brazil are at a crossroads in terms of their trade relationship, both in terms of their status as co-chairs of the Free Trade Area of the Americas negotiations and the difficulties faced at the Doha Round of the World Trade Organization. In our view, only with both strong political and business leadership in each country and the necessary give-and-take at the negotiating table will an agreement be worked out. A separate free trade agreement with Brazil or Mercosul also remains a possible — yet difficult — alternative.