



CENTER FOR LATIN AMERICAN STUDIES

**“MEXICO’S FOREIGN POLICY: AN
UPDATE”**

WELCOME AND MODERATOR:
AMBASSADOR JAIME DAREMBLUM,
DIRECTOR, HUDSON CENTER FOR LATIN AMERICAN STUDIES

SPEAKERS:
HIS EXCELLENCY ARTURO SARUKHAN,
AMBASSADOR OF MEXICO TO THE UNITED STATES

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JAIME DAREMBLUM: Good morning, ladies and gentlemen, Excellencies. I am Jaime Daremblum, director of Hudson's Center for Latin American Studies. It is my pleasure to welcome you to a briefing on Mexico's foreign policy, with Mexico's Ambassador to the United States, His Excellency Arturo Sarukhan.

For both students and practitioners of inter-American relations, Mexico has traditionally played a central role. We see how historically Mexico has been a leading influence in the always-complex process of shaping Latin America's opinion and official positions on hemispheric issues. Likewise, in the world arena, Mexico's voice commands a special interest. An in its relations with the United States, Mexico is a crucial point of reference for Latin America given its partnership in NAFTA, plus the innumerable aspects derived from a shared border.

We are honored today to have Ambassador Sarukhan enlighten us on the present course of his country's foreign policy. He has been a chief foreign policy advisor for President Felipe Calderon, first through the hard-fought political campaign, and since then also in a key role in shaping Mexico's relations with the United States. Needless to say, he is an experienced and highly respected diplomat in Washington. And without any further preamble, we welcome Ambassador Sarukhan.

ARTURO SARUKHAN: Good morning, and thank you for coming out and braving the ice and snow. I remember the old Washingtonian tradition of one inch of snow and the city goes berserk, but thank you for coming out, and especially my dear colleagues from Latin American who are here this morning. Thank you Jaime, thank you for your kind words, and it is a pleasure being here today at the Hudson Institute to discuss Mexican foreign policy and how that foreign policy is being shaped by the new Calderon administration which assumed office a year ago, now, on December 1st, 2006.

In 2006 Mexico was in the midst of its silly season—you are about to, if you have not already had, enter your silly season, as America is about to enter its elections—and Mexico is no different than most other countries in which foreign policy traditionally, or usually, does not play a key role in a campaign. There are some exceptions—I think the United States next year will certainly see issues of foreign policy be one of the main drivers of the debate—but the Mexican political and electoral debate in 2006 was certainly not about foreign policy. There were other drivers—economy, job creation, public security, law and order, certainly the issue of equality—those were the main drivers, but that does not mean that there weren't very distinct and different points of view regarding what Mexican foreign policy should look like.

On the one hand, there was one candidate, and they will go unnamed, you can do your math and guess who I am talking about, one of the candidates suggested that the best foreign policy was domestic policy—that Mexico needed to put its house in order and that once that had been done then maybe he would deal with foreign policy. He went even to the point of suggesting that he had no interest in coming to the United States and establishing a relationship with this country. You can say that if you are the candidate for a nation thousands of miles away, but when you have a 3,000 kilometer border with the

United States, to say that you are not interested in developing a relationship with your largest trading partner, with your neighbor, is a bit foolish.

The second main contender posited that there seemed to be a Golden Age of Mexican foreign policy, and that Golden Age had already come and gone and that somehow Mexico needed to go back to that Golden Age of Mexican foreign policy, ignoring that both Mexico had changed and that international system had dramatically changed: that the Mexico of today was not the Mexico of the 1950s or 60s or even the 70s, and that the international system had dramatically changed.

And then there was a third candidate, Felipe Calderon, who suggested that Mexican foreign policy and the way Mexico entreated with the world was critically important for Mexico's ability to grow, for Mexico's ability to be a responsible and active partner on the world stage.

So even if foreign policy *per se* was not an issue driving the debate, there were very, very different points of view in terms of what role Mexico should play on the international arena. And what is clear is that now President Calderon understood profoundly that the transnational effects of globalization affect a country like Mexico profoundly. It cannot be ignored and what happens beyond our borders has a profound impact on the well-being of Mexicans both within Mexico and abroad.

The new non-traditional threats to international security and peace; the deterioration of the environment and the impact it has on countries like mine and on a host of countries, especially in the Caribbean basin; the emergence of new economic powers and economic paradigms in the world; the critical issue of labor mobility—and this is not just a euphemism to talk about immigration—there is a larger issue of how mobility plays into our ability to compete and to grow as economies, and I think this is a critically important issue, for example, for how NAFTA goes about competing in the world arena today. And the critically important issue of trans-nationally organized crime, and how that is affecting our hemisphere and some of the most critically important security dynamics across the oceans.

At the end of the day, President Calderon understood that Mexico's ultimate challenge, in many ways similar to what the U.K. faced after the Second World War—the Brits very rapidly recognized that their dilemma, their challenge after the end of the War was how to continue punching above their weight, given how the international paradigms of power had shifted after the Second World War.

And in many ways Mexico's challenge is a bit similar, but quite different. Our challenge is to stop punching below our weight. Mexico, for too many years, has been punching below its weight. We have not played the type of international role that a country like mine, geopolitically positioned like Mexico, needs to play on the international arena. And at the end of the day the dilemma is very simple: you either sit at the table or you are on the menu. And that is the basic challenge that we face as we move forward. In short, and

President Calderon has said it, what he wants from Mexico is more Mexico in the world, and more world in Mexico.

There are three key trends taking place today in the world which will have a profound impact on Mexican foreign policy and on Mexico's outlook in the world. The first one is the geo-strategic realignment that is taking place in Asia, and in which China and India in particular play an increasingly important role. What impact does China have for our ability to continue growing and competing within NAFTA; what types of paradigms does our relationship with China open—not only in terms of our trade relationship, where we, Mexican manufacturers, especially in the textile industry, have been profoundly hit by Chinese competitiveness in the textile sector—but also how can we develop a much deeper relationship with our Chinese colleagues given the role that China is playing in the international arena today and the long traditional ties that bind Chinese and Mexican foreign policy since the days of the Cold War.

India is another paradigm which I think poses important challenges for Mexico. Not only because I think India, and the way India is shaping the services industry, has a very profound lesson for Mexico, but also because it won't surprise you that the second language that is being taught in Indian language academies today after English is Spanish, and it is not a surprise—they have understood the huge impact that the growing Hispanic market in this country has for the economic well-being of America. And they are rapidly trying to position themselves in this market by providing Spanish-speaking Indian citizens to be able to man call centers for example.

The second issue which is, I think, important to put on the table today, is India, with the disparities that it has in its socio-economic ladder—in many ways similar to those that exist in Mexico today—has become self-sufficient in food. And the irony is that they have become self-sufficient in food thanks to the Green revolution developed in Mexican laboratories in the 1960s. And what have the Indians done that Mexico has been able to do, that makes Mexico today, in terms of the full opening up of NAFTA for food-stuffs in January of 2008 when all remaining tariffs to corn and beans will be lifted for NAFTA, how does Mexico go about understanding the challenges that India has been able to address as it grows and expands economically.

Having said this, obviously, the other big challenge in the region is that this is the area, where I think, and many others believe, that we will face the most pressing challenges to world peace and security in the next decades. The challenges that we face in the Taiwan Straits, the challenges of another nuclear power on the Korean peninsula, and some of the challenges that we see in Central Asia, and the critical issues of access to energy in that part of the world, are probably going to play themselves out to be some of the most critically important challenges to peace and security in the coming decades.

The second trend that Mexico and Mexican foreign policy are focusing on is the debate taking place within and among Latin American nations today regarding the effects of globalization, the benefits of democracy, and how does Latin America pave its road towards the future? And what you are seeing in Latin America today is not a fight

between the left and the right: this sells newspapers, it sounds sexy on the front pages of magazines, but what you see in Latin America today is not a struggle between left and right. It is a struggle between different recipes to tackle what I think is the most critical challenge that Latin America faces today, which is how do you demonstrate to our citizens, throughout Latin America, that openness and democracy and trade and transparency and accountability and the rule of law can provide the goods on the table for every man and women in our societies? And if our politicians, and our political parties, and our governments cannot provide proof that these regimes can deliver the goods to our societies, you will see some of the challenges that you see today in Latin America regarding democratic governance, human rights, and the rule of law.

And this is a critically important challenge because it is polarizing our own societies and some of the views and the discussions between Latin American countries, and what the road forward looks like. Obviously, given that the Americas is Mexico's natural scope of action, there is one area that is of critical and strategic importance to Mexico, which is Central America and the Caribbean. And there we are working intensely to re-engage with our Central American and Caribbean partners.

Mexico has been missing in action for too long in this part of the world. Mexico played a critically important role throughout the 1980s as part of the discussions that lead to the peace in Central America in the late 1980s. Central America today faces some critical challenges to security, and this is why President Calderon has decided to re-tinker, to re-engineer what was probably the most significant strategic design by the previous administration, by the Fox administration, that if I was in marketing I would probably say was the best product with the lousiest brand name, and that is the Puebla-Panama Plan, or the PPP.

This is a project that basically was designed to generate investment and infrastructure in Central America, to pull Central American and southern Mexico up from the bootstraps, and generate greater growth through investment in infrastructure. And we have now had the fortune of having Colombia come into the PPP, so maybe we should maybe at least re-baptize it as the Plan Puebla Panama Putumayo or something like this. Certainly I think that Colombia will help to bookend Central America, to be able to put on the table an aggressive program to develop the Central American isthmus and generate economic well-being in this part of the Americas.

Finally, the third key trend that I would suggest has a profound impact on how Mexico positions itself in the world and how its foreign policy outlook is designed is the debate taking place within the United States today over its own foreign policy and the nexus between foreign policy, national security and international security. How does this debate move and shape itself in America today; what will that debate look like in the campaign; and how Americans understand foreign policy and the role that border security plays in this debate will have a profound impact on Mexico's foreign policy. Again, the issue that we share a 3,000 kilometer border with the United States has a profound impact on Mexicans.

Sometimes foreigners, that is, non-Mexicans or non-Americans, understand very quickly what this border entails for both countries. When I was Chief of Staff for policy planning in the Mexican foreign ministry in 2000, I remember the then-Israeli ambassador who had just in to town, as we all do when we come into a new capital, picked up the phone and said “Can I go and visit, I would like to pay a courtesy call” and I said I would be delighted. And he came in and started talking as we usually do and he very quickly said, you know, I have been in Mexico for about a month and I cannot help but wonder why you Mexicans always bitch and moan about this old cliché of “poor Mexico, so far away from God, and so close to the United States.” He said because I think of Israel, and the only thing I can come up with is, “poor Israel, so close to God, but so far away from the United States.” But obviously he immediately understood the strategic importance of a 3,000 kilometer-long border with the United States. And the opportunities, and certainly the challenges, that this entails, for a country such as Mexico.

And so how America moves forward in this debate which is taking place today regarding its outlook on international affairs, how foreign policy should be shaped, and how foreign policy, national security and international peace play into the mix, is going to have a profound and very significant effect on Mexican foreign policy. Obviously with the added effect of the debate that is taking place in America today over immigration, this will have a very, very significant impact for Mexican foreign policy.

At the end of the day, the ultimate challenge we have with our relationship with the United States is how do we provide NAFTA with the synergy that it no longer seems to generate or to trigger, and how do we build the double helix of the very complex challenge of ensuring that Mexico and the United States can deliver common security and common prosperity? How do we deal with a 3,000 kilometer border, in ensuring that the free flow goods and services and people cross that border unimpeded, while at the same time ensuring that security is guaranteed on that border? Despite some of the pundits and some of the people on the airwaves out there who would suggest that Mexico is an uninterested partner in America’s national security, I would suggest precisely the contrary. It behooves Mexico to guarantee that that common border is not used to threaten the security of the United States. The day that that border is ever used to undermine the security of this nation, the relationship between Mexico and the United States is over.

There is one very plain truth in Mexico, which has to be understood, and which people or may not like—that is another story, if we do not like it then let’s change it—but the reality today is that in a post-9/11 world, a threat to the security of the United States, or a perception of a threat to the security of the United States along that border, will have a profound impact on the U.S-Mexico bilateral relationship.

So how do we, given that we have a partnership within NAFTA, how do we go about ensuring that we do not shut down that border through security but at the same time guarantee the security of that area? And I would share with you what I think is an impressive piece of information. On any given day, 73 percent of all two-way, bilateral

trade between the United States and Mexico crosses our land border. Of that 73 percent, 41 percent comes in to the United States from Mexico through what we call “Fast Lanes.” These are specific lanes that we have developed with the United States to ensure that merchandise that comes in is pre-vetted, pre-screened, and that once it hits the border goes through these gamma-ray system portals and it goes immediately and automatically through and we can ensure that the container that says “bananas” actually has bananas and not something else. That 41 percent of the trade that crosses, in this fashion every single day, that border, in terms of volume, is equivalent to the total exports of the U.K and France combined to the United States, or of German exports to the United States. That is the volume that Mexico and the United States, on any given day, pre-vet, pre-screen, and enters this country in a secure fashion.

So I think Mexico and the United States have moved significantly forward in taking this challenge head-on: common security and common prosperity. Having said this, and this does not mean that there are not other regions in the world where Mexico has key interests—we are one of the few countries that has a free trade agreement with the European Union. We are the country that has the largest network of free-trade agreements anywhere in the world. This does not mean that there are not other parts of the world where Mexico has critically important issues, but if you look at the larger trends, if you look at the big picture, these are the three areas where I think Mexico has a particular interest and these are the three areas which will have a profound impact on Mexico’s outlook and Mexican foreign policy.

Having said this, President Calderon has outlined as strategic objectives of his foreign policy: Number one, the deepening of democracy, the rule of law, security and respect for human rights in the world.

Second, the protection of Mexican migrants. We have 8 million, give or take, undocumented Mexican migrants living today in the United States, and these individuals are a critically important component of Mexico’s foreign policy.

Third, the promotion of foreign direct investment in order to generate new jobs in Mexico—we have always said this from the beginning. Comprehensive immigration reform in the United States will have to start in Mexico, and what do I mean by this? Unless Mexico can grow at significantly higher rates than the ones it has grown in the past, we will not be able to anchor the 300,000 to 400,000 women and men that every year try and cross that border into the United States in search of a better job. Our loss is your gain. And we need to hold onto these women and men so that Mexico can continue to grow. And the only way that is going to happen is if Mexico can generate a significantly higher rate of growth—higher than the 3.1-3.4 percent average that we have had over the past six or seven years. That will not be enough. So the key priority for the President is how do we ensure that FDI is coming into Mexico to generate that type of economic growth that Mexico needs.

The fourth critically important issue for the President is the encouragement of a sustainable economic development. I think that as the President gets his sea legs after his

first year in office, you will see Mexico playing a critically important role in the international environmental agenda. The President is extremely committed to this issue and I think this will become, more and more as Mexico and this administration moves down the line, a critical component of its foreign policy. And then the last strategic driver is the increased credibility and legitimacy of Mexico within the international community.

At the end of the day, all paradigms for managing world challenges are increasingly outmoded. We must deal in Mexico with creating, reinventing, or devising the principles of an international rules-based system that will bring about greater security and prosperity for the Americas and for the world. We should be concerned about the lack of convincing answers on the way forward regarding many of the issues and challenges that I have addressed today. There is no cost-free leadership, and we cannot solve the problems of the world, even if CNN beams them every night into our living rooms, unless we forcefully use the bully pulpits to build a new architecture based on joint actions. Mexico is ready to play its part alongside its American partner—the ultimate challenge is whether in this critically important relationship, Mexico and the United States, instead of being accomplices to failure, can become partners to success.

Thank you and I understand we will take some questions and answers, right Jaime?

JAIME DAREMBLUM: Thank you very much Ambassador. The Ambassador has agreed to take some questions; we have microphones here and I would appreciate it if the person asking the question identifies themselves.

WILLIAM HAWKINS (U.S. Business and Industry Council): You talked about trade and investment and economic growth and I know that Mexico joined the United States in their recent World Trade Organization case against China on subsidies, which assembled last week. Given that China's easy access to the American market and the huge influx of Chinese imports, does NAFTA still provide Mexico with the advantage in the head-to-head competition that it is supposed to give Mexico over the last 10 years? And secondly, there has been a lot of infrastructure development and port expansion in Mexico which seems aimed at bringing more Chinese and other Asian goods into the American market. Given the head-to-head competition, what is the impact of this? It seems that the Chinese will be driving over Mexican industry to get to us rather than having Mexico have an edge in our market?

ARTURO SARUKHAN: The critical challenge that I think that NAFTA faces today is how does it continue providing traction for our three economies? What is the case, and it is hard to preach to one of the high priests of NAFTA who is sitting here in the room, my dear friend Sidney Weintraub, but I think that one of the critical challenges that we face is that as the *maquiladora* stopped being the machine, the engine of NAFTA expansion right after NAFTA was signed, how do we build upon the services sector to become the new driving force of our integration? How do we ensure that the supply and demand chains within North America still work? How does labor mobility play into this critically important issue? I think human capital is one of those critical issues which today is undermining NAFTA's ability to continue growing and competing. How do we bring in

an available labor force to a market and ensure that that labor force continues to provide growth in North America?

It is not only happening in the United States, but is happening in Canada. It is not a surprise that Mexico has with Canada two very—it had one temporary worker program for the agricultural sector, which has been going on strong now for the past two decades, in which every year a significant amount of Mexican workers go up to Canada to the agricultural sector to work in Canadian businesses. And we have now expanded this to the energy sector, where Mexican workers and technicians would go up to Western Canada—Alberta, Saskatchewan, etc—to work in the energy industry in Canada. So that is one of the critical challenges that we are facing and I think that labor mobility is a key component of this discussion.

The infrastructure—I don't think the decision of President Calderon to use the growth in infrastructure is China-driven. I think that first of all, there is a profound need for enhancement of infrastructure simply because of what is going on in Long Beach and other ports in the United States—they are completely saturated. So, for example, Punta Colonet, which is the largest infrastructure development which will probably take place in Mexico today in the Baja California peninsula, is precisely aimed at decongesting Long Beach. But most of the infrastructure development that you are seeing, especially in the central and southern part of Mexico, is not being driven by China. It is being driven by how do you generate better-paying jobs and investment in Mexico?

The President is convinced that through infrastructure we will be able to bring in and entice that type of FDI which today is basically centered on the Central Northern part of Mexico and is not trickling down into the central and Southern parts of Mexico. So I don't think it is necessarily being driven simply because this would be the platform that the Chinese would use to access the American market. I think it has a lot to do with generating greater economic growth, well-being and equality in Mexico, especially in the Southern and Central parts. That is why most of the projects, with the probable exception of Punta Colonet, are being designed for the Center and South of Mexico.

PHILIP HUGHES (White House Writer's Group): I wanted, Mr. Ambassador, to address myself to the second of your three main challenges of Mexican foreign policy, having to do with Mexico's role in the Americas. In saying that what is going on in the America's today is not a battle between the left and right, putting this in terms of a battle between different recipes by which we ensure the transparency, the stability, competitiveness, opportunity and so forth. To some observers at least, there are not exactly two different recipes for ensuring those things—one of the recipes seems, nowadays, to have less to do with transparency, accountability and so forth, and more to do with, almost, totalitarian or aspiration for, totalitarian power—this is one of the things that is supposedly an issue last Sunday in the referendum in Venezuela.

Although there are efforts to define a socialism for the 21st century, many of the features being embraced by some of the nations of the hemisphere, which actually to observers look more backward-looking to an earlier time of government dominance and

corporatism than they seem to be forward-looking. Could would talk a little bit about the dilemmas that are playing a constructive role here for Mexico, what it actually involves for your foreign policy since, certainly the Calderon administration, are identified with forward-thinking and modern-thinking trends in the hemisphere rather than retrograde ones, but there are also issues of sovereignty, non-intervention, and appearances of a stalking-horse for your neighbor? Could you talk a little bit about those dilemmas that Mexico faces as it plays its hand in the Americas?

ARTURO SARUKHAN: Well, certainly the first dilemma is that for too long Mexico has been missing from some of the key important debates in Latin America, either because there was a decision to do so or because we were so absorbed by developing and enhancing this new relationship, this new budding relationship that was taking place with the United States as a result of the decision back in the early 90s to develop what later became the NAFTA framework. So I think the first challenge is that Mexico needs to, intellectually, philosophically, re-engage with what does it mean to be part of a Latin-American community? Is there such a thing as Latin America today? Is it increasingly shaping out to be a construct of different realities, different components, where there are certain things in common but where each group of countries, or each sub-region within Latin America are developing qualitatively different outlooks on the region, and how those blocs related to other parts of the world. Can we still talk about a homogeneous, monolithic Latin America? I think that there would be many, and I would be among them, who would suggest that maybe this should dramatically change too, and that we have to rethink how we talk about and think about Latin America.

I think some of the challenges, obviously *Latinobarometro* is a critically important tool to measure some of these challenges that you have mentioned. The latest *Latinobarometro* that came out I think poses the challenge very neatly. I think that increasingly people feel that the goods are not being delivered. And forget about *Latinobarometro*—I will come back to it in a second. There was an Indomec-Harris poll, which was published by the Financial Times if I am not mistaken about three or four months ago, which really was extremely telling. And the poll was not conducted in Venezuela or Chile or Brazil or in Guatemala—it was conducted in the UK, France, the United States, Germany and Spain. And of all these countries, the only country where globalization and the perceived benefits of globalization was not being put under the operating table by public opinion was Spain.

We can all speculate why that was the case—I think a lot of it has to do with how Spain benefited from what was called back then the social cohesion that the then-EEC put forward so that when Spain entered the then-EEC, pulled Spain and Ireland and Greece and Portugal up from their bootstraps and probably that is why the outlook in Spain is qualitatively different. But the other countries, countries that you would probably not relate to anti-globalization, where extremely skeptical about the benefits of globalization. The sense that the middle classes were being squeezed out, that the rich were getting richer, that the poor were getting poorer, that the perspectives for their kids down a generation were not the ones that they had as adults. There was a great malaise I think regarding the benefits of globalization.

And what you are seeing in the *Latinobarometro*, and what we are seeing in the region today, is people have sense that the goods are not being delivered, and there has to be a balance between free markets and openness and competitiveness and some sort of role of the state to guarantee social equality and justice and growth and the elimination of extreme poverty. These are the critical challenges that I think all of us in Latin America face today. And I do not think that Mexico's role is to preach; I think Mexico's role is to do what Mexico thinks it has to do to tackle these challenges, and if this is the same recipe that other neighbors in Latin America follow, so be it—we will be in good company.

RAY WALSER (Heritage Foundation): The administration has proposed the *Merida* initiative which entails about \$1.5 billion in counter-drug assistance over a three-year period. In hearings and also in the media there is a great deal of skepticism about this program, particularly the feeling that Mexican counter-drug efforts are still penetrated by narcotics traffickers, by cartels, by corruption, by a basic lack of confidence in Mexican law enforcement institutions. How do you respond to these critics? Clearly many of us think that it is in our mutual interest, but how would you go about responding to the critics of the performance of Mexico's counter-drug operations to this point?

ARTURO SARUKHAN: First of all, as most things in life, some of these are old clichés. There is, and I will never try to put lipstick on a pig, there is a dramatic challenge in Mexico in terms of corruption and how the drug trade is penetrated some institutions, especially local and state institutions. It is a challenge. It cannot be in any other way when in one single operation, in a Mexico City safe-house, you seize \$206 million in cash. That is the amount of money that the drug trade is moving. Every year, approximately \$10 billion, laundered in the United States, crosses into Mexico to feed the drug trade. So whoever thinks that by wishful thinking President Calderon is going to eliminate, from one day to the next, corruption and the effects of drugs on Mexican society, is crazy. What President Calderon is doing is doing what nobody else had done, which is tackling this head-on. From the first day of his administration, he decided to roll back and shut down and contain the drug syndicates, at the cost of 2000 lives to this day, since December 1st.

And the results are starting to be shown: Number one, that some of the operations of the drug syndicates are being shut down. Two, that we have seized just in this first year, Mexico's largest-ever amount of cocaine, 48 tons, of which in October we seized the largest, world-record breaking, 23.5 tons of cocaine worth wholesale in the United States about \$500 million on the street, in one operation in the port of Manzanillo in Colima. The results are not going to happen overnight, this is going to take time. Mexican president Felipe Calderon has had to use the armed forces as a stop-gap measure to shut down some of the operations. Armed forces should not play a role in law enforcement—that is why this country so wisely has a *posse committatus* act precisely to ensure that the armed forces are not used for law enforcement, but the stakes in play in Mexico today allow President Calderon no other option, and the armed forces will remain engaged in

the fight against drugs until civilian institutions can be rebuilt, revamped, and we can be sure that we have civilian institutions capable of taking on the drug trade.

Iniativa Merida, or the Merida Initiative, is all about co-responsibility, about understanding that at the end of the day this fight can only be addressed by a partnership between Mexico and the United States. As Mexico tries to ensure that the drugs coming through Mexico or originating in Mexico, coming into the U.S market, are stopped, we also need the support of the United States to shut down weapons, chemical precursors, and bulk cash coming in across the border from the United States into Mexico, and which are feeding into the organized crime syndicates in Mexico today.

PING HUIWU (Embassy of the People's Republic of China): Mr. Ambassador, can you talk a little about the relationship with South American countries that are also strategic components for Mexican foreign policy?

ARTURO SARUKHAN: Obviously our relationship with this part of Latin America is critically important. Number one because there is a network of countries with which Mexico has had a profound historical relationship for many decades, where Mexico was a safe-haven for many refugees from the military coups and military regimes in South America, which found a refuge in Mexico. Many people forget that Mexico in many ways, though not of the width and the extent of America, has been a country for refugees and has been a safe-haven for many refugees fleeing military dictatorships throughout Latin America in the 1970s and 80s. So there are profound bonds of society to society friendship and ties that exist between Mexico and our South American neighbors.

I think some of the challenges that we face with South America are some of those that I have mentioned: how do we ensure that our region of the world remains competitive, that Latin America does not become the new Atlantis, a lost continent? How do we remain relevant on the world stage? And I think that with some of our partners in the region—with Brazil and Chile and now with Argentina and with some of our South American colleagues who are also members of APEC, where we play a critically important role, I think that we are starting to develop and find new geometries for Latin American alignments.

Some of them might coincide and some of them may not—my Brazilian colleague and I are faced with the constant query of whether Brazil and Mexico are rivals, or should they be strategic partners? I think Brazil and Mexico have very particular outlooks of their foreign policy, of the role they need to play, and I think that in the measure that the countries in Latin America that can understand that we may have some differences in our international agendas, and recognize those differences but assume those differences—yes, Brazil and Mexico have different outlooks on for example what UN Security Council expansion should look like—we should articulate that feeling, help our publics understand why we have these different outlooks on how this policy should be driven, but beyond that understand that we have critically important challenges that we face together as nations.

And I think that we are finding, in our bilateral and regional relationships in the framework of the Ibero-American Summit Group and the Rio Conference group and other sub-regional groupings that we have to find new ways to address the challenges which are particular to these subsets of countries.

The type of attraction that some of our countries in Latin America face as members of APEC, for example. We are developing a Latin American Pacific rim of nations through our membership of APEC, and how we build ties with the Asian Pacific basin as members of APEC. How do we deal with common threats of security, organized crime with our Central American and Caribbean nations? How do we go about with our Chilean, Brazilian, Argentinean, friends, what I call our relationship with ABC, on critically important issues of multilateral policy? And how our four nations can benefit from that fact that we permanently have, every two years, one of these Latin American countries represented in the UN Security Council? How can we benefit from these experiences?

So I think that there is a rich and vast arena for cooperation and dialogue; I do believe that we have to understand that Latin America is no more the Latin America that existed in the 1970s and 80s—it is a different region. We have to understand this, and if we do I think we will find a much more muscular, a much more aggressive, in the good sense, role for Latin America on the world arena. The fact that Brazil and Mexico were two nations included in the Annapolis process I think speaks volumes about our willingness, the willingness of both countries, to be engaged with critically important issues to world peace and security. I think that if we can move forward with addressing some of these challenges, Latin America should be playing a critically important role on some of the most critically important debates facing the world community in the next years.

JAIME DAREMBLUM: We thank Ambassador Sarukhan for his excellent presentation, and we thank you for being with us this morning. Thank you.