

**CENTER FOR  
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

**“OUR OPPORTUNITY IN THE AMERICAS”**

**WELCOME:  
THOMAS F. “MACK” MCLARTY III,  
PRESIDENT, KISSINGER MCLARTY ASSOCIATES  
SENIOR ADVISOR, CSIS**

**SPEAKER:  
SECRETARY HILLARY RODHAM CLINTON,  
U.S. DEPARTMENT OF STATE**

**FRIDAY, MARCH 18, 2011  
2:00 P.M.  
WASHINGTON, D.C.**

*Transcript by  
Federal News Service  
Washington, D.C.*

THOMAS F. “MACK” MCLARTY III: Thank each and every one of you for joining us this afternoon to be with the distinguished secretary for her comments on the eve of President Obama’s trip to Latin America. We thank you for coming. To distinguished members of the ambassadorial corps, both present and past, welcome – particularly Secretary Valenzuela. It’s good to see you here as well and a number of other good friends.

I am Mack McLarty and I had the privilege of serving as President Clinton’s chief of staff and special envoy for the Americas and I have the privilege of being a senior advisor here at CSIS.

Dr. John Hamre, the very able leader of CSIS, is traveling today so he asked me to step in and welcome all of you for this event on the eve of the president’s trip to Brazil, Chile and El Salvador and to introduce our keynote speaker, which, of course, I am delighted and honored to do.

Madame Secretary, thank you for joining us on what we know is a particularly full schedule in a demanding time. And that is the understatement of this year. (Laughter.)

When a good friend, the consummate Washington insider, Ambassador Bob Strauss meets someone that he admires, he often declares in his distinctive, commanding voice, “You’re a great American.” And it’s as though he has a trademark on that phrase. And knowing Ambassador Strauss, he probably thinks that he does.

Well, I am not an objective observer. But I think so many people in our country and indeed, around the world would use that phrase to describe the leader that I am privileged to introduce to you today. We saw that firsthand just a few hours ago in the square in Egypt, on your recent trip. And indeed, Secretary Clinton has been number one on the Gallup Poll of Americans’ most admired women for nine years in a row.

Her pioneering achievements are well known. I will recite them only briefly: one of the most influential and active first ladies in history, which I can personally confirm; the first first lady of the United States to be elected to public office; the first woman elected independently statewide in New York and a candidate in the presidential – historic presidential campaign, where the glass ceiling was at least cracked; and now our nation’s 67<sup>th</sup> secretary of state.

My wife Donna and I feel very fortunate that we had gotten a preview of the secretary’s talents and enormous capacity during her tenure as first lady of Arkansas. So we have heard for many years her perfectly organized speeches that are thoughtful and persuasive and that conclude at the appropriate time.

As one of our nation’s top lawyers and a passionate champion for children and education in our state, she lifted the lives of many. She knew even then that it takes a village to raise a

child, but it takes effective leaders to build a village. And she was an indispensable partner with our governor, another relatively distinguished member of the Clinton family, along with Chelsea.

And Madame Secretary, just a moment of personal privilege, I am so proud of and pleased for your husband in his extraordinary post-presidency work that has helped so many around the world and for his two terms as president, which are and, I think, increasingly will be viewed in a very favorable way.

As our nation's first lady, she remained an eloquent advocate for children and families, traveled to more than 80 countries representing our nation and in particular as a vital voice for women's leadership and empowerment.

As senator, she was a strong promoter of America's national security and defense, while staying fully engaged on the economic issues of the day.

And now, as secretary of state, she is President Obama's chief foreign policy advisor and has been a tireless and effective representative of U.S. interest around the world, logging nearly a half a million miles of travel since she assumed her job two years ago.

And most immediately, as you know, she just returned from Europe and the Middle East. And importantly, today, if I am counting correctly, her travels also include 10 trips to Latin America and the Caribbean to visit with leaders in almost 20 countries, from Mexico to Argentina.

Now, like so many of you here today, I am a committed believer in U.S.-Latin American relations. And I believe the Obama administration is determined to support a true community of the Americas, built on the foundation of mutual respect and made real and active through sustained dialogue and engagement. And as all of you know, we live in a world where so many of the challenges we faced must be shared and must be dealt with in a partnership with others. And so many of the opportunities before us can only be achieved by working together.

This will mark the 50<sup>th</sup> anniversary of the Alliance of Progress. And as the secretary has said, we have advanced together in some ways, perhaps, that would have surprised President Kennedy. But now is a time to redouble our commitment to shared achievement and to build the brighter future we seek.

I know we all look forward to hearing the secretary's visions and thoughts on these important issues. And so it's with great affection, warm regard and the deepest of respect I am delighted to introduce Secretary of State Hillary Rodham Clinton.

(Applause.)

SECRETARY HILLARY RODHAM CLINTON: Thank you. Thank you very much. Thank you. Thank you, thank you, thank you. It is a delight to be back at CSIS and to have this opportunity to speak with you. I want to thank Mack for his introduction – always ask a long-time friend to introduce you because then you're guaranteed – at least if he doesn't provide

embarrassing detail – to have a positive prelude. I can think of no one more fitting than Mack to have provided that opening because he is a long-time champion of U.S. engagement in Latin America and did an excellent job as my husband's envoy during the Clinton administration.

My thanks also to John Hamre, Andrew Schwartz, CSIS for your generosity in hosting us this afternoon. As an institution that is focused on not just the day-to-day foreign policy but also on the deeper forces and dynamics that shape it, this is an ideal place to discuss what I see as one of the central strategic opportunities for the United States today.

Now, obviously, there is a lot going on around the world and much that demands our urgent attention, from the historic changes in the Middle East and North Africa, where I just was yesterday, to the tragedy unfolding in Japan. But as I often say, we have to deal with both the urgent and the important at the same time. And with President Obama departing for Brasilia in just a few hours, now is a good time to turn our attention from the urgent events of the day and consider another important part of the world.

The president's trip coincides with the anniversary of a major milestone in hemispheric relations. Fifty years ago, President Kennedy launched the Alliance for Progress, pledging that the United States would join with Latin American leaders to address head-on a development challenge that was, as he put it, "staggering in its dimensions." He understood that our failure to tackle poverty and inequality in Latin America could tear the social fabric and undercut democracy's prospects throughout the hemisphere. President Kennedy announced the alliance here in Washington to an audience of Latin American ambassadors at the White House.

President Obama will mark this anniversary in Latin America. And I think that is fitting. Too few Americans have noticed that something remarkable has been happening in the region.

Now, there are, of course, plenty of challenges. And they often hog the headlines – transnational crime, continuing inequality and poverty, inadequate education, and so on. Now, those are challenges that apply in many cases, including in our own country.

But the real story of Latin America today runs in a very different direction. It is a story of political transition and a broad commitment to democratic development; a story of pragmatic leaders who helped turn a once-troubled region into an area of dynamic 21<sup>st</sup> century economies and societies; a story of active new players on the global stage.

In the coming days, President Obama will visit three countries: Brazil, Chile and El Salvador. Each is living this story in unique ways. The president will build on the pledge he made at the Summit of the Americas early in his presidency to work as equal partners in a new chapter of engagement based on mutual respect and common interests and shared values. He and the three leaders hosting him will show in word and deed how much such a partnership can accomplish.

But I want to focus on why this partnership matters to us – what this story means for the United States; for our economic interests, as we rebuild our economy and renew our competitiveness; for a new time; for our security and global strategic interests, as we design a

21<sup>st</sup> century architecture of cooperation with the help of like-minded partners; for our core values, as we promote democracy and human rights around the world; and for our society and our culture, as the growing connections between our peoples make us all more vital and innovative.

Now, during the past two years, I've had the opportunity, as Mack said, to travel the hemisphere and meet with presidents and foreign ministers, journalists and CEOs, activists and entrepreneurs. Last summer, The Washington Post noted that I had visited 17 countries in Latin America and the Caribbean during my first 18 months in office. Apparently, that was more than any other secretary of state in that period. And I'm proud to hold that record.

But what really matters is the common purpose behind these trips and President Obama's, bolstering our current partnerships in Latin America and highlighting the remarkable opportunities we have to accomplish even more together.

So let's start with economic opportunity. This is the challenge on everyone's mind today, and with very good reason. There are still too many Americans out of work, and our recovery from the financial crisis is far from complete. In this year's State of the Union address, President Obama laid out an agenda for how we will emerge from the crisis stronger than before, how America will win the future, and I share President Obama's optimism.

But as certain as we are of the goal, it is not something that America can accomplish alone. Enhancing our competitiveness, accelerating innovation, achieving energy security and expanding our exports – all of these require robust engagement with Latin America.

It's not only the developing economies of Asia that are aiding the global recovery today; it is also the economies of our neighbors. Brazil, with nearly 8 percent GDP growth last year, is predicted to become the world's fourth or fifth largest economy in the coming decades. Peru has also been growing at rates we typically associate with China and India. Chile, Uruguay and Argentina are close behind, followed by Mexico, Panama and Colombia. The combined economies of Latin America grew 6 percent last year.

This dynamism, coupled with smart public policies promoting broad-based opportunity, led Luis Alberto Moreno, the president of the Inter-American Development Bank, to call this the start of a Latin America decade. This is good news for the people of Latin America as well as for the United States. Taken as a whole, the Latin American economy is nearly three times the size of India or Russia and not far behind China and Japan.

And Latin America has a huge advantage that will serve it well in the coming decades: a young population. If the countries of the region succeed in delivering education for their young people, they will have a significant edge for years to come over other major economies that are starting to feel the strain of an aging population.

The size of the Latin American economy and its young demographics are especially important for the United States because our economy is tied much more closely to the economies of our neighbors than to those across the oceans.

Forty-three percent of all of our exports stay in the Western Hemisphere. We export more than three times as much to Latin America than we do to China, and I want to repeat that, because I don't think there are very many Americans who understand or know that. We export more than three times as much to Latin America than we do to China. We export more to Latin America than to Europe and more to Chile or Colombia than to Russia. North America is the largest free-trade area in the world.

Now, all of these facts point to a very promising trend. Latin America is producing more and more new consumers for U.S. products each year. Tens of millions of people in the region are entering the middle class, more than 30 million in Brazil alone since 2003. At the same time, Latin America is home to dynamic companies, entrepreneurs and innovators who are purchasing technology and equipment and helping drive competitiveness and innovation in American businesses.

The bottom line is that geography matters. It is a comparative advantage to be embraced and we neglect it at our own peril. Growth in the Latin American market stands to benefit American workers and companies more than growth anywhere else in the world. It is the power of proximity – geographic proximity and also the proximity of our global economic interest and our challenges at home and what it will take to overcome them.

And both our government and our private sector need to direct our efforts to harness that power of proximity. Now, I do understand the concerns of those who worry that globalization and integration will take jobs away from Americans, but I also know that with the right policies, we can channel those forces to create more and better jobs for the benefit of American workers.

Look at the American auto industry. It is reviving itself in part by integrating more closely with our neighbors. Assembling a car today involves material inputs and processes that cross borders several times before a finished product rolls off the assembly line, and in the end, our workers are the better for it.

Take Embraer, the jet manufacturer and one of Brazil's biggest exporters. The United States accounts for about 65 percent of its sales, but about 70 percent of the parts that it puts into its planes are made in the United States. Now, these economic relations, therefore, are not zero-sum. Ultimately, they do benefit the people of every country involved.

That's why it is good news for us that Monterrey, Mexico is becoming a base for research and development or that Brazil's agricultural research and investment have helped turn it into one of the world's top food suppliers or that Petrobras, Brazil's oil company, issued one of the largest stock offerings ever last year and that Rio will soon host both the World Cup and the Olympics. There's no doubt that when construction and drilling start, American companies will also be there.

Our energy security depends on this hemisphere, the source of one-half of our oil imports. Latin America alone accounts for a third of our imported oil, with Mexico our second biggest supplier. And you probably know that Venezuela is also a major source, but did you

know that Colombia is now as well? And Brazil is poised to become one of our top suppliers, thanks to its recent offshore find.

So as we move toward a clean-energy economy, Latin America's role will have to grow. And already, we are working on renewable-energy technology and resources with Mexico, Brazil, the Caribbean and across the region, thanks in part to President Obama's leadership in launching the Energy and Climate Partnership of the Americas.

Now, many other players are also recognizing Latin America's potential, and they are making their own inroads, building their own economies, signing their own investment deals and free-trade agreements. But that should not worry us. Rather, it should spur us on.

President Obama's National Export Initiative is leveraging every facet of our diplomacy to promote American jobs. As productivity rises, companies need fewer employees to meet their goals. So to create more jobs, we have to expand our existing trade relationships and create new ones.

That's why a broad cross section of businesses from high-tech companies to heavy equipment manufacturers to the Montana grain growers all support free trade agreements with Colombia and Panama. They know that opening these markets is essential to our own exports, jobs and competitiveness.

We're also building a 21<sup>st</sup>-century smart border with Mexico that supports security and competitiveness on both sides. And earlier this month, we took a significant step in finally resolving the longstanding dispute over trucking under NAFTA.

Strengthening our economic relationships has benefits for all the people of the region, but it also has another advantage. It leads to the rise of even more capable partners who can help us accomplish our strategic objective, from addressing the challenge of climate change to improving security in the region.

And that's a second area I want to talk about: the opportunity to partner with Latin America on global, strategic issues. President Obama's visit occurs at a time when there is a growing recognition that the hemisphere stands to gain from greater cooperation premised on shared values, that governments and societies each bring their own capabilities to solving common problems.

When we think about addressing the serious challenges of drug trafficking and criminal violence, for example, countries such as Chile and Colombia have much to share about the process of training effective, accountable police and judges in Central America. And when it comes to promoting social inclusion, Brazil, Uruguay and Barbados have set an enviable example.

And just as Latin America goes global, building its ties with Europe and Africa, with Asia and the Middle East, so will our relationship. Day to day, it can be as much about how we can work together in the world as about issues particular to our region. As countries step up on

the global stage, they will make essential contributions to helping all of us meet some of those most important challenges.

Mexico, for example, made a crucial contribution to the fight against climate change through its remarkable leadership in Cancun last year. Brazil, Mexico and Argentina, in the G20, Chile and Mexico in the OECD, Chile and Peru in the Trans-Pacific Partnership and along with Mexico in APEC – these are all helping to build a foundation for balanced global growth, a transparent global economy and broad-based opportunity.

Colombia and Brazil are vital partners this year on the U.N. Security Council. Uruguay contributes more troops per capita to U.N. peacekeeping operations than any other country. Costa Rica is working to become the first carbon-neutral nation on Earth. We are partnering with Brazil on food security and public health projects in sub-Saharan Africa. And every country joined to assist Haiti after the earthquake and continues to assist in the reconstruction.

Now, as vibrant a picture as the hemisphere presents, it has not yet realized its full global potential. And it is very much in our interest to help our Latin American partners further embrace an active and constructive global role. But let me hasten to add: This does not mean that we will always agree. But we will agree much more often than not.

And even when we disagree, we will never lose sight of the powerful interests and core values that connect us. And one of our most important powerful bonds is our commitment to democracy. And that brings me to the third opportunity we have in our engagement in the region.

Latin America has undergone such a profound democratic transformation that it can now be a model and even a mentor for those fighting to create and protect democracy everywhere. Let's not forget that before the Middle East, it was Latin America that people dismissed as arid ground for a democracy.

We can still recall a time when dictators and strongmen dominated the hemisphere and plenty of Americans thought that friendly autocrats were the best we could ever hope for. But citizens coming together, asserting their fundamental rights in the face of autocrats and military governments overcame the doubts of the world and the challenges of transition to build democracies that deliver results – the very ideals we hope for in Egypt and Tunisia has already taken place in our own hemisphere.

This task is not finished and this hemisphere can do much more to guard against threats and challenges to democracy closer to home. In some countries, insecurity and a lack of opportunity remain real obstacles. In others, democracy is being rolled back rather than strengthened and Cuba remains a glaring exception to the democratic convergence.

That is something that all of us have to face up to and work toward dealing with. But the overall direction is clear. The region's commitment to democratic development is widespread and strong. And that does give Latin Americans a special role in helping support other nations making the difficult transition to democracy today.

In recent weeks, we've seen some promising examples of just that. Veterans of Chile's democratic transition have already visited Cairo to talk about the importance of strong institutions, advancing reconciliation and ensuring that democracy delivers results. Mexico took the lead in suspending Libya from the Human Rights Council.

And I would add that we in the United States can also learn some things from Latin American democracy as well. Now, one example I particularly like is the encouraging number of female presidents in the region. (Laughter. Applause.) And I must say that I am far enough away from my own career in electoral politics that I will not take too much heat for suggesting that these women and societies can teach American voters a thing or two. (Laughter.)

And finally, I want to emphasize that all of these opportunities are strengthened by the interdependence of our societies, our cultures and our peoples. The United States has one of the largest Spanish-speaking populations in the world. Latinos are the fastest growing group in our country today. And we also share a rich heritage from our Caribbean neighbors.

More than half of our foreign-born population has roots in Latin America. And these ties have shaped every aspect of our society and culture. And we are the better for it. I know that immigration and interdependence can bring real challenges and that they do make a lot of Americans anxious. And that is understandable.

But immigration has always been a source of our vitality and innovative spirit. So if we work together to address these challenges, I have no idea that this will continue to be an enormous advantage for the United States, one that bears directly and crucially on our economic and geopolitical prospects. We cannot afford to surrender that advantage now.

Going forward, all these areas of opportunity will also be a roadmap for our engagement. And President Obama will highlight each of them during his trip.

In Brazil, he will announce new economic opportunities and discuss new ways we can work together on our core challenges in energy, innovation, education and beyond. He will go to Chile to emphasize our fundamental values and shared commitment to democracy and he will point to the importance of Latin America's broad commitment to democratic development. And in El Salvador, he will show how we can do our part on meeting the shared challenges of security and development in a country that has shown the will to move forward.

Now, ultimately, all of these partnerships boil down to this: seizing the phenomenal opportunities we now have in this region; the opportunity to create jobs and drive development; the opportunity to secure democratic progress in our hemisphere and together, foster it beyond; the opportunity to advance human security in all of its forms, whether acting on our responsibility to address unacceptable levels of violence or unacceptable levels of inequality, to promote inclusive growth for everyone.

Now, I know that looking for opportunities abroad can sometimes be a tough sell here at home, especially at a time of strained budgets and high unemployment. And I know well how

danger, crisis and catastrophe can take over your week, week after week after week. (Laughter.) But that's why this trip, which some questioned about – how could the president go to Latin America on this long-planned trip, with everything happening from Japan to the Middle East and North Africa? – is being answered in the right way.

As the experts here at CSIS will tell you, strategy depends on the ability to look deeper and further than the day-to-day. And there are so many reasons why this trip at this time is so important.

Just one way of perhaps putting it into context: When I think about why we should invest in our relationships in Latin America, I think about the path that Colombia has travelled over the last years. I remember vividly when my daughter and husband visited in 2000, when Plan Colombia was just beginning. It was a country terrorized by drug traffickers and guerillas who controlled vast parts of territory and who could strike in any major city. Foreign policy experts in this city and so many other places were calling it a failed state.

Ten years later, I travelled to Colombia as secretary of state. And this time, I walked through the streets of downtown Bogotá. I visited a bakery run by former FARC and paramilitary members. Let me tell you, it's not every day that you sample the baked goods of former guerillas. (Laughter.) When I sat down with the foreign minister and then-president Uribe, Colombia's security challenges were still very real. But they were only a part of the discussion.

We spent more time talking about how Colombia and the United States can work together to take the agenda further to solve global and regional problems, from climate change to partnering in the Security Council to expanding economic growth, and about what Colombia could do to help both Central America and Mexico in meeting their own security challenges.

We talked about how we could deepen the ties between our societies and advance our shared values, and about what will be achieved when Colombia hosts next year's Summit of the Americas. And we talked about the inclusion and human rights agenda that President Santos is now advancing with extraordinary commitment and results.

So Colombia, in short, had gone from a source of danger to itself and others to a source of inspiration to all of us and to becoming a vital partner in the great debates of our time.

Now, the real credit goes to the Colombian people and to the leaders who had to make very hard choices, not just once or twice, but over and over again. But the United States played an important – some would say – an essential role. The money we invested in Plan Colombia over that decade, while significant, is less than we spend in Afghanistan in a single week.

When President Obama returns from Latin America, he will have set the stage for more stories like Colombia's in the years ahead, stories with powerful implications for trade and jobs, for education and innovation, for many advances in human potential that we will be so proud to see and that we will benefit from.

And he will have invested in key relationships and delivered a message of partnership throughout the hemisphere. It is a message we must hear at home. These are opportunities we cannot afford to pass up or let them pass us by. The world is so dynamic right now. Events are moving so quickly. People are so connected in ways that could not have even been imagined a decade ago.

And what I'm not sure yet that many Americans understand is that if you're not in the mix – if you're not in the arena – if you're not reaching out and building those relationships on an ongoing basis, you will find that others have stepped in to do just that. And there is no part of the world that is more closely linked with who we are as Americans and what kind of future we want for our children than this hemisphere, and in particular, in Latin America.

So I'm excited that in the midst of another unbelievable week in the world, the president is off to a trip that will take him to three important countries and send a message to all the others and that I have this opportunity to come and discuss with you why we think it is one of the most important long-term commitments that the United States has and must continue to follow through on.

Thank you all very much.

(Applause.)

MR. MCLARTY: If you will, please, just stay seated for just a moment till the secretary clears. She has a few other things, I think, on her to-do list today. Again, thank all of you for joining us. I think for those of us who are – have been engaged and are strong believers in the partnerships in the hemisphere, we were inspired and we are firm in our belief and if there were perhaps doubters in the audience, I suspect they have been persuaded after that comprehensive and very powerful speech by the secretary of state.

While we're waiting here, just for a moment, I would like to note, really, the – the important work of CSIS. It's a venerable organization that has consistently been on the cutting edge, I think, of the important issues of the day. And Dr. John Hamre, there's just not a finer person or a stronger or more capable leader in terms of his intellect, substance, integrity and civility. So it's a great pleasure to always be associated with John and this institution.

Thank all of you for joining us very much. We're adjourned.

(Applause.)

(END)