



# BAKER INSTITUTE REPORT

NOTES FROM THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY OF RICE UNIVERSITY

## THIRD ANNUAL CONFERENCE FOCUSES ON FUTURE FOREIGN POLICY CHALLENGES

On October 16, 1997, the Baker Institute held its third annual conference. Focusing on the theme, "United States Foreign Policy Priorities on the Eve of the Twenty-First Century," the conference featured an address by former president George Bush and a panel discussion by former U.S. secretaries of state James A. Baker, III, Warren Christopher, and Henry Kissinger. The panel was moderated by CNN principal anchor Bernard Shaw. Secretary of State Madeleine Albright addressed the conference via videotape. After the panel discussion, Baker and Enron chairman and CEO Kenneth Lay presented the Baker Institute's Enron Prize for Distinguished Public Service to Mikhail Gorbachev, former president of the Soviet Union, who also addressed the audience.

While participants revealed differences in their views on specific issues, President Bush and the secretaries of state found a great deal of common ground in their comments and responses to questions from Shaw and the audience on general principles for conducting foreign policy. Some of these views follow:

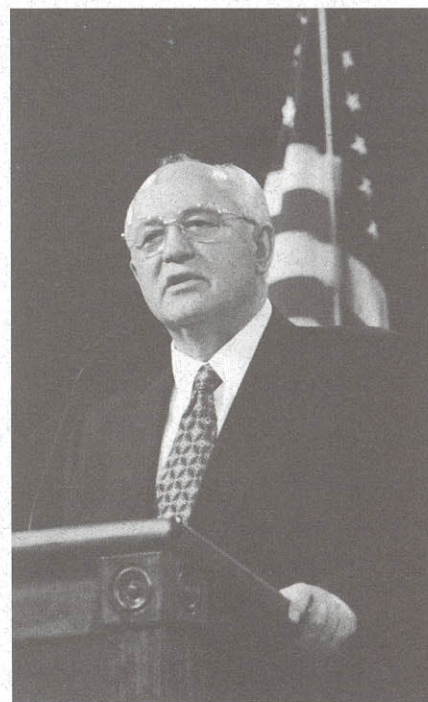
- As Secretary Albright stated, "The U.S. should recognize that it has enormous stakes in overseas events. . . . We have a strategic choice to make as we prepare to enter the



*Conference panelists were former secretaries of state Henry Kissinger; James A. Baker, III; and Warren Christopher.*

new century: whether to lead or to shy away from leadership, whether to harness the forces of political and technological change that are transforming the world or to try in vain to insulate ourselves from them." Expanding on this point, Secretary Baker said that "our involvement in the world translates into direct economic benefit to Americans, particularly our involvement with respect to international economic matters such as trade."

- Because of these stakes, it is vital that the U.S. not turn inward despite pressure from both ends of the political spectrum. This point was made by President Bush: "We



*Continued on page 2*

*Honoree Mikhail Gorbachev*



# THIRD ANNUAL CONFERENCE

*Continued from page 1*

have a strange and unsavory coalition rearing its head, comprised of elements of the political left and, indeed, the political right. And it's an inward-looking and, in my opinion, backward-thinking view of America's role in the new era. And, in short, they think it's time for America to pull back, to come home, to put, quote, 'America first,' unquote." Baker said, "The number one foreign policy challenge facing America today is maintaining the internationalist political tradition that we have followed since the end of World War II. And it's very difficult. . . . It's going to take a lot of work by people such as the people in this audience, who understand the issues, people such as ourselves—former policymakers, present policymakers. And we have to explain that our involvement and our leadership role in the world does a number of things. . . . It promotes peace and stability. No country will argue with that. Everybody knows the United States doesn't want anybody's turf. When we are involved, we do promote peace, and we promote stability."

- Good foreign policy needs a sustained effort by the administration, Congress, and the American people; it cannot work if only periodic attention is given to these matters. Secretary Albright noted, "We need and seek the support of all Americans." But this can only happen with leadership, said Kissinger: "The obligation of our national leaders is to raise the sights. And the role of institutions like the Baker Institute is to keep the dialogue going at a high level. I think

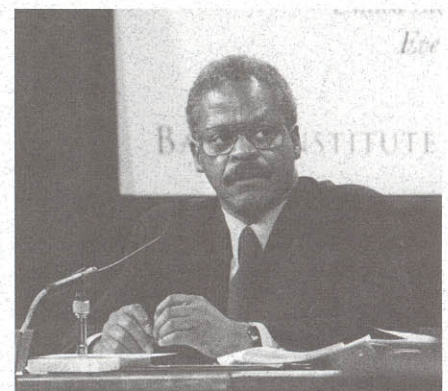


**Mikhail Gorbachev, flanked by his interpreter, accepts the Enron Prize for Distinguished Public Service from James A. Baker, III; Edward P. Djerejian; and Enron president Kenneth Lay.**

the American public will support what is necessary for the survival of this country and the growth of freedom." Baker called for a return to the foundations of successful Cold War foreign policy: "We badly need to restore the tradition of bipartisanship in foreign policy. You cannot succeed in foreign policy unless you have domestic political support for your policy. And the only way to really have that domestic political support, generally speaking, is to find a way to generate and engender bipartisanship."

- Kissinger focused on finding centrality and identifying core principles in United States foreign policy and stated that the United States' national interests cannot be reinvented by every administration and recycled on a partisan basis every four years. The United States is undergoing a huge emotional and philosophical adjustment in its approach to foreign policy. We no longer face a single major enemy, and we do not have unlimited resources, yet we are indispensable to the conduct of foreign policy in the

world, he concluded. Baker advocated a policy of selective engagement that would avoid the two extremes of withdrawal from world affairs or capricious engagement every time a conflict comes up. Such a policy would seek to identify our national interests clearly and would strike a balance between competing American objectives. CNN principal anchor Bernard Shaw, who moderated the conference, referred to a recent Pew Research Center survey of post-Cold War attitudes in the United States that determined that "most Americans fundamentally doubt the rel-



**CNN anchor Bernard Shaw moderates the panel discussion.**

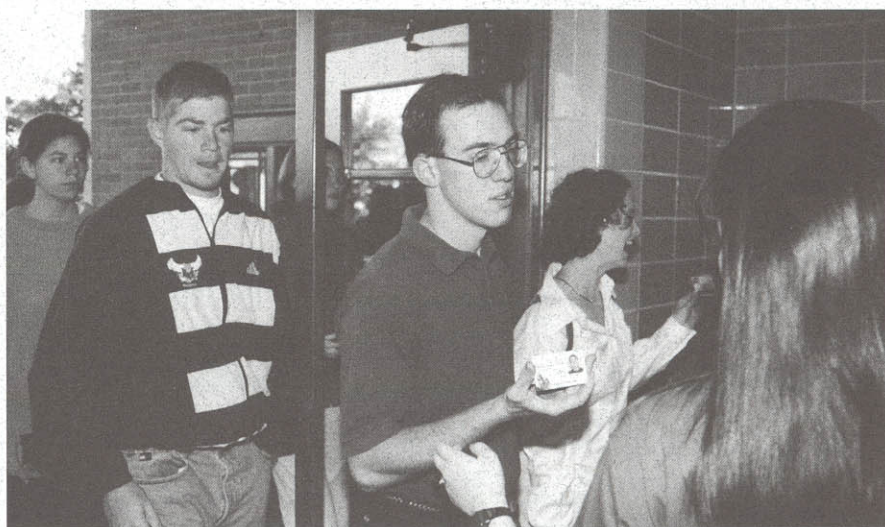


evance of international events to their own lives." With this attitude, Shaw asked the panelists, how can the United States' president lead? Both Kissinger and Christopher agreed with Baker's response that "there is some latent support out there on the part of the American people for engagement where the national interest is sufficiently explained to them and where our leaders undertake to do what is required to build that support."

- The U.S. cannot function as the world's policeman, but all panelists agreed that the successful resolution of many problems requires U.S. leadership. As stated by Christopher: "It's a basic feature of the post-Cold War world that the success or failure in the international arena depends upon the United States. That's the lesson of every crisis in the last four years, from Bosnia to Haiti to the Middle East to North Korea, from the Taiwan Straits to the Mexican peso crisis. Each case exemplifies the imperative of American leadership." The secretaries also found agreement on a series of specific foreign policy issues:
- NATO expansion should go forward while maintaining strong support for Russian democracy. The inclusion of Poland, Hungary, and the Czech Republic at a minimum is, according to Baker, "an essential part of the strategy of the United States and her allies in trying to see to it that reform succeeds in the former Soviet Union and in Central and Eastern Europe." Christopher stressed that the most important objective for the U.S. is to "build an undivided, peaceful, and democratic Europe. The most im-

portant efforts in this regard are to pursue NATO expansion, to maintain as cooperative and positive a relationship as we can with Russia, and to work closely with the European Union." Kissinger suggested that the U.S. can work with established democracies to develop large cooperative projects and a global economic system. This is "why the countries of Eastern Europe must be able to join NATO and not be put into a never-never land where they cannot join this great adventure of building the democratic society and developing the heritage of freedom, human dignity, and

Russia every incentive to participate in the international system, did not believe that including Russia in NATO would be the way to do that. Having a defensive military alliance with Russia protecting the borders of NATO into the Middle East, Central Asia, and the Far East would change the character of NATO and would make it a different institution. Christopher stated that since NATO territory is not now threatened, shifting NATO's emphasis in an evolutionary manner to a defense of common interests has become a strategic imperative for the alliance.



*More than 6,000 people—most of them students—attended the conference.*

- free markets that is so peculiarly the creature of our civilization."
- Secretaries Baker and Kissinger had different views on the expansion of NATO to include Russia. "Given the political character of the alliance, we should never rule out the possibility that a democratic Russia could one day be eligible for membership in an alliance whose primary goal was peace and stability in Eurasia," Baker said. Kissinger, while favoring giving
- The basic relationship between the U.S. and Russia is also critical to U.S. foreign policy. Baker noted that Russian political and economic progress must be supported: "I think the task, as far as Russia is concerned, for the United States and our allies is to make sure that what progress has been made is irreversible and do what we can to assist the case for additional progress." Christopher argued that "into the next century, our relation-



ship with Russia is and will be fundamental.” Kissinger put the relationship in a broader context: “The relationship of Russia, historically torn between the opportunities of Asia and the limitations of Europe, is one of the great challenges of that period. And if it is possible to make Russia realize that with eleven time zones they need not feel claustrophobic, and that if Austria could develop a thriving economy with no resources, Russia, with huge resources, should be able to do it, then this whole pattern of foreign policy that for hundreds of years has spelled European conflict will disappear.”

- President Gorbachev stated: Foreign policy can no longer be made on traditional premises. “Priorities for foreign policy cannot be based exclusively on the national interests, or even on the changes that happened in the world after the Cold War. This is not a sufficient point of departure, even though the national interests are very important, and they will continue to be important in shaping foreign policy. This is not to underestimate the important changes that happened in the world in the years after the Cold War. The world in which we live today is dramatically different, not only from the state of the world in the beginning of the twentieth century, but even from the state of the world in the middle of the twentieth century. We are facing a situation that was very aptly described by Alvin Toffler, and that is future shock. The shock of facing the future of a global and globalizing world. Globalization, which received a powerful additional impetus as a result of the



*Sharing a light moment after the panel discussion are (L-R) Christopher, Shaw, Bush, and Baker.*

end of the Cold War and as a result of progress in arms reduction, is certainly the dominating feature of contemporary development. . . . If we base future politics on force, as would follow from this evaluation from the end of the Cold War, then, of course, everything would seem very simple—big-stick politics—but I don’t think this is the right choice.”

- Globalization has taken on a great deal of momentum and cannot be stopped. Consequently, it is important to strike a balance between national and global politics. “We cannot speak of foreign policy priorities for the twenty-first century without taking into account the global changes that mankind and the international community are confronting at the end of this century.”
- In stark contrast to the secretaries’ views, Gorbachev said NATO expansion would be detrimental. He explained that NATO is a military alliance inherited from the Cold War, and it cannot be a substitute

for the OSCE. The concern is not so much the admission of a couple of new countries into that alliance but the change of goals, the goals that used to be a really united Europe. And if once again we draw a dividing line in Europe, this could result in very undesirable developments.

- Mistrust of the West might grow in Russia, according to Gorbachev. The decision about NATO enlargement could result in problems in arms reduction. This decision gives ammunition to those who are trying to question the need for ratification by the Russian parliament of the START II Treaty and the Chemical Weapons Convention. An increasing number of Russian people believe that the United States would like to take advantage of Russia’s temporary weakness, that the United States prefers a pliable regime in Russia.
- There is a larger role in today’s world for international organizations, said Gorbachev. G-7, G-8, or whatever other organization, can-



not substitute for the UN, even though their role is also important and they should continue to function. But they cannot be a substitute for the United Nations, Gorbachev concluded.

- The secretaries stressed that the U.S. must engage China in a constructive relationship and not make an enemy of China by demonizing it. Baker said that by dealing harshly with China “we are looking for an enemy . . . and the best way to find an enemy is to look for one.” Christopher agreed and stated that “we should emphatically reject calls to contain or isolate China.” Kissinger noted that “dialogue with China is essential for stability and progress and that it’s not a favor we do to China, that it’s not something that we must turn into domestic politics.”
- In the Middle East peace process, the secretaries emphasized that there is no substitute for U.S. leadership as an honest broker. Christopher commented that “the search for peace requires an active role by the United States at the highest levels. Our national interests and our emotional ties are just too deeply engaged for us to step aside and watch things unravel there.” Kissinger noted that American involvement was critical and that “we have to understand that no progress is possible unless we are willing to suffer some pain, because both parties are going to blame us and are going to shove difficult decisions to us.” Finally, Baker said that “the only time the United States has ever made any real progress over there is when we are willing to take a lot of heat.” Christopher stated that persistence is the

absolute key to progress in the search for peace. All agreed that there will be no comprehensive peace without Syria. However, Kissinger and Baker disagreed on the specific approach to the Israeli-Palestinian negotiations. Kissinger said the step-by-step approach had to come to an end because there are not too many little steps left. Except for the fundamental issue of Jerusalem, he felt that the remaining issues—borders, creation of a Palestinian state, and settlements—should be settled in one comprehensive negotiation, and that the United States should come forward with some principles the parties could refer to. Baker disagreed that we should go immediately to final status negotiations, stating that there was no chance they would succeed considering we cannot carry out the agreements that have already been negotiated and signed. He advocated pursuing the step-by-step approach under the aegis of the Madrid Conference and Oslo Accords and said that the day would come when there would be a new dynamic for

peace, which may require a change of leadership on both sides.

- On Latin America, all the secretaries pointed out that the United States has ignored the region as a focus of foreign policy. Christopher suggested that the growth of the Hispanic community in America may alter this situation and argued that one of the reasons that we have been ignoring Latin America is an almost total lack of Hispanic representation in Congress. Kissinger said, “We should not conduct our foreign policy primarily on the basis of the ethnic composition of our population, but on the basis of a national interest that includes everybody.” Baker agreed: “We do not base our policies on the ethnic background of all the people who make up this wonderful melting pot called America. Why? Because we are first and foremost Americans.” Kissinger added that the United States has been a little slow in pursuing the Free Trade Area of the Americas as put forward at the Miami Summit by



*The Rice Board of Governors and Rice president Malcolm Gillis with Gorbachev, Baker, and Kissinger.*





*Gathered after the panel discussion are Shaw, Kissinger, Baker, Christopher, and Djerejian.*

President Clinton. In the meantime, Brazil is organizing Mercosur, which is, in effect, a common market in Latin America in which the United States does not participate. If this trend continues, we will find the Western Hemisphere divided for the first time. Accordingly, it is essential that negotiations between NAFTA and Mercosur start and that we make progress on the Free Trade Area.

- On Iran, the secretaries advised a realistic approach given Iran's support for terrorism, quest for weapons of mass destruction, and opposition to the Arab-Israeli peace process. However given Iran's importance in the region, they supported the policy of the United States' testing whether or not Iran wants to move in a different direction. Kissinger suggested that the correct American policy is to let Iran know that we are willing to

have a dialogue, but to gear our actions to theirs and "not to a psychiatric analysis of the mentality of the new president."

- With regard to Sub-Saharan Africa, Baker noted that before we become involved in conflict situations—particularly when the discussion centers on sending American military personnel—"we must determine the national interest, and then we must apply our principles and values." Thus, there may be times when the U.S. chooses not to intervene. Christopher believes that "the United States will always be concerned about Africa for humanitarian reasons, but also from time to time for geopolitical reasons."
- On North Korea, all the secretaries agreed on the dangers inherent in the situation and that the North Korean regime would possibly face a "terminal crisis" within the next

five to ten years. However, Baker and Christopher disagreed on the administration's approach to North Korea, especially on the nuclear issue. Baker stated, "I happen to disagree with the administration's entire approach to North Korea, from the date when they turned the policy approach of strength and resolve upside down and went to a policy approach of compromise and negotiation, because I think North Korea is a regime that is built on force. It only understands force and strength. It understands that very clearly. I don't think it understands accommodation and compromise and negotiation."

Kissinger expressed his agreement with Baker's position. Christopher noted that when the Clinton administration took office, the North Koreans had "the possibility of producing enough plutonium for five to ten bombs a year. That problem had not been addressed when we came into office, and we thought it needed to be addressed urgently." He said he believes in an American policy toward North Korea "that keeps our guard up, but also freezes their nuclear program and gives the possibility that we might be able to work out an armistice agreement between North and South Korea."

A full transcript of this event is available on the Baker Institute website at <<http://riceinfo.rice.edu/projects/baker/Events/Annconf97/forpolp.html>> or can be ordered from the Baker Institute.



## DIRECTOR'S LETTER

On the eve of the twenty-first century, there is a compelling need for the United States to engage key countries of the world in "a strategic dialogue," as former president Bush stated at the Baker Institute's third annual conference. Such a dialogue would be instrumental in crafting a coherent and comprehensive United States foreign policy that responds to emerging national and international realities.

Countries are now pursuing their national interests in a globalized economy and multipolar world. Beyond key bilateral relationships, such as with Europe, Japan, China, and Russia, the global landscape is characterized by weapons of mass destruction proliferation issues; intrastate and regional conflicts marked by ethnic, linguistic, cultural, and religious factors; and an array of transnational issues—terrorism, international crime, narcotics, migration, and the environment. In this context, former secretaries of state Kissinger, Baker, and Christopher put forward compelling arguments for strong United States leadership in foreign policy and the need to obtain domestic support for future policy agendas and the resources needed to pursue them.

The challenge for the United States is to fill the gap between stated policy positions and intentions on the one hand and effective leadership and engagement on the other. In this respect, a

solid bipartisan approach to foreign policy is a real imperative. While there was a general consensus among the participants in the conference on the general direction that United States foreign policy should take, as summarized in this report, important policy recommendations and contrasts in views emerged on a number of issues.

The sharp difference between

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President Gorbachev and the secretaries of state on NATO expansion underscores the important issues that need to be resolved in U.S.–Russian relations. In a recent trip to Moscow, where I participated in a forum sponsored by Harvard University and the Russian Council on Foreign and De-

fense Policy, it became apparent in our discussions with Russian civilian and military leaders that there is a strong undercurrent of thinking in Moscow that United States policy is aimed at relegating Russia to a secondary status. For example, Russian foreign minister Yevgeny Primakov expressed concern not only over NATO expansion but also regarding U.S. policies toward Central Asia and China. Gorbachev's characterization, made at the Baker Institute annual conference, of U.S.–Russian relations as "flabby," aimed at taking advantage of Russian "temporary weakness," and putting Russia on the sidelines politically and economically reflects these official Russian concerns. In my view, a major strategic objective of U.S. policy must be to structure our relationship with Russia in a way that not only promotes our vital interests, but also does not force Russia into a sense of isolation and containment.

On Latin America, the secretaries pointed out that the United States has ignored the region as a focus of foreign policy. Here, I believe that public policy institutes can play a useful role in sensitizing decision makers to the importance of elaborating a more coherent approach to Latin America that serves the interests of the Western Hemisphere as a whole. In this respect, the Baker Institute has initiated the Americas Project, which focuses young



emerging leaders from Latin America on key North–South issues. Given the major trade relationship between the United States, Canada, and Latin America and the growing impact of demography and migration, the United States can ill afford to continue to be complacent about Latin America.

The strong consensus reached by the secretaries on engaging China constructively reflected their recognition that China is emerging as a global power in the next century. The Baker Institute’s transnational cultural study on China and its growing middle class will contribute to our knowledge of China’s evolution. The strong differences of view on how the United States is dealing with the nuclear program in North Korea suggests an urgent need to reassess our policy on the issue.

As noted by former secretaries Kissinger and Baker, it is clear that there will be no progress in the Arab–Israeli peace process unless the United States is willing to suffer some pain and take the political heat from both sides. Historically, this has been demonstrated by the disengagement talks in 1974, the Camp David Accords in 1979, and the Madrid Conference in 1991. The peace process is now at a critical crossroads with the Israeli–Palestinian talks stalled and no movement on the Israeli–Syrian and Israeli–Lebanese tracks since early 1996. A recent debate at the institute

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between the Egyptian ambassador to the United States, Ahmed Maher el Sayed, and the Israeli permanent representative to the United Nations, Doré Gold, revealed the serious gaps between

Israelis and Arabs on the major issues of peace, land, and security. As proven historically, it is precisely during these periods of major disagreement and strained Arab–Israeli relations that American leadership can prove to be essential in bridging the gaps and making progress. Accordingly, the administration must go beyond playing the role of facilitator and must now table specific American ideas, proposals, and positions to enable the parties to not only resume negotiations but to make progress toward final status issues on all fronts.

The Baker Institute’s third annual conference coincided with the dedication of Baker Hall and resulted in an important foreign policy dialogue and debate. The conference was covered extensively on C-SPAN and by the press and media and, I hope, served to educate public opinion and the more than 6,000 conference attendees—mostly students—to the critical necessity of United States leadership and engagement in the world.

—Ambassador Edward P. Djerejian

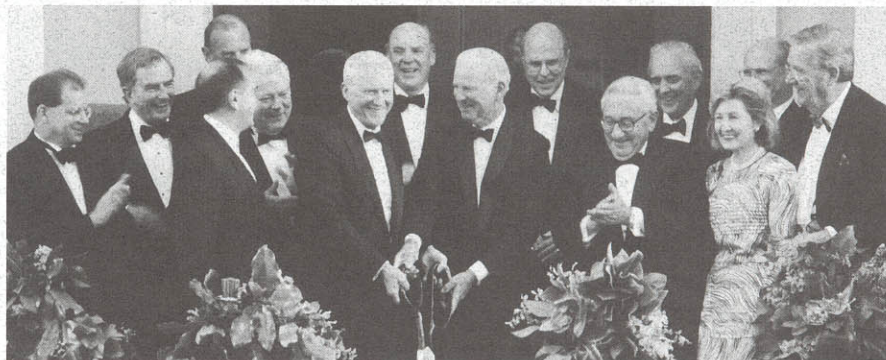


# JAMES A. BAKER III HALL DEDICATION

On Wednesday, October 15, 1997, Baker Hall was dedicated in a ribbon-cutting ceremony. Rice Board of Governors chair E. William Barnett welcomed the guests to the ceremony. On behalf of the Rice Board of Governors, D. Kent Anderson, chair of the Buildings and Grounds Committee, recognized the architects and officially presented the building to Rice.

President Malcolm Gillis accepted the building, thanking the Board of Governors and the founding donors, and discussed the significance of the event for Rice. Then former secretary of the treasury and secretary of state James A. Baker, III, reflected on the creation and growth of the Baker Institute and introduced Texas senator Kay Bailey Hutchinson.

After Hutchinson's remarks, Baker



*Above: Rice Board chair E. William Barnett shares ribbon-cutting duties with Baker. Right: Gillis displays the key to Baker Hall.*

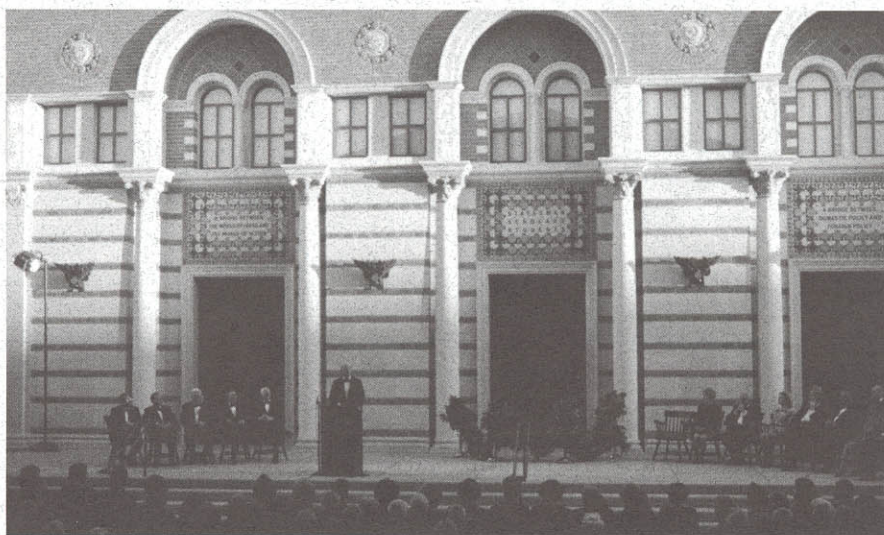
introduced the Baker Institute's founding director, Ambassador Edward P. Djerejian, who commented on the substantive impact of the Baker Institute through its initial research programs on domestic and foreign policy issues. Djerejian then introduced the dean of social sci-



ences, Robert Stein, who talked about the significance of the building and the institute for the faculty and students of Rice.

Participating in the ceremony were members of the Baker family, former secretary of state Henry Kissinger, Houston's then-mayor Bob Lanier, and Rice Board of Governors members J. D. Bucky Allshouse, Lee Jamail, Albert Kidd, Frederick Lummis, Robert McNair, Bernard Pieper, Harry Reasoner, William Sick, and Gus Schill.

Following the dedication, a formal dinner took place in a large tent on the front lawn of Baker Hall to commemorate the event. The dinner was attended by approximately 1,000 friends and supporters of Rice University and the Baker Institute.



*Above: Baker addresses dedication ceremony attendees. Right: Baker with Cynthia Allshouse, chair of the building dedication and inaugural celebration, and J. D. Bucky Allshouse, member of the Rice Board.*

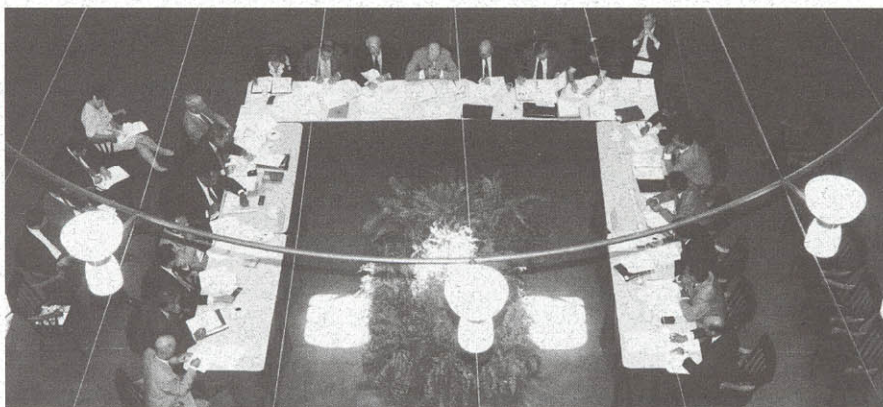




## WESTERN SAHARA NEGOTIATIONS HELD IN SEPTEMBER

On September 14–16, 1997, James A. Baker, III, the UN secretary general's personal envoy to the long-standing dispute over the Western Sahara, led the fourth round of talks to settle that conflict. The three days of talks, held at the Baker Institute, resulted in a significant step forward, with agreement reached for the first time on a proposed code of conduct for the Referendum on the Western Sahara, guidelines for the role of the United Nations during the transition period, and the principles that will govern the process of identifying voters who can participate in the refer-

endum. The negotiations included high-level delegations from the United Nations, Morocco, and the Polisario, with additional delegates from Algeria and Mauritania serving as observers. The Moroccan delegation was led by Prime Minister Filali and included Minister of Interior Driss Basri and UN ambassador Ahmed Snoussi. The Polisario delegation was led by Mahfoud Ali Beiba and included M'hamed Khadad and Brahim Ghali. This event was a part of the institute's active participation in conflict resolution issues.



## BAKER INSTITUTE HOSTS C. D. BROAD FACULTY EXCHANGE FELLOW

For the first half of October, Catherine Barnard, lecturer in law at the University of Cambridge and a fellow of Trinity College, Cambridge, was in residence at the Baker Institute as part of the Professor C. D. Broad Faculty Exchange Program between Rice University and Trinity College. Barnard is a specialist in European Community law and labor and discrimination law. While in residence, she gave several lectures both at the Baker Institute and the University of Houston Law School. She also attended the dedication of Baker Hall and the Baker Institute annual conference. In summer 1998, Baker Institute director Edward Djerejian will serve as Rice's exchange fellow to Cambridge.

## AMBASSADOR WISNER SPEAKS ON U.S.–INDIAN RELATIONS

On September 24, 1997, former United States ambassador to India Frank Wisner spoke at the Baker Institute to an audience that included Houston's Indian consul general, Swashpawan Singh, and prominent members of Houston's South Asian community. Wisner's address marked the commemoration of the fiftieth anniversary of India's independence. Wisner, who served in India from 1994 to 1997, addressed the future of India and of U.S.–Indian relations.

He commented that with a continuation of the high rate of economic growth in India, poverty could well become a thing of the past by the year 2025. This economic growth, along with a shift to a multiparty government, were signs of strength in India. He explained that these changes have produced a significant alteration in the wage structure that in turn has significantly reduced the "brain drain" of Indian academics and businesspeople to the United States.

Although U.S.–Indian relations have not always been smooth and problems persist, Wisner feels that the future is bright. He believes there is a growing convergence of Indian and U.S. interests that will bring the two countries together in the next century. He also believes that the recent opening up of the Indian economy will increase the level of economic interaction between the two countries.



# KAZAK PRESIDENT NURSULTAN NAZARBAEV DISCUSSES THE GEOPOLITICS OF ENERGY TRADE

The Baker Institute hosted a major policy address by President Nursultan Nazarbaev of the Republic of Kazakhstan on the morning of November 20, 1997, at Baker Hall. The address, which covered Kazakhstan's important status as a future significant supplier of energy to the world economy, was sponsored by Amoco, Mobil, and the Center for International Political Economy and was attended by leaders from the oil and gas, banking, and legal industries as well as by U.S. government officials and foreign diplomats. James A. Baker, III, introduced the president and gave him a historic photograph of a meeting in the Kremlin, which included Secretary Baker and presidents George Bush, Nursultan Nazarbaev, Mikhail Gorbachev, and Boris Yeltsin.

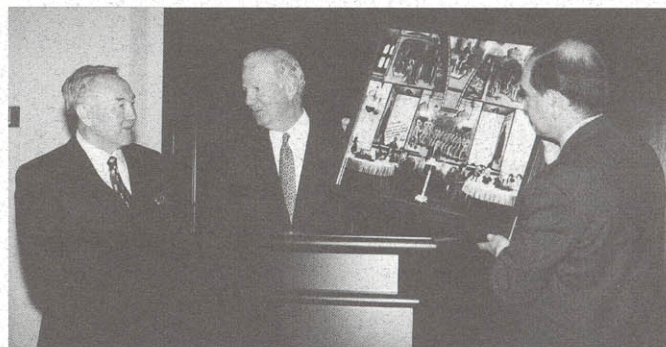
Nazarbaev's lecture was the lead event in a two-day seminar on the geopolitics of energy exports from the Caspian region. The seminar was attended by policymakers, industry officials, and academic experts specializing in the region and is part of a yearlong energy group study on Central Asia and the Transcaucasus, to be publicly presented in late April.

Nazarbaev noted that the development of Kazakhstan's major oil fields

would be of great importance to the world economies in the twenty-first century, but he added that abundant energy resources can be both a plus and a minus for a new nation like Kazakhstan.

"It is a plus because such resources are an asset to promote stability and our development. However, energy resources can also generate hostility and opposition." Nazarbaev pegged Kazakhstan's oil reserves at 160 billion barrels and noted that 160 oil and gas fields had already been discovered there. The country has initiated a \$1.5 billion exploration program to identify additional resources, starting with the prolific Caspian Sea region.

Nazarbaev said an agreement on overland routing for landlocked Kazakhstan's oil exports was crucial and added that he had discussed strategies in detail during a state visit to Washington, D.C., just prior to traveling to Houston. He mentioned three routes under consideration,



*Baker and Djerejian present Nazarbaev with a historic photo.*

namely a western route through Turkey, an eastern route to China, and a southern route through Iran. He noted that financing was a key requirement for the realization of pipeline routes.

He called upon the U.S. government to support the country's efforts to complete a major pipeline export route. While asserting that Kazakhstan did not in any way support international terrorism or Islamic fundamentalism, Nazarbaev questioned the effectiveness of economic sanctions in responding to a question regarding the possible Iranian route. "The closest route is Iran to the Persian Gulf," he noted. "The Iranians are constantly asking us about it. They have even offered to finance the pipeline."

## TRANSCULTURAL NETWORK BOARD MEETS

On November 14–16, 1997, the Transcultural Network Board met at the Baker Institute. The Baker Institute participates in this undertaking through its Transnational China Studies project, jointly funded by Ford Motor Company and Coopers & Lybrand. The specific focus of this Baker Institute project and research is

the emerging middle class in China. Board members, along with representatives of Ford and Coopers & Lybrand, discussed the copyright and technology concerns in establishing a network of websites to promote research and teaching on this subject. The board also discussed plans to bring together researchers who deal

with property rights, advertising, and survey research as well as other aspects of an emerging consumer society. Finally, preliminary discussions were held for a 1999 workshop on the "Cultural Foundations of Property Rights in Transition Societies: China, Latin America, and Eastern Europe."



# ENERGY ISSUES ADDRESSED IN FALL PROGRAMS

The Baker Institute held several programs this autumn as part of its ongoing research into international energy security issues. The institute's energy study program is designed to improve the level of debate and understanding of the geopolitical, cultural, religious, and economic issues that impact the secure supply of energy to world markets. It is supported by a generous grant from the Center for International Political Economy and donations from a variety of local energy companies.

One of the programs, held on October 18, 1997, featured Abdullah Bin Hamad al-Attiyah, minister of energy and industry of the State of Qatar. He delivered a lecture in the institute's international conference fa-

cility to energy executives and Rice faculty on Qatar's energy industry and policy as part of the institute's Shell Lecture Series.

Minister Attiyah emphasized Qatar's commitment to being a secure supplier of oil and natural gas to Western nations and outlined plans to implement a multibillion-dollar investment program that will allow Qatar to become one of the major suppliers of natural gas to Asia and Europe. He also talked about a new technology that will allow Qatar, which holds the third largest reserves of natural gas in the world, to convert natural gas into oil products such as naphtha, heating oil, and kerosene. Exxon is considering constructing a plant in Qatar that would convert

about one billion cubic feet a day of natural gas into 100,000 b/d of oil products.

A reception and private dinner with senior energy industry leaders followed the lecture.

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