

Powell's Recipe to Make Brazil Count

Contributed by Colin L. Powell
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How to put Brazil on the economic map? The answer is simple: have something to invest in. And make sure that the investment is safe, and make sure the investment can return a profit. Make sure you have commercial codes that are respected and honored. Above all, put money into infrastructure and not just into educating young people and bringing the Internet into their lives.

Remarks by US State Secretary Colin L. Powell to the American Chamber of Commerce at the Hilton São Paulo Morumbi Hotel in São Paulo, Brazil

Thank you so very much, Ladies and Gentlemen, for that warm welcome. It's a great pleasure for me to be in Brazil for the first time as Secretary of State, but not for the first time ever.

I had been here previously during my career as a soldier and I always am impressed by the warmth of the reception that I receive in Brazil.

And Sir, I thank you for that very nice welcome from the Governor. Please extend to him my best regards, and thank you very much Sir, Sergio, for your warm words, as well.

Ambassador Danilovich, Ambassador Abdenur, President of the State Assembly Beraldo, Former Ambassador Barbosa, Former Foreign Minister, my dear friend Celso Lafer...it's good to see you again, my colleague...and Ladies and Gentlemen:

I want to express my gratitude to the American Chamber of Commerce for giving me this opportunity to address such a distinguished group of leaders of business, of government, of education, journalism, and especially, the nongovernmental community here in São Paulo.

We gather here in this great city, which is located at the hub of not just cultures and commerce, but the hub of Brazil's future. I can see how growing up in São Paulo, even in the humblest of circumstances, gave President Lula his sense of boundless possibilities.

And I can see why São Paulo is home to the largest American Chamber of Commerce in the world outside the United States.

Indeed, this vibrant, exciting city represents both the challenges and the opportunities facing Brazil: a nation that the United States values as a close partner in advancing prosperity, democracy, and security, not only in the hemisphere but around the globe.

Brazil's size, its population, its economic power, but above all, its vibrant democracy, make it a natural leader, and the United States welcomes its growing leadership in the Americas and on the world stage.

Our President Bush said during President Lula's visit in the summer of 2003, the partnership between the United States and Brazil is "vital and growing", based on a shared vision of freedom, peace, and well being for our citizens and for all peoples.

Thanks to President Lula's strong commitment to sound economic policies, Brazil's economy is growing strongly once again and exports are booming.

A testament to the growth-generating power of the private sector, São Paulo is an engine of Brazil's economic and trade

expansion and, by extension, an engine of growth for South America as a whole.

You can be proud that the GDP of the state of São Paulo provides more than 30% of Brazil's GDP--and Brazil's GDP is 50% of the GDP of South America. Truly, Brazil is the engine of trade progress and economic progress in South America.

And the robust U.S.-Brazil economic relationship is a key element of this impressive performance. Over 400 of the United States' Fortune 500 companies are located here in São Paulo. And U.S. investment in Brazil totals \$30 billion, much of it right here in this exciting city.

So, trade and investment constitute an increasingly active and productive component of the U.S.-Brazil relationship. But trade and investment are only part of what we have in common and of how we are cooperating bilaterally, regionally and globally.

First and foremost, we are two vibrant, sprawling, multi-cultural, multi-racial, multi-talented democracies with a deep belief in the strength and richness that diversity brings.

That richness resounds across the globe in Brazil's wonderful music that you have exported everywhere throughout the world.

Yet your most precious gift to the world may well be the message that diversity is an asset in a globalizing world, and that ethnic differences need not be causes of division and conflict.

Indeed, as we have found in our country and as you have found here, diversity can be your greatest source of strength.

And let me take this opportunity to congratulate the citizens of Brazil on the municipal elections that you had just 2 days ago--a great and successful exercise in democracy.

As my colleague just said, democracy and freedom, they go together, hand in hand and they rest ultimately on elections as the essential blood system, nervous system, energy of a democracy.

Here in Brazil and back home in the United States the holding of elections occurs periodically and peacefully. That is not the case in the rest of the world. But, the rest of the world is striving for that kind of peace and tranquility in which to hold elections.

Later this week, on October 9, 2004, in Afghanistan, over 10 million citizens--40% of them women--will have the opportunity to vote in the first free and fair elections that nation has ever experienced.

It will be difficult. There will be those who will challenge it. There will be those who will try to attack polling stations. There will be those who try to keep women from voting. But, ten million people have said they want to have the opportunity to vote.

And we're going to do everything working with our partners, working with the United Nations, to give them the opportunity that the people of Brazil had just a couple of days ago, and the people of the United States will have in a few weeks.

And then in January, elections will be held in a free Iraq. The Iraqi people, just as deserving of the opportunity to decide how they will be led as the people of the United States and the people of Brazil have the right to decide how they will be led.

The peoples of Afghanistan and Iraq, who were once cruelly oppressed, are now free to shape their futures. And as they build their own democracies, the world will become a safer place for all of us.

These are not just isolated countries distant from us, they are our brothers and sisters who want to have the same opportunities that the people of Brazil, the people of the United States, the people around the world who are committed to democracy have: to live in peace, to live in freedom, to select their own leaders, to decide their own destiny.

We who are blessed to live in vigorous democracies must never take our freedom for granted, and we must help others secure the blessings of liberty.

Brazil and the United States share a vision of this hemisphere as an example of freedom and progress for the world. Our two nations have worked closely together to ensure that during moments of crisis, all nations maintain their respect for the democratic process and the constitutional order.

Responding to the recent crisis in Haiti, Brazil and the United States worked with our partners in the United Nations Security Council to mobilize international support.

Brazil stepped up to the plate to lead the peacekeeping mission, with Lieutenant General Augusto Heleno leading 1,200 of this nation's finest soldiers, alongside Chileans, Argentines, Uruguayans, and many others who have come to the assistance of the Haitian people.

This Brazilian-led mission already has saved many lives. In addition to their peacekeeping duties, they responded immediately to help the Haitians that were caught in the devastating flood that took place a couple of weeks ago.

But, in the longer term, your soldiers and their colleagues from so many other countries are bringing something very precious to the Haitian people: hope and a sense of security. And they will soon be joined by many other peacekeepers coming from around the world.

While some criminal gangs out of the past seek to frustrate these aims, they will be met by an international community, united in our determination to help Haitians achieve a brighter future.

Indeed, the entire international community turned out in July to pledge its assistance in reconstructing Haiti. The first of \$1.3 billion in pledge assistance has begun to flow to support these efforts.

But no amount of material support would be sufficient if not for the security offered by the UN forces under Brazilian leadership today.

In Venezuela, too, Brazil had engaged energetically and in a most constructive manner in support of democracy through its leadership of the friends of Venezuela group in the organization of the American states, and through Brazil's bilateral efforts with Venezuela.

In Bolivia, President Lula has helped to ease tensions and generate confidence in democracy by stimulating economic progress through investments and debt relief, by supporting the constitutional government and by emphasizing to the Bolivian people the importance of upholding democratic norms. Brazil is stepping forward.

As President Lula recently said at the United Nations General Assembly: "Whenever we have been called on, and within our capabilities, Brazil has contributed to the resolution of the crises that threaten constitutional order and stability in friendly nations."

Stability in the region can only be built on a foundation of hope. People who see a brighter future ahead are motivated to make that dream come true. President Lula believes this deeply because he has lived it.

The United States applauds his desire to address social and development problems in Brazil, in the hemisphere and beyond, and we share that commitment that President Lula has.

As President Bush put it in his National Security Strategy, a couple of years ago: "a world where some live in comfort and plenty, while half of the human race lives on less than two dollars a day, is neither just nor stable."

The United States is proud to be the world's largest food aid donor and the world's largest donor of development assistance. We share President Lula's deep determination to fight against hunger, to fight against poverty.

All of us in our own way must work to bring sharper international focus to this fight against hunger and poverty. As successful food producers, Brazil and the United States are morally obliged to share with others the technologies and practices that can improve harvests in those needy nations where hunger is greatest, where people are at such risk.

President Bush pledged that the United States would increase its global official development assistance 50% from the year 2000 to the year 2006. In fact, we did much better; we increased official development assistance by 100% 2 years ahead of the original schedule.

In this hemisphere alone, we now provide \$1.6 billion a year in assistance to nations striving to become more prosperous, to become more just and to become more secure. And our assistance will continue to increase to provide the most responsible, reform-minded nations with a new burst of energy.

To this end, we have created, and under President Bush's leadership, the Millennium Challenge Account, led by the Millennium Challenge Corporation. The most significant assistance program the world has seen since the Marshall Plan of the late 1940s.

We put \$1.1 billion into that program this year and we are working with our Congress to ramp it up to \$5 billion annually by 2006.

To be eligible for Millennium Challenge Account assistance, countries must demonstrate a total commitment to democracy. They must give evidence that their system rests solidly on the rule of law.

There has to be a complete respect for human rights, the dignity of the individual. They must fight corruption. They must commit themselves to market reform. They must invest in the welfare of their people.

And, they must be building their infrastructure in a way that will eventually attract trade and investment.

They don't have to be there on all of these measures, but they have to be solidly anchored in a commitment to these measures and moving in this direction.

And I am pleased that Bolivia, Honduras, and Nicaragua have been selected for help from the Millennium Challenge Account. They're in the first tranche of the countries that we will be giving this assistance to.

This is an aid program, a new kind of aid program. The amounts are significant, but their real value is in helping countries improve their prospects for trade and investment, because its only trade and investment that will eventually create the economic growth needed to lift people out of hunger, out of poverty, out of despair.

Aid can be a catalyst, aid can help, aid is needed, but the real engines of sustainable growth are entrepreneurship, investment and trade. And that is why the United States and Brazil are pursuing our shared vision of greater international trade liberalization and integration through the World Trade Organization.

Brazil's agricultural potential makes it an agricultural superpower and together, our two countries have championed the liberalization of agricultural trade.

Brazil's cooperation helped lead to the successful adoption of the agreed framework for Doha round negotiations this August, and my good friend Foreign Minister Celso Amorim played an energetic and effective role in that success.

In that deal, we reached a global agreement to lower agricultural subsidies that should improve the prospects for achieving an ambitious Free Trade Area of the Americas.

We are determined to eliminate obstacles to trade in goods and services and to take meaningful steps toward the economic integration of the 34 democracies of the Americas.

The Free Trade Agreement of the Americas will be a powerful force for growth, development and poverty alleviation. We appreciate Brazil's co-chairmanship with us of the negotiations and look forward to increased efforts toward advancing this important goal in the coming months.

Brazil has become a global trader and investor. Brazil has, for example, established aircraft plants in Florida for sophisticated defense contracting business with the Pentagon.

The Embraer/Lockheed partnership is precisely the sort of commercial integration that free trade can foster and encourage. We want to see more of it.

The overseas expansion of Brazilian firms reinforces the importance of working together to open markets throughout the hemisphere and throughout the world.

Beyond serving as the drivers of growth that can lift people out of poverty, private companies do a world of good by giving back to the communities in which they do business, in which they operate.

And this is where many of you in the American Chamber of Commerce come in. Through your outreach programs, you are helping to address the many pressing social needs that Brazilians face, that all developing countries face.

Caterpillar works with the University of São Paulo to give educational and psychological support to disadvantaged children and employs young people with moderate mental disabilities, providing important occupational therapy.

Motorola's technological development program has donated over \$135 million for research infrastructure to more than a dozen Brazilian universities.

Intel Corporation supports a digital inclusion project, working with the Ministry of Education to bring the Internet into Brazilian classrooms.

Raytheon helps train teachers in the Amazon region. In partnership with the Zero Hunger program, Abbot Labs donates medicine to poor Brazilians.

Hewlett Packard, H-P, offers a 10-month course of study in web design to disadvantaged youth, and then helps graduates of the course find good jobs.

There are so many examples of corporate excellence among you. You make the American people proud for what you are doing here, not just in doing business, but in doing good. Your good corporate citizenship builds popular support for Brazil's burgeoning private sector.

I also would like to applaud the civic contributions of the nongovernmental groups who are helping to strengthen civil society and promote transparency in government.

You are doing marvelous work to resolve social problems and engage in public outreach programs. To draw attention to the many great programs that I am aware of, later today I will visit the Meninos de Morumbi Youth at Risk After-School Project.

These kinds of programs are very close to my heart. As you heard noted a little bit earlier, I spent part of my life working with young people. Not just in the Army and not just in the State Department, but between those two careers in the military and diplomacy, I launched an organization called "America's Promise: The Alliance for Youth."

And I took a simple message out to the American people. That simple message was: in a country as rich as ours, we claim to be a superpower, we claim to be an inspiration to the rest of the world.

We cannot have children in our own country who are in want, who are in need, who don't have a hope for the future, who don't have a safe place in which to live and to work and to grow up, who don't have adults in their lives, who don't have access to healthcare, who don't have a commitment to society, who do not know how to serve their own country.

And I worked hard to make sure that those of us who are blessed, those of us who go to meetings such as this, those of us who have been successful in society, have an incredible obligation, a moral obligation, to reach down, back and across, to help young people who wonder:

"Is this society all about the rich and the well to do, or is it about me as well?" And in Brazil and in every nation, just as in America, there is a need for all of us to come together and pool our resources to help all of these young people who are wondering if the society is there for them. The answer has to be "yes."

Ladies and Gentlemen, geography and history, family ties and trade, and most of all the common commitment to freedom, have brought our nations together in the past.

Now technology and globalization are bringing us even closer.

Today, the people of Brazil and the people of the United States are connected to one another every day in thousands of ways, and our ties will only grow broader and deeper in the months and years ahead.

It is natural that nations with such intense interaction as the United States and Brazil will have occasional disagreements.

Our job as good friends and partners is to understand the basis for our differing views, to keep them in perspective, and to resolve our disagreements or manage them in ways that improve our overall relationship.

In this regard, it helps immensely that President Lula and President Bush have an excellent rapport, as I do with my colleague, Celso Amorim. Ambassador, your distinguished Ambassador, Ambassador Abdenur in Washington and Ambassador Danilovich here are both active and committed to expanding cooperation and solving problems as they develop.

A key goal of the June 2003 summit between Presidents Bush and Lula and 17 members of their cabinets who came together was to underscore the depth and breadth of our cooperation and to expand our cooperation even further into such far reaching areas as stemming the spread of HIV/aids in Africa, and the Caribbean and other parts of the world.

As President Lula so eloquently put it: "Brazil and the United States," he said, "are the expressions of the same dreams of freedom, equal opportunity, and social mobility."

As a representative of an important North American country, I will say this in this important South American country and in this important South American city: that the closer we work in partnership, the sooner we will reach our shared goals for democracy, prosperity, and peace in the hemisphere and around the globe. That is the message that I will take to Brasília and the thought I want to leave with you.

I thank the American Chamber of Commerce once again for hosting me this morning. Thank you for all that you do to support and strengthen the U.S.-Brazil partnership in all its dimensions. I salute you for that.

And I thank you for your courtesies this morning. And now, I would be pleased to take some questions in the time we have available. Thank you very much.

QUESTION: (in Portuguese) Trade, I believe, as you mentioned can be an important instrument for development. FTAA could be used for the purpose of creating growth opportunities in Latin America.

It would have to be negotiated with this long-term objective. I have been following FTAA from the start. And, unfortunately, the U.S. Trade Representative has always negotiated FTAA looking for short-term good deals for American business.

I think that they are trained for this, maybe its what you expect of them. And it becomes very difficult to create an agreement, important for development if you only look at the short term.

It is important to look forward and see the development. How can the Department of State help Latin America turn the FTAA into an important instrument of growth?

SECRETARY POWELL: The President and the State Department and, believe it or not, even the U.S. Trade Representative remains totally committed to the FTAA.

We had hoped that we would have been able to complete FTAA in the early part of 2005. That looks more difficult now, but it in no way removed the commitment that the President has towards completion of a Free Trade Area of the Americas.

And it is a vision that he will take into the next term of office with him, I can assure you of that.

Now, we have run into some difficulties, because even though you always want to put these agreements in place for the long term, the reality is that short-term problems come into play.

You have to be able to...the reality of these problems all of us face: political problems and immediate economic problems in our country, and the agriculture aspect of the FTAA was also one of the more difficult short-term problems that we have to work on.

But, I think that with the next ministerial meeting, on the FTAA, co-chaired by Brazil and the United States in a few week's time, perhaps we can see progress along the two tracks that have been decided upon.

I think what is important is for Brazilians to know that there is no change in our desire to achieve an FTAA agreement and I believe that is also clearly the position of President Lula and the Brazilian government.

And I believe it is the desire of most of the nations in the community of democracies, the 34 nations in the community of democracies of our hemisphere, and will continue to drive on, to get over the short-term problems, always with our eye on the long-term objective of completing an FTAA.

QUESTION: We read in the Brazilian press yesterday that you may include the question of a nuclear plant in Brazil during your conversation with President Lula.

With the danger of nuclear arms so acute all over the world, in North Korea, in Iran, not to mention the chaos in Iraq; I ask you, Secretary Powell, why is the United States concerned with a nuclear plant in Brazil?

We are such a peaceful and peace-loving country/ Why, why is this an issue, if it is an issue as the Brazilian press claims?

SECRETARY POWELL: I don't think that it is that much of an issue in U.S.-Brazilian relations. It is mentioned in our press, as well. But, we know for sure that Brazil is not thinking about nuclear weapons in any sense.

Brazil has no desire to move in that direction. Brazil is not a potential proliferator; that is no concern of ours. We're not worried about that in the slightest.

Brazil is a party to all the various agreements, it has a partnership with the International Atomic Energy Agency and there seems to be a couple of outstanding issues with respect to the facility at Resende and what access the IAEA will have in order to do its job, and in order for it to say that Brazil has met its commitments.

I view this as a matter between Brazil and the IAEA. An IAEA team will be here in a few week's time to discuss it with Brazil, and I'm confident that both sides working together will find the solution.

So, Brazil has a nuclear power industry, quite appropriate. We'd like to be doing more with nuclear power in the United States. It's a good source of power.

But, proliferation concerns or nuclear weapons concerns with respect to Brazil are not in any American briefing book or of concern to me or any of my colleagues in Washington.

Concerns are the ones you mentioned: Iraq, which has been dealt with. It will not be a proliferator, it will not be developing weapons of mass destruction. We don't have to worry about that anymore.

And, in the case of Iran and North Korea, the United States has worked with our friends and partners around the world and with the IAEA in a multilateral way to bring international attention to bear on both Iran and North Korea where we do not believe that they have satisfied the international community--certainly not North Korea, they threw the IAEA out.

They are bragging about the fact that they are trying to make or are making nuclear weapons and we've got all of their neighbors putting pressure on them.

Same thing with Iran. They say they are not making nuclear weapons. Well then, Iran needs to satisfy the concerns that have been raised by the IAEA, by the European Union and by others. This kind of proliferation is dangerous to the whole world.

We saw what happened to the A.Q. Kahn network. Dr. Kahn in Pakistan was proliferating this material around. That's been shut down. Libya decided to give up its weapons of mass destruction, its nuclear program. Iraq's was taken away from it.

And North Korea and Iran are the two we're worrying about. We're not worrying about Brazil. We have total confidence in the political system here, your constitutional processes, your constitutional system which talks to this, your constitution talks to this.

It's a matter of resolving a discussion or a dispute you're having with the IAEA and we'll watch it with great interest.

QUESTION: With the increasing role that Brazil is playing on the international scenario, and considering that we are the largest non-nuclear democracy in the world, could we expect that the United States will support Brazil's seat as a Permanent Member, permanent, non-nuclear, democratic member of the Permanent Council of the United Nations? Thank you.

SECRETARY POWELL: We are waiting to see what the results of the panel that Kofi Annan formed to look into the issue of Security Council membership and other reforms in the UN comes up with.

They will finish their work later this year. And my understanding of what they have been looking at, and I'll be meeting the chairman of the panel next week, is that they have some ideas for expansion of the Security Council in some ways.

And I think as we look at that expansion, certainly Brazil would have to be seen as an important candidate for such membership. Large, non-nuclear democracy, solidly-grounded, playing a responsible role on the world stage, willing to send troops to other parts of the world, of the hemisphere in peacekeeping efforts and playing a very responsible role in trade discussions on the world stage.

I would certainly think Brazil would be a solid candidate for such expanded membership.

But, until we see the actual report and see what they are recommending, we think it best for us not to single out specific countries at this time. But certainly I would say that Brazil would be a serious candidate for membership in an expanded United Nations Security Council format.

QUESTION: Secretary Powell, this room is mostly filled with businessmen and women, so my question is in that direction. I think you've laid out very clearly the strategic importance Brazil has for U.S interests in South America.

From the business perspective, we're seeing the reverse, actually: a shift of the business attention towards Asia, most namely China. And we in this room are very much concerned about the influence this is going to have on our economic prosperity.

So, the question to you is: what can the U.S. and Brazil do to merge those two priorities--the strategic importance with the economic focus? So what can we do to get Brazil back on the economic map, so that we can actually fulfill the strategic role that you are asking us to do?

SECRETARY POWELL: Quite a question. The world is changing so much. My experience as a soldier and as a diplomat, not as an economist. But, just watching how the world is been reshaping itself over the last 10 or 15 years, in my days as a National Security Advisor in 1988 to now Secretary of State.

Economic power is increasingly playing a more important role than military power, and for that matter, even political power.

The rise of China, the importance of China, in the world is a result of what China is doing economically and how it has come out and how it wants to play within the World Trade Organization and how it is going to be an increasingly important player, sometimes to the disadvantage of other developing nations because of the power of its economy.

And as I examine this and see what the needs are of our new friends that used to be behind the Iron Curtain are all coming out. I look at the Caucuses of Central Asia. I see the Silk Road recreating itself from the Middle East to the Gulf, through the Caucuses and down to the Sub-continent.

As I see India starting to emerge. What it says to me is that every nation, especially the large democratic nations that want to be successful in this kind of rapidly-changing world has got to everything it can to encourage trade and investment, and has to do everything it can to remove bureaucratic obstacles to investment and trade.

It has to do everything it can to remove unnecessary state and other sources of controls on its economy. Every economy that wants to be successful in this new world has to have an agility that comes from an encouraging and rewarding entrepreneurship; it has to have an agility that will respond to the market.

But the greatest, the greatest challenge every developing nation has in dealing with this 21st century world is children. How do you educate your children for the kind of world that we will be doing business in?

How do you make sure that no segment of the population is lost? In some of the Arab and Muslim countries, how do they bring women into the workplace, because they cannot afford to leave 50% of their population outside of this competitive milieu?

And so, I would say moving bureaucratic restrictions, privatization to the greatest extent possible, encourage entrepreneurship, rule of law as a solid foundation to everything and generating the resources necessary to educate the next generation of workers and skilled laborers.

It's astonishing to me. I still, you know, I have these out of body experiences from my days as a soldier in the Cold War to where we are now. The Chinese are sending soldiers to Haiti to stand alongside the Brazilians in peacekeeping. Chinese are going to be in Haiti. Fantastic. Fascinating. Hard to imagine, hard to believe.

All of my former enemies, from my Cold War days are now my best friends and come and visit me and all they want to know is: how do you make democracy work and how do we get more trade? How do we get more people to invest?

And the answer is simple: have something to invest in. And make sure that the investment is safe, and make sure the investment can return a profit without the government of the receiving country of the investment interfering or in some way make it hard to recover that profit.

Make sure you have good corporate law in place, commercial codes that are respected and that are honored, so that people will be safe investing.

But above all, put money into infrastructure and not just into educating young people and bringing the Internet into their lives, but making sure that you're investing in the transportation and other elements of your infrastructure that are needed.

There are countries in our hemisphere that could be doing a lot more if only they had the roads to move the products to ports if only they had the basic electric infrastructure necessary, they could be doing a lot more.

Infrastructure development, training our youngsters for a different kind of world, making sure we're not leaving our youngsters behind. And third, making sure that we are easing access to capital, using micro-loans and other techniques of getting people involved in the economy, so it isn't just large companies.

And then above all, the top one, making sure that government is a facilitator of trade and investment, and not a hindrance to trade and investment, by putting in place the right political and economic policy and encouraging entrepreneurship.

QUESTION: My name is Kjeld Jacobson, the International Secretary of the Municipality of São Paulo. On behalf of Mayor Suplicy, I wish you a very welcome to our city. My question is about migration.

Everybody knows that there is a huge number of Latin American migrants living in the United States today, among them many Brazilians. And also that there was some consideration from the U.S. government in order to regulate and eventually legalize the situation of those undocumented migrants. And my question is how is this situation and discussion today? Thank you.

SECRETARY POWELL: President Bush, early in his administration, made clear that one of his main priorities was going to be to do something about immigration, and how to regularize the millions of people who are already in our country, so that they can come out of the shadows.

And to do it in a way so that they would also be encouraged to return home, return home with the skills they had gained in the United States, or with the money that they had earned in the United States, make it easier for remittances to go back to the countries from which they came.

That still remains his goal, but September 11 slowed us down. September 11 created a situation for us where we discovered that there were many people coming into our country that we had no control over, we didn't know who they were, we didn't know when they were leaving our country, we didn't know what they were doing inside the country.

This required us to stop and take a look at how we are managing our borders. We created a Department of Homeland Security. We reviewed our visa policies. We had to put some new techniques and practices in place that were very controversial, especially here in Brazil.

Not for the purpose of making it harder for people to come into the United States, but for the purpose of knowing who was coming in to the United States, to protect us, but also to protect the traveling public, to protect the world at large from people who might be involved in terrorist activity directed against the United States and elsewhere.

So, we had to put in place a number of procedures that made it harder for us to deal with the problem of those who are already in the country, and needed regularization in some form.

I think those procedures are pretty much in place now. We're doing some shaping of them to make it easier for people to come to the United States. We want to secure our borders, but we want people to come, we want people from around the world, we want Brazilians to come to the United States: go to our schools, go to our hospitals, enjoy our educational and cultural and entertainment facilities.

Please come, and we are going to make it easier, but at the same time protect ourselves and protect you. The President, I think, now that we've gotten this border problem pretty much under control, more control than it was before 2001, is now studying what we can do with respect to this population in the United States: millions of people, who require regularization in order to put them on a legitimate basis, so that they can continue to make their contribution to our economy as they are doing now, but without fear, without concern that they might be apprehended and sent out of the country.

It is a challenging political problem for the President because we have to do it in a way that rewards those that have come in the proper way, who did not sneak into the country.

And so, we don't want to be seen as rewarding those who did it illegally. But nevertheless, that population of undocumented individuals has to be dealt with in a sensible, compassionate way, and that remains a principle goal of the administration.

But it's going to take us more time than we thought it was going to take us, because of the impact of September 11, 9-11, had on American thinking on this, and the realization that we had to do a better job of controlling our borders, knowing who was in the country, and what they were doing there, and when they were planning to leave the country.

But, the President's goal, his objective of dealing with this problem has not changed in the slightest.

Thank you all very much.

October 5, 2004