INTERVIEW WITH FERNANDO HENRIQUE CARDOSO

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Interviewers
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Riley: I should begin by announcing that this is the Fernando Henrique Cardoso interview as a part of the Clinton Presidential History Project and we’re doing this at the Académie Diplomatique Internationale in Paris. Thank you so much for making the time to do this. I should speak into the recorder just a little bit of history about how we came to this pass. This interview was originally scheduled to take place in São Paulo last summer and at the moment that the interview was scheduled to happen, you lost your wife.

Cardoso: That’s true. It was totally unexpected.

Riley: We expressed our condolences then but we’ll do so again.

Cardoso: Thank you very much.

Riley: I wish to remark on that here because of the enormous level of cooperation that we’ve had from you and your office in making sure that that missed opportunity wasn’t a permanent omission. We’re grateful. You have very fine people working with you.

Cardoso: That’s true. You know, there is a lady there who takes care of the archives and is the only one who is translating what I recorded when I was President. She makes the transcription. She had an interest in participating in this, but her father was in port and she is in Brazil. She is a French lady, by the way. All my people were really excited about the idea of this project and also to learn how to do it.

Riley: I remain available any time of the day or night to consult with anyone that you would like for me to talk with. We’re missionaries for this kind of work. We think it is important.

Cardoso: I was thinking that this lady could get in touch with you, because you have a program. She can go to America to talk to you not just in terms of my own experience as President, but also the people who worked with me. We are trying to get interviews, and I think it is necessary to have professionals doing that.

Riley: I’d be delighted to help. And you should also know that we can provide copies of the transcription, once it is cleared, to any institution that you would like. You will get a personal copy of course, but there may be institutions in Brazil that you would like to have it.
Now, for the aid of the transcriber, I’m Russell Riley. I’m the Chair of the Oral History Program.

**Cardoso:** I’m Fernando Henrique Cardoso, former President of Brazil.

**Cason:** And I’m Jeff Cason, Professor of Political Science at Middlebury College, and I’ve been studying Brazil for twenty years.

**Cardoso:** Have you been there?

**Cason:** I’ve been many times.

**Cardoso:** Wonderful.

**Riley:** When we do interviews outside the core area of my expertise in the White House, we get help. Jeff is my crutch today when it comes to Brazilian politics, because I’ve only made the one trip. But I’ve read your book, which is an exceptionally good read, I must say.

**Cardoso:** The effect of the good quality of the reading is not because of my writing; it is because of my co-author, Brian [Winter], who is brilliant.

**Cason:** It’s interesting. After I read the book, I bought it for both of my parents and they loved it too.

**Cardoso:** Of course the initial idea was to translate the big one into English.

**Riley:** Right.

**Cardoso:** My publisher came with me to talk to the people in New York about that. The publisher, PublicAffairs in New York, said it was possible, but there are too many details in the book, and that probably those who have an interest in these kinds of details know Portuguese and can do it—Maybe a university press. He suggested to me to make it a kind of self-biography. I refused. I said, “No, I don’t like that.” Finally I decided to take the example of my family to talk about Brazil’s history. I start with my grandfather, just to tell a little bit more of—like a novel.

**Cason:** It’s a great read.

**Riley:** It is extremely enjoyable and I would commend it to anybody, especially to anyone to come to know you and Brazilian politics.

Let’s get started. You were the Foreign Minister in 1992, which is sort of the beginning of the story as we pick it up with the Clinton administration. I wonder if you could reflect back on that time. Did you as Foreign Minister, or Brazil, have a favorite in the 1992 election at the beginning of the Clinton story? Did you have a favorite in that race between George H. W. Bush and Bill Clinton?

**Cardoso:** Oh yes, certainly. We were in favor of Clinton, in my case, because I had an old connection with the Democratic Party in the United States even before. I must say that [George W.] Bush’s father—I met him first when he was Vice President. I came to America and had a
meeting in the OAS [Organization of American States] and he was there. He is a very polite man. I had several talks with him. I respect him. However, in political terms my heart is more Democratic than Republican.

Riley: Right.

Cardoso: So I was more in favor of Clinton. Clinton was elected in 1992. At that time I was Foreign Minister. Then I became Finance Minister and my troubles started. To be Foreign Minister is wonderful. To be Finance Minister is a nightmare.


Cardoso: Yes. Then inflation as an average was 20 percent per month. But you know, when I was appointed Foreign Minister it was my first job in government. My career was inside universities, as you know, not in government. I became Senator because I was in opposition to the military regime. I was more or less well known in some areas, in São Paulo, my state. So I became a Senator. First I became—We have this in Brazil—Deputy Senator. Number one is Senator. Number two, same party, is Deputy Senator. When the Senator became Governor of São Paulo, I was teaching at Berkeley in 1982, and in ’83 I became Senator.

Riley: You know that teaching at Berkeley is a disqualifier for political office in the United States. [laughter]

Cardoso: Oh yes, let me tell you a small story: When I was finishing my teaching there, the head of the Department of Sociology, Professor Robert Bellah, a specialist in the sociology of Rhodesia, a very good one, invited me to have tea. He said, “Professor, if you want to stay here we can provide a contract, including tenure, to you.” I was very popular among students at the time. I said, “Okay, I’m ready, but I need a seat.” [laughter] If I go back to Brazil, I will have a seat in the Brazilian Senate.

I became Senator, and was against the military regime. When President [Fernando] Collor [de Mello] was impeached, the Vice President was my former colleague in the Senate, President Itamar Franco. Itamar invited me to become the Foreign Minister.

I had no experience at all in office, none at all, just university and Senate, but it was not difficult because I was always very close to international affairs. It was not difficult to become Foreign Minister. I had clearer ideas, I suppose, at the time about what to do in terms of foreign policy in Brazil. I gave a speech at the inauguration and said we have to reinforce our ties with the West, with the United States, with Japan, with Europe, and we have to act with the newcomers, China, and parts of Africa, because Brazil has to have a global vision. We cannot be forced to be in just one area.

This is for a very direct reason: because of our trade. Brazilian trade is distributed across the globe. Number one, all together, was the European Union; number two was the United States—now number two is China—and then Asia, Latin America. So not just because of our size, but because of our interests. It is not enough for Brazil to have improvement in South America or Latin America. I had in my mind the fact that we had a priority to develop with other countries. It was senseless to insist on this kind of demagoguery that we belong to the Third World. I think
we are moving toward another position.

As a consequence we had enormous problems with the Americans, with the United States. We still have problems in different areas: in technology, in the case of informatics, in the case of nuclear proliferation, in the case of launching missiles. We had lots of clashes in economic areas, in trade. My declaration was, let’s take every question by itself, and not generalize. We have to discuss this, and this, and this. This is not against Europe or against the United States. In that case where we are against something, let’s try to see what can be done and not confuse one particular problem with the whole question.

The statistics goals for Brazil require a politics of approximation, with China, with the United States, with Europe. In some cases we will clash, but let’s limit the clashing to the appropriate areas and not generalize. Let’s try to solve it. This was my perspective when I was Foreign Minister. Then I became Finance Minister.

Riley: May I interrupt you and ask, were you persuasive in achieving these goals?

Cardoso: Yes.

Riley: Or was the President—

Cason: Acting in terms of Foreign Minister, one of the things you were doing regarding this was confronting older ways of doing things that you could not achieve, right?

Cardoso: Yes.

Cason: So how did that—in terms of overall foreign policy?

Cardoso: There is a strong tradition, an understandable tradition, that in a sense we have to protect ourselves. In order to develop Brazil, we have to protect ourselves. It is a kind of insistence on a politics of isolationism, because they feared interference from abroad.

Riley: Sure.

Cardoso: So let’s affirm our independence by becoming a kind of autonomy. My view was a little bit different. I said, let’s affirm our positions by participating, not by refusing to participate. It depends on your evaluation of the capacity your country has to be active and to protect interests by participating; not by being excluded from the global issues, but entering into the global issues. I had less than one year as Foreign Minister; it was not enough time to implement as Foreign Minister. Anyhow, I’ll tell you a story to explain the situation more or less clearly.

I did a visit to Japan because former President Collor’s Finance Minister made a disaster in Japan because of lack of understanding of Japanese culture. Japan was very important. We have lots of investment from Japan in Brazil, and Brazilians of Japanese descent are very numerous, three or four million. This is the largest Japanese population outside Japan. Japan was important. In regaining impetus in our development process, Japan was very important. Let’s go there. I went to Japan.
On the way to Japan I stopped in Washington and I had a conversation with the Secretary of State, [Warren] Christopher. He was very polite. At the end he said, “I need to speak to you alone.” I said okay. He said to me, “We are informed that you are obtaining technology, dual technology to send missiles, from Russia.” I said, “I don’t know. I have no idea, but probably if Brazil and Russia are getting together, you are financing,” [laughter] because the Russian situation was in despair. This was an issue.

**Riley:** His reaction to that was?

**Cardoso:** Very normal. I said, “I’m completely ignorant. I have no idea.” I came back to Brazil and I told the President. The President was completely unaware of that. Then when I became Finance Minister, the first person who called me on the phone to congratulate me was Christopher.

Then I became President. When I was in the Presidency, the new Air Force Minister came to me and said, “Mr. President, I have to be honest with you. We’ve got this technology from the Russians.” I had no idea. I said, “If this is true, there is only one thing to do. I will announce publicly and we’ll have to participate in the international treaty to control—”

**Cason:** The nonproliferation?

**Cardoso:** Yes. And we did. I went to Embraer, the Brazilian aircraft plant. They were announcing a new aircraft, the 145, which has been very successful. I gave a speech and I announced that now we had the capacity to send satellites—not missiles—satellites. No one in Brazil paid any attention to my announcement, but in America, they paid attention. Because in order to start negotiations to adhere to the international treaty controls—This was the way things were in Brazil. The President was not aware we were trying to do some things. This is because of the military regime in the past.

**Riley:** Of course, which was the basis of my question, because you mentioned earlier that as Foreign Minister you had these goals set forth, but from the outside it is not clear whether that was the prevailing wisdom in Brazil or not the prevailing wisdom.

**Cardoso:** Yes, the purpose of the Ministry of Foreign Affairs—Several people had a different view because they came from the past. I understand their viewpoint. But in different areas, for instance, I was insisting on the fact that Foreign Affairs had also the responsibility to try to be more active in trade negotiations. Some of the old diplomats said, “We are not businessmen.” In one sector of Foreign Affairs we have been always devoted to trade and things like that, but the bulk believed that it is not appropriate for a diplomat; this is for a businessman. I had some problems in that sense, but Foreign Affairs is very hierarchical as far as when the Minister makes a decision, that’s it, or the President. Maybe they can undermine it a little bit, but they follow.

One very difficult issue when I was Foreign Minister was the question of intellectual property rights, because of computers and things like that. The military had decided to create by themselves—to appropriate technological development. The attempt failed. It seemed difficult. So we had to change the legislation to open up the market. There was nothing in the Senate anymore. It was in Foreign Affairs. This was a difficult debate in Brazil on how to get them to appropriate—and also protection for Brazilian interests, because it is not enough just to say,
“Let’s open it.” No, we had to negotiate. That has always been my view. We have to negotiate. We have our interests. You have your interests. Let’s see what can be done. First we have to protect our interests, but in a new context.

The question is of a new context because of globalization. That is the new paradigm. The new paradigm is the problem, because people believe they have to act as if we were yet in another period. For some of them, what I proposed was anti-national. I said, “No, we have to protect our interests but take into account the new framework.” The new framework requires more negotiation, requires more participation. My bet was Brazil has enough energy and competence to enter into this process without losing ground. That’s not true for every country. It depends.

But in our case, my bet was it’s possible. Let’s try to negotiate. Let’s try to give more energy to the local forces in some areas and let’s make co-allegiance with foreigners too. Anyhow, it is important to reinvigorate the economy.

In the case of intellectual property rights, it was very difficult, because we were discussing the TRIPS [Agreement on Trade-Related Aspects of Intellectual Property Rights]. We made some concessions but we also protected some areas, which is why it was possible when I was in the Presidency that my House Minister, who now is Governor of São Paulo, fought against the pharmaceutical industries and we won, because in our negotiation in TRIPS we had said that in some circumstances we can break patents if our national interest requires it. We never said, “Okay, let’s deal without any reservation.” We have to always negotiate.

The military always changed their minds. What I said to you about the fact that the Air Force Minister came to me to say it’s true—that proved that they were recognizing the civilian power. I had no problem with the military at all, even when I made difficult decisions. For instance, to recognize that torture was a state responsibility, I decided to ask pardon in the name of the Brazilian state for the fact that the Brazilian state was using torture. I announced to my military Minister at the beginning—I said, “First of all, I will create a Minister of Defense, so you will be Minister up to the point when I will appoint a civilian to become Minister.” It took four years, but I did it.

Secondly, I announced that for me human rights is not just words. I saw people tortured. I never was tortured, but they put a hood on my head. They threatened me. I saw people under torture. This for me is not—

Cason: It’s not abstract.

Cardoso: It’s not abstract. It’s very concrete. I tried to make reparations to those who had been tortured, without any negative response from the military. They became really democratic. The fact that President Lula [Luiz Inácio Lula da Silva] is President with all respect is very important in that sense.

I had much more difficulty in dealing with some old style nationalists inside Foreign Affairs, inside different areas of the Brazilian administration, and also politically speaking. This was when I was Foreign Minister. As Foreign Minister I remember what was important was the negotiation of the TRIPS, and the opening up of relations between different areas. President [José Ribamar Ferreira de Araújo Costa] Sarney started that. After the military regime, the first
civilian President was Mr. José Sarney, who is credited—Ironically, he was the head of the party supporting the military. Then he became the first democratic President, not elected by the people, indirectly elected. He was very positive in moving the Brazilian administration to democracy. And also the main thing he offered was many more contacts with other countries, including China and Cuba, et cetera.

The Chinese, in my mind, have always been very important. That is why I went to China at the beginning of my government. In the first period, I went to China and we started promoting a closer relationship with China. I was Finance Minister, and Zhu Rongji, who was an economic reformer in China, came to Brazil and I received him in the building of Foreign Affairs. When I was in China the first time, out of the seven big leaders, five had been to Brazil before, and two of them more than one time, including Jiang Zemin.

Riley: Did the Americans express any nervousness to you about that?

Cardoso: No, never. I must say that the Americans never expressed any kind of reservation. To my sense, the Americans see with favorable views an active Brazilian participation in foreign affairs. I never had the sense that they were afraid of any Brazilians, maybe because of Clinton. Maybe because of Clinton.

Riley: Okay.

Cardoso: But when I was the Finance Minister, to my surprise—it was the same trip, when I was coming back from Japan. On the way to Japan I went through Washington and I came back through New York. I was in New York having a dinner at the Brazilian UN Ambassador’s house with other diplomats. I was Foreign Minister. During dinner, suddenly the Ambassador’s wife came in and said, “The President wants to speak to you on the phone.” I was afraid because there were some rumors in Brazil about the replacement of the Finance Minister who was already there. And when I was in Japan some people said, “Your name is being considered.” I said, “Don’t say that.” The President, we had a close relationship at the time. We would speak to each other by our first names. He said, “Are you seated or standing?” I said, “Why?” “Because I am thinking of appointing you to be Finance Minister.”

I said, “Itamar, don’t do that. I’m so pleased with being Foreign Minister. Don’t do that. The Minister is a good man. On the other hand, this would be your fourth Minister in seven months. I have no more words to explain. What has gone wrong? How can I explain that Brazil is okay? The economy is doing well.” It was true. The rate of growth was 5 percent, or something like that. “And you are changing Ministers? Please convince the Minister to stay.” He insisted. I said, “I cannot say to you, if you need me—I am not in Brazil. I don’t want to say I don’t want to help you, but please don’t do that. Talk to the Minister and then call me back.”

I came back to have the dinner and at the end of the dinner the lady came again and said, “I have a message for you. The President said that no one has to speak to you.” I went back to my hotel very happy. In the morning I was informed that I had been appointed as Finance Minister. My wife was really very furious with me. She never believed what I am telling you. But I had to say yes to the President. The Under-Minister of Foreign Affairs called me and said, Mr. Minister, you are now the Finance Minister.” I said, “No, it’s not true!” He said yes.
I called the President and I said, “What did you do?” He said, “Your name has been very well received.” I said, “You appointed the Planning Minister, the head of the Central Bank. You have appointed every—What can I do?” He said, “Now you can do whatever you want. You are free to do whatever you want.” I went back to Brazil.

On this very day I tried to get in touch in New York with a man who later became my Finance Minister. His name is Pedro Malan. Malan was negotiating our outstanding debt—with me. Not before. I asked him to help me. Another one who became later on the head of the Central Bank was Arminio Fraga. Arminio said no, because Arminio was about to engage with [George] Soros. Malan said, “Yes, one week per month, I’ll go to help you.”

I went back to Brazil and I said, “Our situation is very clear. We have three main problems: The first one is inflation, the second one is inflation, and the third one is inflation. My mission is to stop inflation.” How to do it? It was very hard. This was in ’93. It took one year.

Then I got in touch with the people in America to try to see what could be done in America, and in other parts of the world. Basically, the institution of the IMF [International Monetary Fund] was the key institution. The IMF refused to support the program. Inflation was very high. The political situation was kind of in disgrace because the Vice President had become President without any real control of the political situation. The Congress was in disarray because of corruption. There were tremendous hearings. It was very difficult. I started by trying to put together competent people, because I’m not an economist.

I know some economics. I had some training, reading, and working with it a long time ago in the United Nations, and in America in 1986 when I was in exile. But I needed help. I am not an economist. So I invited different—and hoped that some young people, very bright, would accept so we could organize a very strong team.

The first time I came to Washington as governor of the IMF—the Brazilian Foreign Minister is one of the governors—I was astonished. The head of the IMF, [Michel] Camdessus, in France—I knew him because I am very close to Michel Rocard in France, who was Prime Minister, and Camdessus was close to Rocard, who introduced me to Camdessus. So I knew him. He was a wonderful man. He was praising the Minister from Mexico, and [Domingo] Cavallo from Argentina. Brazil was “terrible.” It was ultimately impossible to tame Brazil. It was impossible. I was humbled with all these people.

I went back to Brazil and continued to work.

Riley: May I interrupt?

Cardoso: Yes, please.

Riley: Did you have any exchanges or interchanges at this point with people in the administration?

Cardoso: Oh yes, Larry Summers. Larry Summers was in charge. At the time, he was number two. Number one was Bob Rubin, but Larry was more active. And Larry was a colleague of some of those who worked with me, from MIT [Massachusetts Institute of Technology] or
Riley: Of course.

Cardoso: Another one who now is the head of the Israeli Central Bank—Stanley Fischer. At the time, he was appointed by Larry as a kind of advisor. He became then number two of the IMF. I had a very good relationship with him. It was very helpful.

Riley: So you’re getting some helpful input from the administration.

Cardoso: Yes, Fischer came two or three times to Brazil to follow the evolution of the program. At one point in time when I was in Washington, I don’t remember why, I think he was the one who told me, “It is difficult because your team is pompous, young brilliant men but inexperienced people, and the political situation is very bad.” He said, “You have to take care.” This man has been wonderful in helping us. Later I’ll tell you more completely what he did.

We continued to try to see what could be done in Brazil. We started with a very traditional approach: by cutting expenses, trying to reorganize the budget, but it was obviously not enough because we had different issues to deal with: interest rates and the value of the currency, the exchange rate and how to deal with that. It was extremely difficult. The situation was terrible. We had no idea about the dramatic indebtedness of the government. The federal government very rarely—In the case of energy, it was a disaster—It was unbelievable—and lack of good information.

We started mainly from zero to rebuild something that was closer to an administration, to manage the situation. I had to go to the Congress day and night. Since I was Senator and I had been leader of my party, and I was leader of the opposition party, which is still the biggest party in Brazil—I had been leader of both, so I had some moral authority to go to Congress and to debate with them, to impose some rules to cut—

At one point in time we needed a formal approval by the IMF in order to close the negotiations about the Brazilian extent of debt. The Brazilian extent of debt at the time was very huge. Now we know that it was ridiculous. Now it is a trillion, but it was something like 45 billion dollars. It was the biggest ever. The banks, 700 banks, organized a syndicate. The man in charge of the negotiation was Bill Rhodes, who is still in the Citigroup now. He was the man who negotiated day and night. Several Brazilians, diplomats and economists, were dealing with the debt because of a moratorium during President Sarney’s period in—

Cason: Eighty-eight?

Cardoso: Eighty-four, ’85?

Cason: The moratorium I think was in ’88, or—

Cardoso: The moratorium was before—

Cason: Before Sarney?
Cardoso: Under Sarney. It was Sarney, after the Cruzado Plan. The Cruzado Plan was ’84?

Cason: Eighty-six. When I first arrived in Brazil—

Cardoso: Eighty-six. The moratorium came after that. It wasn’t technically a moratorium, because there was no money to pay, but they announced it as a political decision so it was the worst because the bankers became crazy and everything. We spent lots of years dealing with that. Malan was in charge of the negotiation. When I was appointed Finance Minister I appointed him, not immediately but after some months, head of Central Bank.

We started negotiating again. But in order to have the final signature, it required a formal statement by the IMF proving that it’s okay. You can sign because Brazil’s situation is healthy enough to pay the debt. Normally it is like that. You have different bonds and titles in general, negotiated with different banks at different interest rates. You have to put all this together and to make change, you have to expand the period of time to pay, and you have to impose some limits on interest rates. You know when [Paul A.] Volcker was head—Central Bank interest rates went up to 17 percent. I came to America and had a conversation with Volcker at that time because it was impossible. The debt was unpayable.

Then we had to impose some limits and to exchange the old papers for the new ones, to issue new bonds. Normally they require some guarantees. The guarantees are U.S. Treasury Bonds and the U.S. Treasury normally prepares a special issue for that. In order to get that, you need the IMF.

So I had a conversation in my office with Pedro Malan, the Finance Minister. Pedro is a fantastic financial diplomat, apart from being a very good economist. He said, “It’s better that I go alone. You stay here. If it will be necessary I will ask you to come.” One day he called me and said, “You have to come here because the situation is very difficult.” I went to Washington.

I went to work to the IMF and I had a talk alone with Camdessus. As I said to you, I had previous contact with him. I speak French more easily than English and Camdessus is French, so our conversation was in French. This helps. He said, “It’s impossible. My people cannot give you support for your program. But I wrote a letter to the bankers. Maybe with this letter you can solve the question.” He gave me a letter he wrote in his manuscript, in French, saying something like, “I trust—not the IMF—I believe it is possible…” and so on and so forth. Then we gave a press conference together, Camdessus and I. Camdessus was able to say nothing. I said, “It’s okay, but I need the Treasury bonds.” He smiled and said, “You don’t need it.”

In fact, because we were rather suspicious that the IMF would never approve, we decided in Brazil, Malan with me, to buy Treasury bonds, slowly, over a long time. Because if you start—like that, the price goes up. Without informing even the President, because it should be very secret. Camdessus was already informed.

Cason: He knew about that?

Cardoso: He knew about it.

Riley: And you said this was a handwritten note that he had written?
Cardoso: Then he made a formal one, in English, informing people, “It is okay,” et cetera.

Riley: But not as an official—?

Cardoso: Not official. I said, “Okay, it’s true. I have the bonds.” But in any case, there is another requirement. The bonds have to be in the hands of the Treasurer and the Federal Reserve, and the Reserve said no, they don’t have the proof. Camdessus said, “It’s possible to ask the Inter-American Bank.” So I went straight to see [Enrique] Iglesias, a friend of mine at the Inter-American, and he said okay.

Then I went to see Larry Summers. Larry—I don’t know if you know him.

Riley: Yes.

Cardoso: Larry is a very imposing man. I knew him before because I had conversations—He was smiling. He took me to the window and said, “Are you prepared to be President of Brazil?” I was not. I was not considering the possibility but I said yes to him and also to Camdessus. [laughter] I said, “It is possible.” Larry said, “Well, you will win, Mr. Minister.” Then I moved to New York.

Riley: He asked you—He said that you would win?

Cardoso: Not exactly, but that was the effect that I got from the conversation.

Riley: Okay.

Cardoso: So I went to New York with Pedro Malan and met with the bankers, with Bill Rhodes. Later on I went with Malan to Toronto in Canada. We spent an entire morning just to sign new contracts. We solved the debt like that. Of course, formally, the IMF said no, but in practice—The American government understood the situation, because they could have put some obstacles but they didn’t. It was like that.

In Brazil the opposition said, “Oh, these people now are controlled by IMF.” Never. We had no formal—

Cason: It was the kiss of death, right, to have the IMF be part of controlling it?

Cardoso: But they were not. They came only in ’99 because of the bad situation. Up to ’99 we hadn’t any formal agreement with the IMF. This was the beginning of the reorganization of the whole situation. The American administration was—I don’t want to say stimulating us, not completely, but giving a hand to solve the situation.

Riley: Which is an endorsement of the solution that you had reached.

Cardoso: Yes.

Riley: Your solution had been reached by—You intellectually had put this plan together without American involvement.
Cardoso: Without American involvement in IMF. Stanley Fischer is the name of the guy I was talking about. Now he is head of the Israeli Central Bank, Stanley Fischer.

Cason: As you know, there were so many failed plans before the Plano Real. What do you think gave the U.S. administration more confidence in this one?

Cardoso: I think because the people involved were much more intellectually competent, much more acquainted with the American institutions, had contacts in universities, had been teaching here, had gotten Ph.D. here, had contacts with Summers and with others. They had more familiarity, you see.

Riley: Familiarity with you?

Cardoso: With me and the Americans. I mean my people, my experts.

Riley: Your people knew the Americans?

Cardoso: And vice versa.

Riley: Okay.

Cardoso: It was a problem of trust. This was the beginning. Then it also seemed to be a tremendous battle internally in Congress, with the President, with other Ministers, to implement the program. Because of the success of the Real Plan—the Real Plan was officially started July first, 1994. At the end of March, beginning of April, I resigned from the Finance Ministry to become a candidate for the Presidency. This was difficult for me because I was not convinced of this step. My obsession was how to control inflation and how to give to Brazil better possibilities to go ahead in the economy and in society.

Then, since President Itamar Franco had no sympathy to other candidates—he was in favor maybe of one—I tried to convince this man to become a candidate. He was not a member of my party; he was of another party. I said, “Come to my party,” [Antônio] Britto, who became Governor of Rio Grande do Sul. He was Social Security Minister, my colleague. He’s a good man. The President had some sympathy towards him. But Britto decided not to compete. Now the President has no alternative. Lula’s prestige is going up. I said, “It is better to try the chance because otherwise, in any case, the program will collapse if we are not capable to win the elections.

So I decided. This was in April. In May I was about to renounce, because Lula was reaching 40 percent and I had 12, 13, something like that. It was so difficult. This was in May. And the program was beginning—to describe it is complex. You create a fictional currency, the URV [Unidade Real de Valor / Real Value Unit].

Riley: You’ve described it very well.

Cardoso: On July first, we changed the currency. On July 12th, something like that, I don’t remember, I went to Bahia, which is an important and backward state in Brazil, and met with the main man of Bahia, the boss of Bahia, Antônio Carlos Magalhães. I went as candidate. I was
late. I had a bad plane, one engine. I went with two people, my good friends, and we landed there—

Cason: You say you don’t like to fly.

Cardoso: No more. [laughter] So I went there. We landed, and Antônio Carlos was a little bit anxious because I was late. As we moved to the square that had the meeting, people stopped by and asked me, not him, to sign the new bills. They said, “Its value is more than a dollar.” This was a disaster. [laughter] But I said, “I will win the election.” This was in July. In October I won the first round. I won twice, the first round, because of that. The concept for people was immediate. Stabilization—income redistribution.

At the end when I was elected President in December, we started negotiations with the Americans because of FTAA [Free Trade Area of the Americas]. Normally the President attends the meetings, not the President-elect. I guess the Americans asked for me to be there because, of course, I am the new President, and because of what I did—the money, the Real.

Riley: Do you have a suspicion about who might have insisted that you be there?

Cardoso: Oh yes, Clinton.

Riley: Clinton.

Cardoso: Clinton and Bob Rubin and other people had more of an acquaintance with me. The President also was putting pressure on me to come. The President at the time was very close to me. He is a shy man, very shy. He doesn’t like this kind of thing. Even when I was Foreign Minister, in practice, in all our meetings, I was the man who had to explain the Brazilian position, not the President.

So I came to Miami. I had no idea whatsoever about FTAA. My guess is the President had no idea, too. This was negotiated inside the Foreign Affairs Ministry. When I came to Miami and they said, “We are about the conclude the negotiations saying that in the year 2005 we will have a free market,” I said, “This is impossible to work like that.” I made a short speech there, which was also unusual. I have no idea why the newly-elected President should speak, but I did. I would like to have this speech because I said, “Wonderful, but I think this is not realistic, 2005.” To my mind, in order to have a free market we needed to change several things in Brazil, otherwise we could be over-exploited by American big business. So I was asking for more time. I had no idea about the program.

That night or the next day we made a trip in a boat with Clinton. He started talking and it was immediate chemistry. Most of the Presidents don’t speak English.

Riley: You had met Clinton once before as Foreign Minister.

Cardoso: No.

Cason: When was the first time you met Clinton?
Cardoso: As Foreign Minister? I don’t remember. In December 2000—’94?

Riley: Forgive me for interrupting, because this is an important story. So you’re on the boat—

Cardoso: We’re on the boat and we had a conversation on the boat.

Riley: What did you talk about?

Cardoso: We talked about the future. Clinton, as you know, is the kind of person that you feel immediately that you are in front of a very important man. Clinton is very impressive because he is simple but has some majesty, if I can put it like that, as a person. He is very open. He smiles. He always is drinking cola and smiling. But it is very simple to understand that this is not an ordinary man. He is very impressive. You know him?

Riley: Yes.

Cardoso: He is very impressive as a person. He has ample views, he has knowledge, and he is American, so he is simultaneously pragmatic and capable of having a sense of the overall situation. He is not piecemeal. He has always an understanding of the movement of the situation, but he is pragmatic. This is a combination that is difficult.

I studied in France and my training, my information, is European, not American. To me it is easier to understand Europeans than Americans, maybe not now but at the time, certainly. Clinton was fascinating. Being an American, he also has some of this European spirit. He has knowledge of the global situation. He is not step-by-step. He has insight of the situation. This is obvious. From that time on, I had very good empathy.

Riley: You mentioned that you spoke English, which was rare, and that might have been something that started the conversation because he could speak—

Cardoso: Yes, because it is always easier if you can speak the English language. I have not a good command of English but I can express what I want.

Riley: You have a very good command of English.

Cardoso: Anyhow, I think it turns easier. With an interpreter it is always difficult. You cannot grasp the other; it is impossible. From that time on, my relationship with Bill has been very direct. I remember being President—I came to America I guess in ’95, in March or April, the day of the Oklahoma bombing.

Riley: In April of ’95.

Cardoso: I was in New York making speeches, that kind of thing. I was afraid because I thought it would be canceled. It was a state visit. A state visit is very formal. You have a banquet and speeches and music. I thought it would probably be canceled. He decided not to cancel. I came to Washington to talk to him about different opportunities. The first time, at one point in time after we had a conversation in the Oval Office—the Oval Office is like in Brazil, too. It is always formal. One President is on one side, the others are looking. The only one, the President, has to
say something. You cannot say any important thing. It is formal. The Ministers are there, the assistants, the diplomats, so on and so forth.

But at some point, the Presidents are alone. Again, if you speak the language it is better. I was with Bill in his office, the small one there. The first thing he said to me was, “What can I do to help Brazil? What can I do to help you?” The second thing was, “Do you want to go to the bathroom?” [laughter] You can’t imagine how this is important. Because all the time you are President no one will ask you about this. It’s human. That is Clinton. “What can I do for Brazil? How can I help you? Do you want to go to the bathroom?” This is very simple to characterize how it is him. He is a man who has a vision, who has generosity, and is human and practical.

Anyway, we had a long conversation about the situation in Brazil. In practice, one President cannot do—On normal days it is not necessary to do anything. What is important is to give the signals that you are having good relations.

Riley: I’m going to ask you a follow-up to this. My guess is that there were a lot of people who spoke English who Bill Clinton could speak with, but you two seemed to have developed a special bond beyond the fact that you speak English. What do you think it is about yourself and your experience that was so attractive to Clinton, and that gave you a bond?

Cardoso: Probably because I have some of his characteristics. I also am pragmatic and I have a general view. It is easy to move from one level to another one. I am not formal with people, not formal at all, and Clinton is not formal. He goes straight. I go straight too.

On the other hand, I think that he felt I was sincere when I was expressing my views. I believe it is important to have good relations with America, but to me what is important is Brazil, and in Brazil what’s important is not the economy, it is society. It is education, agrarian reform, health. I did a lot in those areas. In Brazil they believe that what I did was in the economy. The economy was a necessary step in order to make progress in other areas.

And Clinton is committed to people. Clinton has a real commitment to people, to Africa, to illness, HIV [Human Immunodeficiency Virus]. He knew what we did with HIV, for instance. We did a lot in Brazil to control the situation. So probably all these things together—

Then he came to Brazil. This was interesting, too, because a visit from the President of the United States to Brazil—The press started by publishing some rumors. “There are 1,000 visas asked for to come to Brazil. Americans want to come to it more [Indecipherable] to protect Clinton,” that sort of thing. The press were against. He came to Brasilia and went straight from the airplane to the Ministry of Foreign Affairs, to the Itamaraty Palace, a beautiful building from a famous Brazilian architect. It is really very beautiful. Clinton came with Hillary [Clinton] and the security. Security was a disaster. Nobody could approach the President.

Clinton made a speech by reading, very formal, and I made a very from-my-heart speech. He understood immediately that it was not necessary to make anything formal. This is diplomacy. So what did he do? He jumped in the place where we were, to talk to people, hand-in-hand. To shake hands. I was with him introducing people, including people in the opposition. He gained immediately, just by this gesture. He understood it was not the case to treat us formally, that it would be much better to go straight, and show how he is. It was fantastic, the first day he came.
We made a banquet in my residence, which is also beautiful. The Alvorado Palace is magnificent. It is beautiful. The American security force said they wanted to stay inside the dining room. I said, “No, this is not feasible in Brazil. We are peaceful people.” Clinton was not aware of that, of course. It was a battle. Clinton said, “I’d like to see the place in which you really live.” So Hillary and Bill came with me and my wife to the second level. The Brazilian palace has only two levels. The Alvorado is really very beautiful. The second level is only the family. Only two maids, and the family.

Riley: How old is this beautiful place?

Cardoso: It’s very new, from the ’50s. It is modern architecture and beautiful gardens. It is really very beautiful. We took Hillary and Clinton and went to my place. They sat down there and we talked for half-an-hour or 45 minutes. All the guests were waiting for us. This was, again, Clinton: “I want to see how you live.” When I came to the White House it was the same. He took me to his place. To produce intimacy.

Two stories about him: When we’re alone again after the formal discussion—not in this palace, another one, the governmental palace, Planalto Palace—At one point we had to go alone to my office. Madeleine Albright was the Secretary of State. She made a statement considering that Mercosur [Southern Common Market] has something incompatible with FTAA. This in Brazil was a disaster. My Foreign Minister, [Luiz Felipe] Lampreia was very close to Madeleine Albright. I like her too. This was very difficult. I said to Clinton, “This is a non-starting point. If you start by saying that Mercosur is incompatible with FTAA, it is the end of FTAA because Mercosur, for us, is vital. Our trade is improving. Our neighbors are there. Brazil has a clear South American insertion.”

He asked me, “Do you think that if I say something to the press about that, it would be helpful?” I said yes. The next day or the same day, I don’t remember, he gave a press conference and he said, “I think it is absolutely compatible, the Mercosur with FTAA. There is no opposition in the country. It is a step forward.” He changed immediately the situation.

Another day, we had in my residence—Hillary was there, too—a press conference in the back garden. Two hundred people were there. Many Americans came, and they were asking Clinton about a lady—Paula?

Riley: Paula Jones.

Cardoso: It was embarrassing, very embarrassing, because I was praising him and they were asking him about—and Clinton was perfect. He replied. From that place I moved with him to the library where my wife Ruth [Vilaça Correla Leite Cardoso] and Hillary were. He said, “See, all these people are friends of mine, but they came with the editors’ questions. They had to.” It was very—but he was very capable to deal with this situation. It was embarrassing but he was good. I’ll tell you what: this man has the nerves to be President, because it is not easy to answer these kinds of personal questions and to keep the gesture and the stature as President.

On the other hand, it’s a pity that Hillary doesn’t have the possibility any more to get in touch with my wife. She was very bright, and a very strong lady. After her death in Brazil, it was a national emotion. It was unbelievable. No one, not a former President or even President, received
the spontaneous homage she received. She was not easy. She was intelligent, had ideas, convictions, was highly polite, was educated in very high-class schools, et cetera. It was normally difficult for her to deal with other ladies, and she fell in love with Hillary, which was strange. And for all time—Even when Hillary was Senator, we stayed for four months in the Library of Congress in America. Alone with Hillary—Hillary is different from Bill. Hillary is much more cold and distant.

Riley: Yes.

Cardoso: She has to make some effort to be at ease, but not with us. This was also important in the relationship, because it was not just me but also Ruth with Hillary. And being Ruth and Hillary—both are strong personalities. From that time on—this was in ’96 or ’97—our relationship became much more fluid. There have been several times, different occasions in America, and because of progressive governance, in Berlin, in Florence, in Chile—We have been different places in the world, and always our personal ties have been very close.

I was reelected in 1998. It was a difficult year because in ’98 we were in the middle of a crisis. The Russian financial crisis was approaching Brazil. Like now, Brazil had no responsibility for the crisis, but anyhow the crisis would affect us. It was clear that turmoil was about to come. In September ’98 I made a speech. I was candidate for the second time, a second mandate. I made a speech at the Foreign Affairs and I announced the necessity of asking for some support from the IMF. I said, “Some difficult years are to come.” I thought if I became President it was better to inform in advance during the electoral campaign.

It was a hard campaign against Lula, who had always been very popular. At that moment, the idea was: “The situation is bad. We are close to calamity because unemployment is going up; the rate of growth is decreasing. The point is who is better to get us out from the crisis?” It was a bad discussion. There was not hope in the country. Lula was putting so much pressure. “This is a disaster. It is a crisis. Capitalism is about to explode.” He was criticizing me and criticizing the IMF.

I said, “I have to ask the IMF.” I sent some people to see Stanley Fischer. Stanley was number two. When I referred to him—During the preparation of the Real Plan he was not an officer; he was a professor at MIT and was in charge by Summers to oversee, but not in Brazil. Now he was number two in the IMF. I sent people to talk to him and the negotiation was very tough. You can’t imagine how difficult it is, the bureaucracy in the IMF—very tough. They are terrible. The point is, they were maybe right, because we had to change our exchange rate system. We had almost fixed it, the exchange rate. It was moving very slowly. The devaluation was going down very slowly. They were asking us to go faster and to increase interest rates. To increase interest rates is a disaster always but it is necessary.

So we still had difficult moments. At that point it was Bob Rubin who was the man. Bob Rubin is very clever and was easier than Larry. I’m closer to Larry. Larry was the president of Harvard. He came to my house to insist that I come to Harvard. I refused, for practical reasons.

Riley: This was when he was president?

Cardoso: Afterwards. I accepted a position at Brown, not at Harvard. And I can tell you why:
because I had no money. When I left the Presidency I was in bankruptcy and Brown paid me double. Nobody believes that but it was a very pragmatic reason. I wrote this book for the same reason, because I had to make a contract to make money. I had no idea about what—Now it is the fashion for former Presidents to make speeches and they pay you. I never received any payment for my speeches. [laughter] I had no idea. Without a pension from the Presidency, with only my retirement pension from the University of São Paulo, it would be impossible to live. So I went to Brown against the views of Larry and my wife, who preferred Harvard.

I had a good relationship with Larry, but Larry is difficult. Bob Rubin is more soft, and very bright, too. I had a long conversation with him on the phone—with him, with Camdessus, with Stanley Fischer. I don’t remember if I talked with Larry. Larry sent people to talk to him. [Indecipherable] who was an economist, and others—Malan, and others.

It was a difficult moment. At one point in time I called Clinton. I said, “You understand me. I cannot change.” This was after my election.

Riley: After the reelection?

Cardoso: Yes. We started in September. I was reelected on October 4th, and we were negotiating—I said, “I cannot change suddenly the situation here because everyone would believe it was a tricky thing. I can’t do that. They are asking me to do what is politically impossible. I understand the reasons, but I can’t do that.” I think it was Clinton who convinced them—because the Treasury controls the IMF. Now it’s clear. Now the Federal Reserve becomes the central bank of central banks, without any—It is a very unusual situation. Another thing, we are in a very difficult moment. They never solved this thing. You have to rebuild the institutions.

By the way, every time the G7 had meetings, I sent letters to them about it, the international financial architecture. The phrasing came from Clinton. It is necessary to renew the international financial architecture because the IMF has no money and the World Bank is incapable to take care of development. The Brazilian Development Bank has more money for loans than the World Bank. So the World Bank is nothing. And the BIS [Bank for International Settlements] in Basel has no power. So the disaster was already prescribed. I said that every time to them.

Clinton managed—at that moment, and the IMF gave us the necessary money, but immediately the Brazilian Congress made a bad decision by refusing to approve an increase of the contribution for our Social Security, something like that. They read this as if the government acted like the Russians. We have the money so now we’ll do what we want to do with the money, and we’re not following you. That was not our idea. It was not my decision. It was the lack of monitoring in the Congress.

Congress is like that. They say yes, yes, yes and then no, to prove that they are independent. It was one of those moments. The lady who gave the response was from my party. She was very influential in saying no, no, no. They decided no, and it was considered by the people in IMF that this government is the same as other governments. They had our money and now they have made a disaster.

This was terrible, because then in January ’99—
Cason: Your friend.

Cardoso: My old friend, Itamar Franco, former President and now new Governor of Minas Gerais, decided to proclaim a moratorium, without any possibility to do that. It was a fake moratorium. But the world believed the man was true, and it provoked a disaster. So from January up to March was very difficult. Then again, my contacts with the administration helped a lot. In that case I interfered directly, me, not just Malan. Malan is fantastic, and the new head of Central Bank, Arminio Fraga, the old one too. They’re very good, but at some point in time it is the Presidential responsibility because of the weight of the people’s vote, so we have to interfere. I was negotiating with all these people about the situation. It is not that interesting for you. I told about it in some books. I don’t know if I said everything.

The point is, even my friend Stanley Fischer was asking me to do what Argentina did, and Argentina was a disaster. The IMF was asking us to do the same, that is to say, to have a parity between the local currency and the dollar, to put the dollar in a box. I refused. I had a conversation with Camdessus and he said to me, “I will put lots of money if you do that.” Even Stanley Fischer, but I refused all the time to do that. We kept our independence always. Brazil can do that. I don’t know if Ecuador or Bolivia—Sometimes the IMF is a disaster in these countries because they don’t have the strength to react. We had.

Again it was because of our connections with the Clinton administration. Because of Clinton’s views, too, it was possible to maneuver in difficult situations. Every time I needed Clinton, he was happy to help. Even in other aspects. When we were discussing the Kyoto Protocol—I was highly interested in that and Clinton was too. We had conversations about that to try to be more flexible on both sides to get a result. Clinton was really committed to that. Even the idea of the Kyoto Protocol came from a Brazilian expert. The negotiation to trade CO\(_2\) by money and to sell your reserve—this was a Brazilian proposal. Clinton got that. Americans never approved, but Clinton made an effort. Clinton has the sensibility.

This was in ’99. It was very difficult. Then, to some extent we were successful. In March Stanley called me on the phone and said, “The data I received from your government are true?” Only Fischer. I said, “I don’t know if they are true, but they’re the only ones that I have.” [laughter] Most people were surprised that devaluation didn’t introduce inflation. We did a very good job of reorganizing the whole budget and loan system. The fiscal situation in the state, contrary to the Argentinian situation, was under control. We did a good job in remolding the Brazilian financial administration.

This was in March. In April he called me again and said, “Mr. President, only one word, congratulations, because you’ve overcome this situation.” The view of the American administration was always rather positive. They were trying to see if it would be possible to solve the question. They never put obstacles to us.

Of course we had difficulties, on the other hand, with trade.

Riley: And we’d like to hear about those because we know you had a friendship with this President, but there were obviously issues about which you disagreed.

Cardoso: Of course.
Riley: How did you deal with those, and what were they?

Cardoso: What we decided was after I was the Foreign Minister. Then, we had no idea how to use the ability of WTO, the World Trade Organization, in our favor. WTO was a kind of phantasmagoric apparatus against us, so we started by training people to deal with the WTO. We needed lawyers, and inside the Foreign Affairs Ministry we needed diplomats more acquainted with the art of good diplomacy. We decided to present our questions to the WTO about cotton, sugarcane, so on and so forth. The first one was cotton. And we won, against America. We did the same with steel.

The idea, I said, “Let’s shoot very strongly, point by point, but not consider America as the enemy. In the case where they are against us, we are against them. Let’s protect our interests but not provoke a kind of anti.” Now it is normal, because Lula’s government is along the same lines. Again, the Foreign Minister and the Trade Minister have controversy with the Americans on different issues. We fight very hotly but without contaminating the whole situation.

Cason: When you would discuss these differences with Clinton himself, how did he approach that and how did you approach that?

Cardoso: We approached it very simply. Sometimes he’d say, “I can’t do that, because of the political interests.” For instance, there is a tremendous problem with ethanol. It’s senseless to keep the corn production of ethanol. Sugarcane is seven times more productive than corn. But Americans will keep corn up to the end. In my view, only when all the cultivating soil is occupied by corn, then Americans will allow ethanol. This is against the interests of the American economy, against the interests of the American consumer, but it supports the interests of the corn producers and they are very strong.

Brazilians don’t know yet how to deal with the American Congress. We’ve learned how to deal with the WTO, but not yet with the American Congress. Brazil is quite far away from the USA in geographical terms. As you are, we are very inner-oriented. We don’t pay attention to foreigners. We don’t pay attention to the American Congress. The Mexicans have to; Central American people have to; Venezuela has to; but not Brazil. In Brazil we don’t pay attention. This is maybe a mistake because we have to have more lobbyists inside the American Congress—not the government, but Brazilian industries. The point is that sometimes it will be impossible to go further so we stop, in terms of Presidential diplomacy. We don’t interrupt the other aspects.

Riley: Of course not. There was a dispute over pharmaceutical rights.

Cardoso: Yes.

Riley: That particular issue is interesting to me because it has Clinton in an unexpected position. This is a man who has made a reputation for providing AIDS drugs to the world.

Cardoso: Yes. But Americans were very strong against the opposition. This was the Doha negotiations. The Minister of Health, who is now Governor of São Paolo, José Serra, was a candidate for the Presidency when I left. Now he’s a candidate again and he probably will win. He is a very tough man. He is my friend for life. He is ten years younger. I am 77 and he is probably 66 or 67. When I was in Chile teaching, from time to time he appeared in the class
there, so we have known each other since the ’60s.

Serra was the Health Minister. He is an economist. By the way, he got his Ph.D. here at Cornell. I appointed an economist to the Ministry of Health because the health problem is not a doctor’s problem; it is a problem of management. Serra was supported by Celso [Luiz Nunes] Amorim, who is now the Foreign Minister and who was my Ambassador to Geneva. He was in charge of the trade negotiations. Both were supporting the view that in some circumstances it is possible to break patents and to retract them from the pharmaceutical industries. Brazil has the capacity to produce.

The Americans were extremely against. We had this slogan: *Life Instead of Profit*. Clinton was supporting the pharmaceutical industries because they are a very important lobby, a very influential lobby. We were against. In the year 2000 we had the United Nations General Assembly, and one day before the opening, the Americans withdrew. They had asked for a hearing against us, but at the end Clinton withdrew because he understood that politically it would be impossible.

**Riley:** Did you talk privately with him about this issue?

**Cardoso:** No.

**Riley:** Would that have been the kind of thing that you might have talked about? Were there other occasions? You mentioned ethanol.

**Cardoso:** Every time, ethanol every time. This is all we used to talk about. You have to understand, this is a dial to the left. It is impossible for America to change. It is impossible for us to change.

**Riley:** Of course.

**Cardoso:** So we have to fight and to try to find a way to solve the situation. In the case of pharmaceuticals, the point is that finally the pharmaceutical industries agreed and we are now producing massive generics. We asked the Indian laboratories to come, and also the Israeli ones. This is due to Serra, the Minister of Health, and my support of course. This was important. It was a mark of our government to say—In some cases you have to say, “No, no, no, and that’s it,” in spite of a good relationship with the President, or even in general terms. This is how a more mature economic science works.

**Riley:** Of course.

**Cardoso:** This was a very difficult battle, but it is done. Clinton, I told you about what he did on different occasions. Then he was replaced by [George W.] Bush who was quite different. I never had chemistry with Bush. Bush has always been very kind, but the way that Bush looked at the world was so superficial: Who are the enemies? Who are the friends? All the time, black and white. He has a good relationship with Lula. With Lula the chemistry is better than with me.

Clinton, even when he was no longer President—Once he went to Argentina and from Buenos Aires he called me, asking me to organize a dinner with some people in Brazil. He came and we
had a long conversation alone. He was really very worried because of the Argentinean situation. He said, “I have to do something. When I am back in Washington I will talk to President Bush, because it is important to help Argentina.”

Anyway, at dinner he talked about his views with other people there. He asked me how much I believed would be necessary to overcome Argentina’s difficulties. We made an estimation of money. Then he went to Washington, and from Washington he called me and he said, “It’s hopeless. I talked to several people. Only one could maybe be more effective. He is [Robert B.] Zoellick. I asked Zoellick to call you.” And Zoellick called me to see what could be done. This is Clinton. He was no longer President, but he went to Argentina, he saw the situation, that it was necessary to do something. The IMF was very hard against. The Bush administration preferred not to be involved in the situation.

Cason: Let it collapse. That’s what they were doing, right?

Cardoso: Yes. Exactly the opposite compared to what happened with Brazil, under Clinton. Then I tried with [Ricardo] Lagos to talk to Bush. Lagos with me, talked to Bush and Bush said no, not to get involved, because the collapse was there. It occurred. The same occurred in Bolivia.

You asked me about situations in which we had difficulty in direct conversations. At one point Clinton invited us to spend a weekend at Camp David. I was in Washington. I went with my wife, the Brazilian Ambassador and wife, Hillary and Bill, and—Who was at the time his advisor on security issues?

Riley: [Samuel] Sandy Berger?

Cardoso: Sandy Berger and wife. Very informal. Very good. At one dinner, I was amazed by the level of information that Hillary had about Africa, each country in Africa, the situation. Hillary, not Bill.

On another occasion I was with him. He had a small office there. Plenty of portraits of [Thomas] Jefferson. We spent maybe two hours talking about Brazil, America, the world. He said, “When we approach a country, we have to ask what is the worry of that country, and what the country aims at. For instance, the Russians are always afraid of invasion. The Chinese have fear that at one point they will split. This is important to know.” He asked me, “What are Brazilian aims and what are your fears?” I said, “Brazilians’ basic goal is to become a developed country and to offer a better standard of life for people. This is our goal. What we are afraid of is not being able to do that. Maybe Americans and others will prevent us.”

We don’t have problems in terms of territorial integration, about our identity. We are like America. We are Brazilians. You go to Spain, it is different. You go to Russia, or even to China, but not in Brazil or in America. It is very curious. I had always had in my mind that Brazil and America have some similarities: Big countries composed of immigrants, and in spite of that we have confidence in ourselves. We are not afraid that we will be disintegrated. And we are looking inwards at all times.

When we had that conversation Bill asked me, “Why are you not more active globally?” He was
motivating me to be more active.

**Riley:** Personally, rather than—

**Cardoso:** Personally. He had two main questions: One was about Colombia—why Brazil was so shy, so hands-off. The other one was about the Middle East. I said, “Oh, the Middle East—”

**Riley:** That’s a good question.

**Cardoso:** He was highly interested in the Middle East. I had a fun conversation with him at the end of his government, to say good-bye and why don’t you come here? He said, “I’m completely devoted to the question of the Middle East.” Later I will tell you another story about the Middle East and Clinton and Tony Blair. He was totally interested in the Middle East.

In the case of the Middle East, Brazil has lots of Arab people, maybe 10 to 12 million. They come basically from Lebanon and Syria. But they are not Moslems, they are Maronites or Catholics, so a very small group of people from Islam. But we don’t have leverage. Why should we be involved in that? We don’t have the possibility to solve any question there. Now Lula’s government, just this day the Minister of Foreign Affairs is trying to get involved. But this is just rhetoric because we don’t have the instruments. In that sense I think the Brazilians have to be like the Chinese. If you don’t have interest or possibility to interfere, it’s better not to say anything. Keep silent.

Colombia is different. Our views are different from the American views. My views are different. Why? Because even now I belong to a commission on drugs in Latin America. I think the war on drugs is lost. This is a bad way to approach the situation. We have to reduce consumption instead of trying to repress the production and trafficking. You have to repress trafficking, but you have to reduce consumption. You have this and we do too. Tobacco—cigars, cigarettes—It is decreasing, but there is no effort in reducing drug consumption, and there is enormous effort in fighting drug producers. Once I asked Clinton to change the system that America had to categorize countries according to how far they were going into the war on drugs. Colombia was all the time considered an enemy because it was not fighting enough.

The President of Colombia, [Ernesto] Samper, was accused by the Americans of being involved with the money—because of political money—from the drug producers. I don’t know if this is true or not, but probably in Colombia all of them have some financing from—because it is difficult in Colombia to know what is black and what’s white in that matter. Samper was in a difficult situation because of that. Every time the classification came, it was a disaster. I said to Clinton, “I don’t understand that. To my mind it’s senseless for one country to qualify the other as making enough effort to curb drugs.” In another situation, the Americans were preparing Plan Colombia, which is a more open interference in terms of war, in practice, and you had some problems with control of the skies, of aircraft.

The Brazilian government, including my government, has always been very proud. We will take care of our borders. We don’t want to invade, but we also don’t want to admit that, because of war and drugs, to allow—zero. I made an effort to create a radar system in the Amazon—SIVAM [System for Vigilance of the Amazon]—and this is important because this allows us to control the airspace. We had another problem. We had the information about aircrafts crossing...
the skies but the Brazilian Air Force has to destroy the enemy. This is not easy. By the Constitution it is complicated. We asked the Congress to approve a bill, and they did, allowing the destruction of traffickers—if the airspace is invaded, and if the aircraft is not going to land, the Brazilian Air Force could destroy it. But who gives the order? In the past it is the President. This allows the President to sign a death bill and the Constitution in Brazil does not allow. So it is very complicated. When we got the law, the Americans opposed, because you remember what happened in Peru with an aircraft.

Cason: Right.

Cardoso: So they changed their mind. All these things are very difficult. This convinced me that it is better to have our own set of policies and not to be under the American safeguard or umbrella because of drugs. I know that it is difficult. I know the situation in Brazil is worsening because of drugs. Probably we will have to make an additional effort. Anyhow, I was not in agreement with the kind of policies to be implemented in Colombia, so when Bill asked me to be more active, he was asking me to be more close to his views. I said, “No, we will keep our views.”

Riley: We have about another hour. Are you okay? Do you need a break?

Cardoso: I’m okay.

Cason: I’ll ask you about the research that I do, which is on Mercosur. I’m just finishing a book on Mercosur. I’m just curious as to how—You mentioned the moment in ’97 when Clinton was there and he said that Mercosur was compatible with FTAA, but in the end, of course as you know, the FTAA really hasn’t done anything.

Cardoso: No.

Cason: In your view, is that mostly because of the U.S. Congress not giving fast-track authority?

Cardoso: Both sides. I think that the U.S. Congress was reluctant, but the Brazilians never engaged, never had a clear position. Not the government of Brazil, but the businesses in Brazil. It was necessary to have a more clear view of losses and gains. To our mind it was not clear. So the FTAA was always postponing. The first decision in my government was in the Montevideo meeting. The decision was that everything has to be done simultaneously, every question or nothing. Well, this is very good but it is also a tremendous obstacle. It was a way of postponing.

When in Miami, after my government, the decision was made that it could be presented anew, and each one country could solve, could try different—it was the end of FTAA. In practice the American government decided to go bilateral. Brazilians lost ground because Americans being bilateral made every country apart from Mercosur. We are in bad shape now. After 2002, 2003, the world trade was so magnificent that it was not necessary to remember, but now you need—I think it was a mistake for the Brazilian government not to do more bilateral arrangements if the FTAA was not going on.

The FTAA could be possible but it would require more time and more information. We have to have more consciousness about our interests to go ahead. Now it is too late. I think that we failed
in the Mercosur. Mercosur was important in trade; I’m not talking about integration. The trade increased enormously, but not integration—not productive integration, not capital integration, nothing, not to speak about sovereignty. We’re far away from Europe, far away.

Possibly it will be necessary in the future to rebuild Mercosur.

When I was President-elect I went to Buenos Aires and to my surprise President [Carlos] Menem told us—Arminio was the Ambassador with me. He was with Cavallo, and Guido Di Tella was the Foreign Minister. He said, “I think it was a good idea to go alone only with Brazil and Argentina. I think this has been a good decision.” I was surprised because I had no idea of that decision. We never made the decision. It was Cavallo’s idea. But maybe Cavallo was right. It would be more concrete if we could start by integrating Brazil and Argentina, because the differences are so big between Brazil and Argentina, and Uruguay or Paraguay.

Now, Uruguay is asking for breath. It was pure air American. And Paraguay doesn’t know what to do. So probably we will have to make additional effort to rebuild Mercosur in the future. This is not simple. Argentina and Brazil may be a little bit easier, but Brazil is so much more industrialized than Argentina. What happened is that the bulk of international investment went to Brazil from ’95 on, not to Argentina. The productive base is concentrated in Brazil. How to balance this with Argentina?

When I was in the Presidency, I stimulated the investment of Ford Motor Company and General Motors in Rio Grande do Sul. General Motors is there. Ford is not, because the PT [Partido dos Trabalhadores / Workers’ Party] won the election. My idea was—I never said it—but my idea was, let’s create an industry in south Brazil for cars, and let’s use Cordova to produce car parts. This could be integrated, but it failed. Now it is a problem, and it continues to be. It will be necessary to re-think and to see what to do. It will take some time because now we have credit crisis after crisis. We have to see what to do in terms of trade and what kind of Mercosur can be reconsidered. I still believe it is important to have more integration. It is possible.

Riley: I wanted to follow up—You discussed the meeting that you had at Camp David where you said that President Clinton had said that every nation has one fear and one aim. Did he tell you what the United States’ fear and aim was?

Cardoso: No, he didn’t, but probably it was to control the world. No more. That was in the past. Let’s see [Barack] Obama—poor Obama—So many expectations and hopes in so difficult a situation. I was looking today—He made an address yesterday—He is already physically expressing anxiety. It is a terrible situation because all hope is gone. Probably, looking ahead, Obama has the chance because Obama in that sense is like Clinton. I don’t know how he is as a person, but he, more by age and experience with people, Obama could maybe reshape the American foreign policy in the sense that—what I said before—We have to reconstruct the global institutions.

To be frank, the Americans decided to destroy the United Nations as a political force. Even the Security Council is frozen. By the way, I talked several times to Clinton about the United Nations, about Brazil and the Security Council. As you probably know, this is an old promise that started at the end of the Second World War. [Franklin D.] Roosevelt had that idea, and
[Winston] Churchill and the British said no, because they believed that it would be a second American voice. What a mistake. [laughter]

Riley: Tell us about your conversation with Clinton about it.

Cardoso: Once I met him—We had the United Nations General Assembly, and by tradition the Brazilian President opens that Assembly. First is the Secretary-General, then the President of Brazil, then the President of the United States, so every time we have contact there. I don’t remember when, but I gave to Clinton Cordell Hull’s Memoirs [The Memoirs of Cordell Hull, Secretary of State to Franklin D. Roosevelt] because in these memoirs is said what I said to you, that there is an old aspiration, a promise [to make Brazil a permanent member of the UN Security Council]. Celso Amorim formed this idea. We gave this and everybody was very happy with the trick idea. People all the time said, “Yes, you deserve it,” but the problem is it’s difficult to change in the United Nations, extremely difficult. I never had the illusion that this could be feasible. I think that President Lula had the delusion that this was about to occur.

My position was, let’s think about this. But that’s not our main aim. I would prefer to be among the G7, G8 rather than in the Security Council. The Security Council is important if you have the veto power, if you have the atomic bomb, if you have power—military or economic power; otherwise, it is a difficult situation. I would say that at one point in time, Brazil will be part of—I don’t know of the Security Council—of the main—but not yet. It is like the Chinese. You have to look with some historical perspective and not be in a hurry.

You cannot do foreign policy in a hurry. And not with words; it has to be with effects. Brazil is accumulating strength to be more influential. It has become more influential. I knew that Clinton had no possibility to open doors. Probably he would be ready to do it. But this is difficult for the Germans, the Japanese, the Italians—the Chinese don’t want the Japanese, et cetera. It is difficult. Anyhow, I talked several times—Every time, we used to speak about the importance.

I think that at one point maybe Clinton could have been more effective in opening doors to Brazilians to participate at G7 and G8. It was possible. I don’t know why he never—

Riley: Did he see the value of those meetings as you did?

Cardoso: Probably not. He had more important meetings. But look, from the American perspective, why open?

Riley: Of course.

Cardoso: Now the situation in the world has become more dramatic than ever. Maybe only in ’29? Could be, the possibility to appreciate. It is also necessary to have different rules in the financial system. It was clear that it was going toward a collapse. It was clear. I don’t know to what extent Clinton had a clear idea about that. Obama certainly did not, but now he will be forced to have that.

Riley: Maybe he should consult with you. I mean, who better? The entire world seems to be Brazil. That may be overstating the case, but you’re experienced.

F. Cardoso, January 9, 2009

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Cardoso: Hillary could—I probably will see her in March or April and I certainly will talk to her about that. Now everybody knows that it is important to reconstruct the global world. It will not be easy to do that. It will take time. Probably, and this is not yet the moment, it will be necessary to make a new kind of currency, a basket of money, not just dollars. For now, the dollar is unbelievable. The dollar is over-valuated again.

Cason: Yes.

Cardoso: It is part of the disaster. And the pound is coming down. This is a strange situation.

Riley: Exactly.

Cardoso: Probably in the future the Federal Reserve will provoke inflation.

Riley: I think you’re right. I want to go to a different area and ask you, did you ever talk with Clinton about race?

Cardoso: Yes.

Riley: Tell us about that.

Cardoso: I have pages on race. You know my Ph.D. dissertation was on blacks.

Riley: Of course.

Cardoso: I even used to provoke some—I used to say, “Am I white?”

Riley: Just so the transcript will properly reflect this, President Cardoso was holding out his fist for me to examine.

Cardoso: The racial question is a very important issue, even in Brazil. I was supportive of, I won’t say quotas, but some forms of compensation, because it is obvious. If you go to the Brazilian universities, the number of blacks is minimum. If you go to the Brazilian Congress, you have some mulattos who pretend to be white. That’s why I say, “Am I white?” It produces a reaction in my family. It’s true. You have to assume that you are a mixed people.

And Clinton was concerned with the question of race. He has some blacks very close to him, and he appointed blacks. I tried to do the same. I appointed [Edison Arantes do Nascimento] Pelé, who is black but he’s Pelé. That was my Minister of Sport. I appointed one black to one of the important courts. Now Lula appointed a black for the Supreme Court. So the movement is on the way.

Riley: Right.

Cardoso: I think this is important. Maybe we have to not copy America, because it is not the same. In any case it is not the same. In America what is happening is fantastic. Because of the civil rights movement, you have integration by law—by struggle and law. In Brazil we don’t respect laws. You have integration by law, but you don’t have convivencia [peaceful
coexistence], the more easy-going way we have. You are equal by law, but you don’t—

Cason: There’s more tension.

Cardoso: More tension in America than in Brazil. Let me say another thing. I am the President of the Orchestra of São Paolo Foundation, which is a very good orchestra. The other day I received a visit from a musician from the orchestra who is an American and he is black. He got married to a Russian girl who also plays music. He came to give me a wedding invitation, in America, in California. He wrote a poem in English and it was translated to Russian, a fantastic story. This is the kind of guy who has plenty of imagination.

Anyway, he has been living in Brazil for ten years, and he loves Brazil. I said to him, “Why?” He said, “Because I never was discriminated against in Brazil.” I said, “But you have been in America?” He said, “No doubt. I went to the police several times to protest.” He was discriminated against in Baltimore. He studied music in Baltimore too. He said, “In Brazil I never had any tension.” So this is different. Sometimes the struggle for racial equality in Brazil is trying to imitate America, in terms of imposing quotas—I think that something has to be done. I don’t know how.

When I was Foreign Minister, I created a special fellowship for blacks to enter into foreign affairs careers. A fellowship, but they have to compete. In Brazil the number of poor people—Maybe this could be an idea. My university, the University of São Paolo, used this system. They had some preference for poor, not for blacks. But blacks are poor.

Riley: Yes.

Cardoso: Some whites too. I was thinking not to discriminate. We need to do more. Clinton has always been very supportive of this kind of thing.

Riley: But this would be the kind of thing that you might talk about with Clinton?

Cardoso: Oh yes, this kind of thing. And also one thing that he praised very much was a fellowship we created for poor people to send children to schools. Now Lula is putting it all together, but the program started by my government was a fellowship for mothers who had sons studying. They have to be attending school 85 percent of the time. This, Clinton praised enormously. Several times in speeches he spoke about it, the educational fellowship. He was fascinated with that.

Not necessarily with land reform—I don’t remember Clinton’s reference to land reform. But this, and health, because of HIV. Our program was very successful, and it was successful because we asked NGOs [non-governmental organizations] to participate with the government to control and to organize, and because we have been very blunt in presenting our program on TV. We gave advice advertising how to use condoms, very brutally. The Catholic Church was against. We insisted. We have the treatment for free for everyone in Brazil. That’s why we made the Doha question with the pharmaceutical industry, because to be free the government pays, so we need to produce generics for HIV. Several times we talked about how to do it. And he repeated, in several parts of Africa, the example of Brazil.
Riley: Jeff, I know you probably have questions, but let me pose one bigger question and one minor question, and then I’ll get out of the way. [Fidel] Castro and Cuba?

Cardoso: Oh yes, Castro and Cuba. Brazil has a specific position about Cuba. Since President Sarney, I guess, we have had relations with Cuba. Castro came to Brazil several times. When I was in the Presidency I went to Cuba. I paid a state visit to Cuba. Castro, we had normal relations with him. I spoke to Castro about Clinton, and I spoke to Clinton about Castro. Once I made a speech in Santiago at a hemispheric summit. Clinton made a speech, another one from Chile. I don’t know why, but the Chilians and Americans asked me to say something. I gave a strong speech. I said, “There is one piece missing here—Cuba.”

The Cubans became furious against me. I did that not against them. I did it to say, “Why not?” They understood that I was supposing to destroy Castro in order to do democracy. It was a major misunderstanding. Clinton was very pleased. He was applauding.

The only time Clinton asked me to say something to Castro, it was about air traffic or something. I don’t remember exactly.

Riley: There was a plane shot down. It wasn’t related to the Brothers to the Rescue airplane that was shot down by the Cubans?

Cardoso: No, no. This was with the Chinese. It was under Bush. Bush asked me to ask the Chinese—No, this was another thing, to open the possibility to have more free trade, or travel. I don’t know. When I was with Castro I told him, “President Clinton asked me to say something.” Castro was very curious. He said, “He made a very good choice to have you mention….” He told me in Spanish, “Ah, bueno… Mejor que tu…” We talked about Clinton and he said to me that from his point of view Clinton was the best among the Americans, not the best, but he praised Clinton. Of course I understand why it was impossible for Clinton to go further in opening, because of the Cubans in Miami. It is the same as corn and democracy—

Riley: Did you attempt to push him on this in your private conversations?

Cardoso: Not to push him, but to say what our views are about that. Our views had been always the same. It is better to help Cuba to be part of—the sense of belongingness. Of course Castro—It is impossible to change his mind. I talked to him several times. He was always waiting for the final crisis of the capitalistic system. He was completely convinced that it was about to come. Now it is clear! [laughter] Castro is curious. I like him.

Riley: You like him?

Cardoso: Yes, he’s polite, very polite. He is like a retired professor, the Castro that I know, now at the end of his life. I never knew the other one. He speaks for hours and hours. He was in the Palace with me and he asked me about my routine. I told him. He said, “You are wrong because you are receiving too many people. When I started, I received too many people too. Then I decided I won’t receive anyone. When I want, I ask for something—” I said, “How long have you been in power?” I am only four years. I cannot do that.

He said, “I spend my time reading.” He has read a lot of things about the international economy,
about the world. He’s a scholar. Cuba is small, under control, and he is looking at the world. He is like that. He is a kind of monument. He is no longer a human being. He will prevent Cuba from moving.

Riley: Completely unbendable? Unyielding?

Cardoso: Completely. No way. It is a pity because why not change? Why not open? He is loved in Cuba. There is no problem for him. When I was in Cuba, he waited for me at the airport. I took his car. Not too many bodyguards. He came to see me at the embassy. He came to visit me at the embassy and he sent several Ministers to the embassy. There is a difference between the Cuban bureaucracy and the Eastern European bureaucracy. They don’t form a kind of caste. They are common people. They dress as the other Cubans. They don’t have this scandalous way of life. They are true believers. That is better. It’s good and bad. They—it is impossible to change their minds. I don’t know his brother, but Castro is like that. It is impossible.

After my Presidency, Kofi Annan asked me to prepare a report on the NGOs in the United Nations, how to open up the doors for NGOs’ participation. I made a report with lots of people. There was a committee composed of eleven people and I was the chair of that. The Cubans were very worried. What’s that? Then the Foreign Minister came to see me in Brazil. Well, I’d like to talk to Fidel. But Fidel preferred not to talk about it on the phone because of what happened with the Mexicans. He invited me to go to Cuba. But after he killed several people four or five years ago without any reason—the death penalty, this thing is senseless—I preferred not to go to Cuba.

They are against the NGOs. They believe the NGOs are the hand of the enemy because of their vision of the state, of bureaucracy. It is a lost case in that sense. I think probably they did lots in terms of education, lots in terms of health, but nothing else. It is frozen, it is a frozen situation. I don’t know what Obama can—how he will manage the situation.

Riley: I suspect no differently, given—

Cardoso: Probably.

Riley: If your surmise is correct that it is the Cuban population that has—

Cardoso: In Miami. But there is a third generation now in Miami.

Cason: It’s changing, I think.

Cardoso: They’re changing.

Riley: Could be.

Cardoso: Could be. But there is another problem—property rights. Cubans who ask to have properties back. This cannot be done.

Riley: Jeff, what have we not covered that is on your plate?

Cason: Well, there are of course things I’m interested in about domestic Brazilian politics, but I
don’t want to get into that too far. But there’s one thing I was wondering about. I think your characterization of the relationship between yourself and Clinton in terms of how you were both kind of speaking from the point of view of the interests of your countries, so when you’d disagree, you would be representing a particular point of view about Brazil. I’m wondering if there is any particular moment that you could point to where a conversation you had with Clinton might have caused you to change, or move a bit, in your own interpretation of Brazil?

**Cardoso:** Yes. For instance, in the case of the Kyoto Protocol, finally I moved my position. I asked the Minister to be more flexible and to reach an agreement because it was so important for the world. For Clinton, too. I don’t remember other specific instances because normally nothing clash. That is true. You remember the effort made by Clinton and Blair and Hillary over the progressive governance?

**Riley:** Right.

**Cardoso:** It was important. I think a mistake was made there. This was basically an idea that came from the British. Another friend of mine who is now a lord, [Anthony] Giddens, was very influential with Tony Blair. I like Giddens. I was a professor at Cambridge and he was a professor at Cambridge. Giddens is a very bright man. Giddens was behind these ideas. Giddens and Hillary, more than—

**Riley:** Oh yes?

**Cardoso:** This was natural. But they made a strange decision. The network was composed by those in government. Clinton is no longer in government; [Massimo] D’Alema is no longer in government; Blair is no longer in government—It is a mistake. Instead of creating a movement of ideas and people, they created a bureaucratic movement, or a state movement, so it is the end. And it was important, because to consider Clinton as part of progressive governance is a step ahead in the world. Because Clinton is American, and to be together with people like D’Alema, who’s a former Communist from Italy, and Blair, could create a new spirit in the world. That is the opportunity Obama has now. Clinton had it. Probably he was not too far in creating this spirit, a different spirit, to offer to the world a different vision. Now Obama has it.

I was about to tell you about the encounter I had with Blair and Clinton about the Middle East.

**Riley:** This was post-Presidency?

**Cardoso:** No, I was President. Clinton was no longer President.

**Riley:** Please do tell.

**Cardoso:** This was, I guess, in October 2002. Clinton was no more President. Yes, 2002.

**Riley:** In 2001 he was no longer President.

**Cardoso:** Blair invited me to a weekend at the Prime Minister’s farm in the UK. Like Camp David, they have something like that. It is different. Camp David is very simple. The English have a manor, a 16th-century house, a fortress, with a beautiful library on the second floor. I was
in Spain in a meeting where we were creating the Club of Madrid. Clinton became the honorary president and I was the president. This was supported by the Spanish people, by the King, and by a philanthropist named [Diego] Hidalgo. We created this network of former Presidents.

There was one conference on democracy with this network, and I told Clinton about the invitation I’d received from Blair, and he said, “I’ll go there too.” I went with my wife to Blair’s home and Clinton came too. We had a dinner. I stayed there. Clinton came just for this dinner. After dinner Blair invited us to go to the second floor to the library. Blair was about to do his first visit to the Middle East, to Palestine, to Israel, et cetera. Blair opened a map. I said, “Well, this is like Philip II [of Spain].”

Blair was on the floor. A low table here. Blair’s wife Cherie, and my wife, Blair, me, and Clinton, and one Clinton assistant, a lady. And Clinton was teaching Blair about the Middle East. Clinton knew everything, every area, every situation. “You have to speak to these people here, to these people here. Diplomacy here is this; the people here are this.” It was unbelievable. The superiority of Clinton vis-à-vis the others was fantastic, not just because he knew, but because of his commitment to the situation. Blair was like a child, smiling looking at Clinton. That is Clinton. I like Blair. Blair is a very bright man. He made some mistakes to my view, following too closely Bush’s views. By the way, the other day I had a breakfast, Blair and me alone, without ties, nothing. He was convinced of the fact that Iraq had mass destruction armament. He was convinced.

Riley: The intelligence was wrong, then? His claim was that the intelligence was wrong?

Cardoso: The intelligence. Yes. He was convinced. He had no idea. He had no reason to tell me any differently.

Cason: When you read what Blair said at the time, he clearly really believed.

Cardoso: He believed.

Cason: He really did. He was the best spokesperson for the war.

Cardoso: Yes. Blair is also a believer. He has something of a religious—

Cason: He was converted to Catholicism.

Cardoso: Not Clinton. Clinton is not like that. But it was fascinating the way Blair was—

Riley: Blair was the junior partner.

Cardoso: Yes.

Riley: Then Blair becomes the senior partner in some ways with Bush.

Cardoso: Never. No. Because Clinton, in spite of not being President any longer, is Clinton. He is really—
Something personal: I’ve met several people in the world. Few impressed me. One was [Nelson] Mandela, because Mandela is a symbol. I don’t know, I don’t remember any reasoning by Mandela. I have been to Mandela—I like him. He came to Brazil, I went there. It happened several times. I belong to a group that he created just now named The Elders. He has no more possibility to participate, but Mandela’s wife is there, and Jimmy Carter. We met here in Paris now. That’s why I came on the 4th. And Kofi Annan is another one. A lot of people.

So I like him, Mandela. Mandela is a kind of saint. He has an aura. It is not necessary for him to speak. His presence is enough. It is the way he smiles, the way he walks, almost dancing. He is very impressive.

Another one is Helmut Kohl. Kohl looks like a peasant. He is a German, strong, tall, rude. He eats too much and he speaks very loud and strong. He gave lessons about what to do with Argentina, like he did with France. He is very impressive. He has the look of a peasant, but he has a sense of history. I know he is now in disgrace. When he went into disgrace I came to Germany. I called him on the phone. He said, “You know, I will come out of this situation.” He is very impressive.

Riley: Yes?

Cardoso: [Vladimir] Putin is impressive in another way. Putin produces fear. Putin knows what he wants and he is implementing. And what he wants is reasonable. He wants to reunite Russia, not as big as it was in the past, but big enough to have a weight in European affairs, and with China. America has to understand that, otherwise it will be difficult to deal with Europe and China and the Middle East, Iran, et cetera. Russia has to be recognized. There is some risk, but anyhow life has risks.

Riley: Sure.

Cardoso: And Putin knows what he—he transmits very clearly, very directly.

Riley: Who else?

Cardoso: Ah, Felipe Gonzáles from Spain. Felipe has an aura, too. Felipe is fantastic. Like me, he is out of the game, but Felipe is something. He did Spain, and it is easy to understand why because he also has—and Clinton. Clinton, I would say may be more, because Clinton has America behind him.

Riley: You think his intellect and his turn of mind are superior to the others in terms of international leaders?

Cardoso: I think so.

Riley: Would he have made a good academic?

Cardoso: Could be. He had good training and he knows literature. I remember once I was talking to a Mexican writer and he was impressed by the fact that Clinton was able by memory to say long passages of some novels. He has a strong head, plus generosity.
Riley: Yes.

Cardoso: It is not enough to have mind. The important thing is to have a sensible intelligence, to understand the other. It is impossible to be a good politician without being capable of understanding others and to listen to others, or at least to give the other the impression you are listening.

Riley: Sensible intelligence. There was a time when the American people wondered whether he was acting sensibly. Did you talk with him after the problems in the second term when he was facing his own problems with disgrace in the U.S.?

Cardoso: Yes, I had him on the phone. It was a difficult moment for me. How to express—What? My comprehension, my sympathy. It was difficult for me to express in English. He was at all times attributing it to the right. He tried to talk about the situation in terms of the political situation. And it’s true, they took politically the fact. The fact is a private fact. In France it would be impossible to have this kind of thing, or in Brazil. But I believed it was necessary for me to say something. He was about to be impeached.

Riley: Sure.

Cardoso: Difficult.

Riley: This is a conversation you had alone, rather than with—?

Cardoso: On the phone. It was not a long conversation, but I expressed my consideration, my sympathy—I don’t know how to phrase the situation. It was a difficult moment. I imagine it was terrible. This is only in America. In France it would be impossible. Great men are men. So, from time to time there are some—

Riley: We are getting very short on time. Were there any missed opportunities? Were there things that you didn’t get accomplished during your years with this President that you wished?

Cardoso: With regard to Clinton?

Riley: Yes.

Cardoso: I think what I said to you, that probably it would have been possible for him to help us to be more active in the summits, in higher circles of decision-making. But I understand, because it was so—Well, also the Iraq situation was difficult too. For non-Americans it is always difficult to deal with realpolitik. I understand it is necessary to pay attention to realpolitik, but for non-Americans it is always difficult to know this situation of realpolitik so crudely. Apparently for Americans it is not that difficult to use it—the Americans in power, not the American people.

I don’t know, I think lots of things could be done. Even with Cuba, it could be a little bit more. I don’t know. Let’s see what Obama will do. It is so difficult.

Cason: I was actually going to ask you, and this is not necessarily related to Clinton but about what you view as the immediate future of Brazilian politics with Lula no longer being a
candidate. I was just curious about what’s next.

**Cardoso:** Lula no more being a candidate—It is impossible for him to be a candidate again. They would have to change the Constitution. It would be difficult and I don’t think that Lula would go in that direction. Probably Serra has a good possibility to win. Now there is about 40 percent of the electorate—Serra is Governor of São Paolo from my party—and Lula’s candidate has around 10 percent.

**Cason:** Would there ever be a possibility of the PT and the PSDB [Partida da Social Democracia Brasileira / Brazilian Social Democratic Party]—

**Cardoso:** I don’t think so. No, because the problem is not ideological. It is power.

**Cason:** I mean, one could argue that Lula followed many of your policies, very many, almost all of them, really.

**Cardoso:** Practically, yes. But they never recognized it.

**Riley:** You weren’t properly footnoted.

**Cardoso:** I understand it is impossible to recognize. Anyhow, after the end of my government, when Lula won, during the transitional period I made a considerable effort to preach, even to show that Lula would not be a monster in the country. I have known him since ’73. Personally, we are friends, if I can put it like that. Even now while I was here, a friend of mine called on the phone asking me if I would be ready to attend something celebrating—I don’t know what—something with Israel, something with the Jews. I said, “Yes. Why not?” He said, “But Lula is coming.” No problem.

But the point is I made a considerable effort and I was aiming at some kind of convergence, but they made a political decision in 2003 that the PSDB is the enemy, by electoral reasons. They insist on the fact that we are the enemies, still. And we are the enemy in the sense of the power, not in the ideological sense. It’s *realpolitik* again.

Lula is more open-minded. Lula has no convictions. Lula is pragmatic. He’s a good guy. He is not a bad guy; he’s a good guy. Lula’s idea always is Catholic, popular ideology. That is to say, if men and women of good will sit around at one table you will reach a good solution. That’s Lula. He has no idea of class clash, or interest clash. No, no. This is Lula. He is a negotiator, a union leader, very pragmatic, almost opportunistic. He has no convictions. He never was a leftist, never was. He loves the power and he loves the wealth, and he loves people too.

So Lula is not the man who proposed the hostility. This was the party. The only party in Brazil is the PT. It is a bureaucracy, sustained by commercial instruments of corruption. It is not party like in America, committees of people, et cetera. But the PT is a party, and the party now is inside the state apparatus. They don’t want to leave, so they hate those who can be the newcomers. They will make an enormous effort to prevent us from becoming again in government.

But Lula has different thinking. Lula thinks about himself. He would like to stay forever in the Presidency. It is not possible. He is a conservative. Lula has nothing to do with revolutionaries,
so I think he will not be capable of breaking the constitutional rule, because this requires more energy. So he will postpone his plan, to be back in 2014. This is Lula, and Lula’s party too. So probably look for him now—He is very tactical and very clever. He probably would understand that it is better not to be too aggressive vis-à-vis our candidate. He would prefer—not Serra. He would prefer the other one, Aécio Neves, the Governor from Minas, because he is more soft than Serra. But Lula will keep silent about that, not to have an enemy as President, to come back in 2014.

Of course it is difficult to know what will happen, even in 2010. Nobody knows. Now it is like that. Now there is no alternative to Serra because as the Governor of São Paolo he has popularity. Lula has no one and Lula doesn’t want to help in his own party. Lula is Lula. Lula is personalistic, a populist.

Cason: He is not viewed even as a member of the party as much.

Cardoso: No, he hates parties. He uses parties. And the party needs him, but Lula is more open than the party. I think it was very important for Brazil to have Lula as President. Maybe I would prefer that Lula be defeated in the next election, and if Lula imposed a candidate it would be a disaster for Brazil because of the bureaucratization and the politicization of the management. He would be a kind of [Juan] Perón and this is bad.

But without that, I think that the fact that a union leader became President of a country like Brazil is very helpful as a signal of openness, of a liberal society. It gives hope for the poor that they can do it. We can change. Lula is the materialization of the change, of personal change. This was important for Brazil.

Riley: Of course.

Cardoso: Of course I voted against him. I would have preferred to have Serra, but I understand the situation and when I, the day I put the [Indecipherable] on Lula, for me it was important too. We had old relations against the military regime. We had been several times campaigning together. He supported me as Senator. I supported him the first time as candidate for the Presidency. Historically this was a great moment for Brazilian democracy. Remember, I was the first President elected for another elected Presidency since the 1950s. The first Brazilian President ever democratically re-elected.

Riley: Mr. President, we have reached our time. This has been fascinating. We both immensely enjoyed this, but more importantly I’m confident that we’ve created a record that will stand the test of time. There will be students consulting this for many years to come, about your own experiences, but also about your portraits of President Clinton, so we’re very grateful for that.