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CAMP DAVID

U.S., Brazil discuss free trade, ethanol

Presidents Bush and Luiz Inácio Lula da Silva cemented their alliance at a five-hour meeting in Camp David.

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CAMP DAVID, Md. --

President Bush and his Brazilian counterpart Luiz Inácio Lula da Silva, leaders of the hemisphere's most populous nations, pledged to jointly tackle some of humanity's most daunting challenges: free trade and global warming.

In their second meeting in three weeks, Lula da Silva and Bush spent more than five hours Saturday discussing ethanol, trade and regional issues.

It was the first official visit by a Latin American president to the presidential Camp David retreat since Mexican President Carlos Salinas de Gortari did the honors in 1991.

Bush, accompanied by his wife Laura, welcomed the Brazilian socialist leader warmly on a crisp, sunny spring day. The two sped away in a waiting golf cart.

Lula da Silva brought a retinue large enough to fill two Marine One helicopters, including his foreign minister, Celso Amorim, and his top foreign policy advisor, Marco Aurelio Garcia.

Secretary of State Condoleezza Rice and U.S. Trade Representative Susan Schwab were among the U.S. delegation.

At the media conference a few hours later, Lula da Silva described an "extraordinary and productive meeting" that he hoped would lead to a deal on the Doha round of world trade talks.

The talks have stalled over demands by Brazil and other developing countries that rich nations slash their agricultural subsidies.

"I believe we're getting closer than ever before to reach an agreement on the Doha round," he said.

JOINT DESIRE

Bush called their joint desire to see a global free-trade deal "the most compelling part of the opportunity to work together."

"It is in our interest to work together to make sure that we have a deal that treats Brazil fairly, the United States fairly, as well as other nations fairly," Bush said. "I strongly believe that the best way to alleviate world poverty is through trade."

Asked if there was a Plan B if the Doha round failed, Lula da Silva was adamant.

"If we come together, the United States and Brazil, to convince our European partners, I believe that we can reach an agreement," he said. "Either there is a Plan A or there is no agreement, and if there is no agreement, certainly we will have no winners and losers. Everybody will loose."

Bush didn't miss a beat. "Plan B means you're willing to retreat. I'm a Plan A man."

The United States hopes Brazil will use its international prestige as a defender of the agricultural rights of poor nations to sway key players like India and the European Union to strike a deal.

SPURRING FREE TRADE

Both Brazil and the United States view a successful Doha deal as necessary to jump-start the Free Trade Agreement of the Americas.

Few foreign leaders have been as aggressively courted by Bush as Lula da Silva, a factory worker who as a leftist union leader decried the United States as an imperialist power.

But the Brazilian has struck a rapport with Bush, setting aside their ideological differences and taking a roll-up-your sleeve approach to the bilateral relationship.

Since Lula da Silva became president in 2002, the two have met seven times - three times in the United States -- often in informal settings. In November 2005, Lula da Silva invited Bush for a barbecue to his presidential retreat of Granja do Torto, on the outskirts of Brasilia.

During Bush's five-country Latin America tour last month, Bush and Lula da Silva met again on March 9, where they inked an agreement to jointly promote ethanol use in Latin America.

ALTERNATIVE FUELS

The United States is eager to promote ethanol and other biofuels use in places like the Caribbean as an alternative to the oil provided by Venezuela's Bush-bashing left-wing

President Hugo Chávez. Like Brazil, Caribbean countries can potentially obtain ethanol from sugar cane.

The two nations will work together to set up ethanol pilot programs, with four countries listed by the Inter-American Development Bank as strong candidates: Haiti, Guatemala, Honduras and St. Kitts and Nevis.

But Lula da Silva reminded Bush during the news conference that the United States needed to remove U.S. tariff on Brazilian ethanol exports to the United States.

Cuban leader Fidel Castro and Chávez have criticized the ethanol push as a self-serving way to satisfy U.S. appetite for fuels at the cost of the poor, who would end up paying more for their food.

Teaming up with Brazil on the promotion of ethanol has not pleased everyone in the United States, either. Corn farmers in the U.S. do not like the idea of the government helping Brazil's industry, which they see as a competitor. Lawmakers from corn-growing states have registered their complaints with Bush.

But the meeting wasn't all about agreements. Asked about an investment by the State-controlled Brazilian oil giant Petrobras in Iran, Lula da Silva said he backed the investment because it did not violate any U.N. resolution and the two countries had "no political divergence."

Bush said Brazil had "just articulated a sovereign decision."

But Bush nonetheless said he hoped nations "would be very careful in dealing with Iran."