

A Conference with the Baker Institute: Questions

(I will now pose two questions for Ambassador Edward Djerejian.)

Question 1:

I would like you to comment on whether or not we can expect Middle East peacemaking negotiations to progress positively in the future. There are two grounds to this question.

The first is the recent change in the Middle East situation. Because public opinion in the region seems to be in favor of peace nowadays, international relations have undergone a curious shift, as Israel failed to emerge victorious from its invasion in south Lebanon, thus causing stronger ties among Iran, Syria and Lebanon. On the other hand, Israel is now trying to strengthen its ties with Saudi Arabia and the UAE. Is the present situation conducive to the progress of peace in the Middle East?

The second ground is the recent change in the United States' situation. As the Democratic Party, which is enthusiastic about Middle Eastern peacemaking, increases its influence, we expect that the United States, even while maintaining a policy of *bringing democracy to the Middle East*, may shift its strategy from *political pressure* to *supporting a civil society*. Is President Bush, as his last diplomatic mission in office, expected to promote peace in the Middle East?

Question 2:

During your speech, you covered the subject of the United States' future international strategies. I would like to ask a few questions about this.

Will the Bush Administration's present strategy of imposing United States' values on other countries work effectively in a post-post cold war era? From the viewpoint of advanced countries, values advocated by the United States, such as *democracy*, *freedom* and *market principles* appear favorable and universal. However, in many other parts of the world, there are great differences in their sense of values, which are the product of local cultures, traditions, religions and social structures established over centuries. Surely this U.S. policy may appear to Middle Eastern countries to be *an imposition of values*?

In view of the high oil price and the economic development of emerging nations, bringing about a rapid transformation in terms of *the relocation of national wealth* and *the players in the international community*, perhaps the United States' strategy of imposing its values on others, a policy introduced in the post-cold war era, is no longer

effective? Isn't it more important now to have meaningful dialogue and to show an increased understanding of customs and traditions that are unique to other countries?

I would now like to invite Ambassador Djerejian to kindly respond to these questions.

(A response from Ambassador Edward Djerejian)

Now I would like to take questions from the audience. Please raise your hand if you have a question and one of our staff will bring a microphone to you. Please state your name, the name of your organization and then ask your question briefly.

(A question, followed by a response from Ambassador Djerejian)

("Can I have another question from the audience please?" - One or two questions will be accepted in this manner.)

I would like to thank Ambassador Djerejian for sharing his views with us. Please give him a round of applause.

(Applause)

Next, let us hear from Ms. Amy Jaffe and get her views on the situation in the current Middle Eastern oil market. Ms. Jaffe, please.

Please remain seated if you wish.

Thank you very much.

I now have two questions for Ms. Jaffe and would appreciate her response.

(Questions to Ms. Jaffe)

I would like to ask two questions about Iran:

- 1) Firstly, do you see any possibility of the United States solving the Iranian issue by holding direct negotiations with Iran?

As you mentioned, there are many issues in dispute, but can we focus on the issue of Iran's nuclear development? Even though we must ensure non-proliferation, many people believe that the United States is being particularly harsh on Iran, which suggests double standards.

Showing a fairer attitude, including direct negotiations as suggested by the former Secretary of State J. Baker, may foster understanding of people and help encourage Iran to discuss the matter in more realistic terms? Do you think this is possible, and what type of actions is required from Iran?

- 2) Next, what might happen if Iran stops exporting oil? What would the impact be on the global market?

Even if Iran stopped its oil exports, the impact could probably be alleviated by increased production in Saudi Arabia and the release of national reserves. Although this scenario is very unlikely, the closure of the Strait of Hormuz by Iran could wreak havoc in the international oil market because it would disrupt the supply of 15 to 17 million B/D. I am afraid that the scenario assumed by Saudi Arabia, that you have mentioned, may not actually be realistic. On what grounds is such an increase in production capacity possible? Please consider the lead-time required to increase production in your response.

(A response from Ms. Amy Jaffe)

Thank you very much.

Now I would like to take a few questions from the audience.

Please raise your hand if you have a question and one of our staff will bring a microphone to you. Please state your name, the name of your organization and then formulate your question briefly. (Two or three questions will be taken.)

(Question)
(Answer)

I would like to thank Ms. Amy Jaffe for sharing her views with us. Please give her a round of applause.

(Applause)

Thank you very much.

That concludes the first session.