The battle for the White House

When President-elect Luiz Inácio Lula da Silva walked into the White House for the first time eight years ago, George W. Bush was candid, “Mr. President, some people say that a person like you cannot do business with a person like me. We are gathered today to prove them wrong.” The message spread like wildfire.

Back in 2002 many in the U.S. were unsympathetic to Lula. The Washington Times had warned that “if the [Fidel] Castro candidate were elected president of Brazil, we would have a radical regime.” According to the Financial Times “We all know that Brazil’s solvency is at knife’s edge.”

Twelve House Republicans had voiced concern in a public letter to Bush.

Developments in the region did not help. Argentina had just defaulted on its massive debt and Venezuela was still recovering from a coup attempt against Chavez. To make matters worse, there was no direct communication between Brasilia and the White House: Presidents Fernando Henrique Cardoso and Bush never struck a good rapport, and for 14 months there had been no U.S. ambassador posted in Brasilia.

When Lula began emerging in the polls as the likely winner of the 2002 elections, however, an unlikely trio began diplomatic maneuvers to reassure the White House: Donna Hrinak, the new U.S. ambassador to Brazil; Jose Dirceu, president of the Worker’s Party (PT) and Lula’s right hand; and President Fernando Henrique Cardoso.

The ambassador

When Hrinak landed in Brasilia in April 2002 her Portuguese was flawless. As deputy U.S. consul in São Paulo in the 1980s she had seen dictatorship come to an end. She had also met the generation of politicians who were on the verge of reaching power in Brasilia. When a journalist asked her what she thought of Lula, she said confidently, “We’re not afraid of Lula. He embodies the American dream.”
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From the moment Hrinak landed in Brasilia, she started working to make the idea of a Lula administration palatable in Washington. Lula grasped the situation well. When he met Hrinak during the campaign, he said: “I want to talk to you because I know that you are not afraid of us.”

**The operator**

In the summer of 2002, three months before the presidential election, José Dirceu visited the United States carrying an English translation of Lula’s *Letter to the Brazilian People*. The piece set out to confirm Lula’s commitment to economic stability and a tight fiscal policy. He visited all the institutions that mattered: the White House, Treasury, Congress, unions and the financial market. In a gesture of solidarity he took pictures where less than a year earlier the twin towers had stood. He sent letters to President Bush’s father and Vice President Dick Cheney and enlisted the help of influential businesspeople to reassure Americans that the *Letter* was sincere.

The U.S. embassy reinforced the message in a telegram to Washington: “All our interlocutors have faith in Dirceu to take tough but responsible decisions .... Nobody expects a default by the government.”

Dirceu also sought the support of American unions. For that he mobilized the AFL-CIO’s Stanley Gacek, a sort of informal ambassador for the PT in the United States. Gacek had been visiting Brazil for 20 years and knew Lula and his group well. When Lula was arrested in 1981, Gacek had been part of the international group that came to follow the case. In the 1990s he organized trips to the United States for Lula. Now Gacek worked behind the scenes to ensure that Lula’s embrace of the economic policies of Cardoso would not alienate union support.

**The Incumbent**

In its rush to reassure the United States, the PT had an unexpected ally: Fernando Henrique Cardoso. Dirceu called him after leaving a meeting of the influential Institute for International Economics in Washington, where he had heard renowned economists say that Brazil would probably be forced into a default.

Cardoso had invented a new ritual: He formally appointed a team to manage the presidential transition, set up offices for the president-elect’s team, and instructed his ministers to produce thousands of pages of information for their successors. He signed a standby agreement with the IMF to avoid a possible market run against the real and asked all presidential candidates to sign it. He also gave the new team access to secret information and opened a direct communication channel with Lula.

These decisions were not an act of benevolence, they were a precise calculation. Market turmoil, the president feared, could destroy the real and his greatest legacy, financial stability.

Cardoso was determined to secure that legacy. The meaning of the 2002 transition was enormous. If Lula won the upcoming
election Brazil would for the first time in its history see the transition from an elected president to another, who would in turn manage to complete his term without dying, resigning or being overthrown by the military.

During the campaign the president also sent his chief of staff, Pedro Parente, to the United States. Parente visited the White House, the State Department, and the U.S. Treasury carrying a copy of the transition project. At each meeting Parente reiterated his confidence in the PT party and the message of the Letter to the Brazilian People. He assured all that there would be no rupture.

Lula acknowledged the symbolic power of Cardoso’s attitude and was grateful. Less than 24 hours after his victory, in a telephone conversation with British Prime Minister Tony Blair, the Lula stressed: “I would like to say that President Fernando Henrique Cardoso played an important role in this election, first working as a statesman, then creating the first transition committee ever seen in Latin America.”

But Cardoso knew this would not suffice. A smooth transition would depend largely on the reaction of the White House, given its ability to guide market expectations. And he knew that repeating the Letter to Brazilian People to exhaustion would not be enough to disarm the entrenched distrust of Lula in Washington. He instructed his ambassador in Washington to give full support to whatever the PT team asked.

Rubens Barbosa was a career diplomat but had come to Washington because he was a personal friend of Cardoso. As ambassador to the U.S. capital he had worked to the point of hyperactivity to build an unusual network of relationships in the executive branch, the legislature, the academic world, and U.S. states. He worked just as systematically to ensure a good reception for Lula.

The invitation
On the eve of the second round of voting in October 2002 Hrinak and Barbosa began to arrange for Bush to make a personal phone call to Lula if he won. The phone call’s importance would go far beyond headlines in the Brazilian media. The news would help silence anti-Lula voices in the U.S. government itself.

A phone call from a U.S. president can take months of negotiation. Hrinak remembers, “No one doubted that Bush would call if Serra would win ... but would he call Lula? And the mood in Washington was that Bush would not call immediately, he would wait. “

Just hours after the votes were counted, Bush called Lula from Air Force One, saying “Congratulations on a great victory ... you ran a fantastic campaign. We followed it closely. We were very impressed with your ability to gather this vast majority.” Bush did not stop there: “If you’re interested in me receiving you in Washington DC, any time, I look forward to getting to know you...”

Lula accepted immediately: “Mr. President, I hope we can meet before the end of the year. We will have many things to discuss. “

A visit had not been scripted, nor had it been discussed previously with the State Department or the
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National Security Council. Bush accepted the Brazilian proposal impromptu.

It was unusual for President Bush to meet presidents-elect. However, the situation was special. Condoleezza Rice, national security adviser, insisted that “Brazil is too important to be ignored.” Besides, Rice and Bush had respect for Brazil. While many countries had pledged support to them if the U.S. invaded Iraq, Brazil had always said it would not. As Rice recalled, “One thing that counted in favor of Brazil was that it had always been honest with us about its position.”

Setting the tone
Two days after talking with Bush, Lula met with Hrinak. “I’m prepared for this,” he said. A meeting in the Oval Office, she told him, is like a delicate dance. Each side will wait for the other to take a step. “It’s important to avoid surprises.” “There will be no surprises,” Lula reassured her, “My government will not be ideological.”

Lula had understood the message perfectly: He needed to build the confidence of the Americans. Lula told Hrinak that his relationship with Cardoso was great. He expressed admiration for Franklin D. Roosevelt, Lyndon B. Johnson, and John F. Kennedy. He said he had read a translation of a speech by President Johnson on the “War on Poverty” to a group of PT activists without telling them who had written it.

He also said, “People should not confuse our youthful admiration for the Cuban revolution with our position on the current Cuban regime.” He characterized himself as a defender of political and economic freedom for all peoples, and noted that there was no freedom in Cuba.

Lula took utmost care with his words. While he criticized Bush’s increasingly bellicose stance on Iraq he emphasized that keeping everything within the UN was important because America was the centerpiece of global order.

The legacy
The meeting between Bush and Lula on December 10, 2002, revealed that the American right could do business with the Latin American left. It created the profile of Lula as a statesman. And although Bush was not liked in Brazil, it created an unprecedented reserve of goodwill. As the meeting ended, Bush and Lula decided to meet again in 2003. When they did, they presided over the largest bilateral meeting in history.

The honeymoon ended a few years later, choked by deep disagreements about Cuba, Honduras, Iran, Iraq and international trade. Today, during a new presidential transition, the relationship is going through a difficult time. In the corridors of power in Washington, you can hear that Brazil is an obstacle to be ignored or punished. In Brasilia, the whisper in some offices is that it is not worth betting on the relationship with Washington either due to Obama’s troubles at home, State Department sentiment with regard to Brazil, or a belief in the decline of American power.

Both views are wrong, though. Looking back on Lula’s first presidential trip to the U.S. might help to change the present situation.