A NATIONAL SECURITY STRATEGY FOR A NEW CENTURY

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Preface

Nearly 55 years ago, in his final inaugural address, President Franklin Delano Roosevelt reflected on the lessons of the first half of the 20th Century. "We have learned," he said, "that we cannot live alone at peace. We have learned that our own well being is dependent on the well being of other nations far away. We have learned to be citizens of the world, members of the human community."

Those words have more resonance than ever as we enter the 21st century. America is at the height of its influence and prosperity. But, at a time of rapid globalization, when events halfway around the earth can profoundly affect our safety and prosperity, America must lead in the world to protect our people at home and our way of life. Americans benefit when nations come together to deter aggression and terrorism, to resolve conflicts, to prevent the spread of dangerous weapons, to promote democracy and human rights, to open markets and create financial stability, to raise living standards, to protect the environment – to face challenges that no nation can meet alone. The United States remains the world's most powerful force for peace, prosperity and the universal values of democracy and freedom. Our nation's central challenge – and our responsibility – is to sustain that role by seizing the opportunities of this new global era for the benefit of our own people and people around the world.

To do that, we are pursuing a forward-looking national security strategy for the new century. This report, submitted in accordance with Section 603 of the Goldwater - Nichols Defense Department Reorganization Act of 1986, sets forth that strategy. Its three core objectives are:

- To enhance America's security.
- To bolster America's economic prosperity.
- To promote democracy and human rights abroad.

The United States must have the tools necessary to carry out this strategy. We have worked to preserve and enhance the readiness of our armed forces while pursuing long-term modernization and providing quality of life improvements for our men and women in uniform. To better meet readiness challenges, I proposed, and Congress passed, a fiscal year 2000 defense budget that increased military pay and retirement benefits, and significantly increased funding for readiness and modernization. I have also proposed a $112 billion increase across fiscal years 2000 to 2005 for readiness, modernization, and other high priority defense requirements. This is the first long-term sustained increase in defense spending in over a decade.

Over the last six months, our military leaders and I have seen encouraging signs that we have turned the corner on readiness. Although our Armed Forces still face readiness challenges, particularly in recruiting and retaining skilled individuals, Administration initiatives are helping us achieve our readiness goals. I am confident that our military is – and will continue to be – capable of carrying out our national strategy and meeting America's defense commitments around the world.

To be secure, we must not only have a strong military; we must also continue to lead in limiting the military threat to our country and the world. We continue to work vigilantly to curb the spread of nuclear, chemical and biological weapons and missiles to deliver them. We are continuing the START process to reduce Russian and American nuclear arsenals, while discussing modification of the Anti-Ballistic Missile Treaty to allow for development of a national missile defense against potential rogue state attacks. And we remain committed to obtaining Senate advice and consent to ratification of the Comprehensive Nuclear Test Ban Treaty (CTBT), and to bringing this crucial agreement into force.

We must also sustain our commitment to America's diplomacy. Every dollar we devote to preventing conflicts, promoting democracy, opening markets, and containing disease and hunger brings a sure return in security and long-term savings. Working with Congress, we were able to provide enhanced funding to international affairs accounts and UN arrears, but we need to sustain this commitment to foreign affairs in the years ahead.

America must be willing to act alone when our interests demand it, but we should also support the institutions and arrangements through which other countries help us bear the burdens of leadership. That's why I am pleased that we reached agreement with Congress on a plan for paying our dues and debts to the United Nations. It is why we must do our part when others take the lead in building peace: whether Europeans in the Balkans, Asians in East Timor, or Africans in Sierra Leone. Otherwise we will be left with a choice in future crises between doing everything ourselves or doing nothing at all.

America has done much over the past seven years to build a better world: aiding the remarkable transitions to free-market democracy in Eastern Europe; adapting and enlarging NATO to strengthen Europe's security; ending ethnic war in Bosnia and Kosovo; working with Russia to deactivate thousands of nuclear weapons from the former Soviet Union; ratifying START II and the Chemical Weapons Convention; negotiating the CTBT, and the Adaptation Agreement on the Conventional Armed Forces in Europe (CFE) Treaty; securing a freeze in North Korean fissile material production; facilitating milestone agreements in the Middle East peace process; standing up to the threat posed by Saddam Hussein; reducing Africa's debt through the Cologne Initiative and the Heavily Indebted Poor Countries Initiative (HIPC); helping to broker peace accords from Northern Ireland to Sierra Leone to the Peru-Ecuador border; fostering unprecedented unity, democracy and progress in the Western Hemisphere; benefiting our economy by reaching over 270 free trade agreements, including the landmark accord to bring China into the World Trade Organization; and exercising global leadership to help save Mexico from economic disaster and to reverse the Asian financial crisis.

But our work is far from done. American leadership will remain indispensable to further important national interests in the coming year: forging a lasting peace in the Middle East; securing the peace in the Balkans and Northern Ireland; helping Russia strengthen its economy and fight corruption as it heads toward its first democratic transfer of power; furthering arms control through discussions with Russia on the Anti-Ballistic Missile (ABM) Treaty and deeper reductions in strategic nuclear weapons; implementing China's entry into the WTO and other global institutions while promoting freedom and human rights there; easing tensions between India and Pakistan; building on hopeful developments between Greece and Turkey to make progress in the Aegean, particularly on Cyprus; securing new energy routes from the Caspian Sea that will allow newly independent states in the Caucasus to prosper; supporting democratic transitions from Nigeria to Indonesia; helping Colombia defeat the drug traffickers who threaten its democracy; fighting weapons proliferation, terrorism and the nexus between them; restraining North Korea's and Iran's missile programs; maintaining vigilance against Iraq and working to bring about a change in regime; consolidating reforms to the world's financial architecture as the basis for sustained economic growth; launching a new global trade round; enacting legislation to promote trade with Africa and the Caribbean; pressing ahead with debt relief for countries fighting poverty and embracing good government; reversing global climate change; and protecting our oceans.

At this moment in history, the United States is called upon to lead – to marshal the forces of freedom and progress; to channel the energies of the global economy into lasting prosperity; to reinforce our democratic ideals and values; to enhance American security and global peace. We owe it to our children and grandchildren to meet these challenges and build a better and safer world.

Bill Clinton

I. Introduction

Our national security strategy is designed to meet the fundamental purposes set out in the preamble to the Constitution:

> *...provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity,...*

Since the founding of the nation, certain requirements have remained constant. We must protect the lives and personal safety of Americans, both at home and abroad. We must maintain the sovereignty, political freedom and independence of the United States, with its values, institutions and territory intact. And, we must promote the well-being and prosperity of the nation and its people.

Opportunities and Challenges

The twenty-first Century will be an era of great promise. Globalization – the process of accelerating economic, technological, cultural and political integration – is bringing citizens from all continents closer together, allowing them to share ideas, goods and information in an instant. A growing number of nations around the world have embraced America's core values of democratic governance, free-market economics and respect for fundamental human rights and the rule of law, creating new opportunities to promote peace, prosperity and cooperation among nations. Many former adversaries now work with us for common goals. The dynamism of the global economy is transforming commerce, culture, communications and global relations, creating new jobs and opportunities for Americans.

Globalization, however, also brings risks. Outlaw states and ethnic conflicts threaten regional stability and progress in many important areas of the world. Weapons of mass destruction (WMD), terrorism, drug trafficking and other international crime are global concerns that transcend national borders. Other problems originating overseas – such as resource depletion, rapid population growth, environmental damage, new infectious diseases, pervasive corruption, and uncontrolled refugee migration – have increasingly important implications for American security. Our workers and businesses will suffer if the global economy is unstable or foreign markets collapse or lock us out, and the highest domestic environmental standards will not protect us adequately if we cannot get others to achieve similar standards. In short, our citizens have a direct and increasing stake in the prosperity and stability of other nations, in their support for international norms and human rights, in their ability to combat international crime, in their open markets, and in their efforts to protect the environment.

National Interests

Since there are always many demands for U.S. action, our national interests must be clear. These interests fall into three categories. The first includes ***vital interests***—those of broad, overriding importance to the survival, safety and vitality of our nation. Among these are the physical security of our territory and that of our allies, the safety of our citizens, the economic well-being of our society, and the protection of our critical infrastructures – including energy, banking and finance, telecommunications, transportation, water systems and emergency services – from paralyzing attack. We will do what we must to defend these interests, including, when necessary and appropriate, using our military might unilaterally and decisively.

The second category is ***important national interests.*** These interests do not affect our national survival, but they do affect our national well-being and the character of the world in which we live. Important national interests include, for example, regions in which we have a sizable economic stake or commitments to allies, protecting the global environment from severe harm, and crises with a potential to generate substantial and highly

destabilizing refugee flows. Our efforts to halt the flow of refugees from Haiti and restore democracy in that country, our participation in NATO operations to end the brutal conflicts and restore peace in Bosnia and Kosovo, and our assistance to Asian allies and friends supporting the transition in East Timor are examples.

The third category is ***humanitarian and other interests.*** In some circumstances our nation may act because our values demand it. Examples include responding to natural and manmade disasters; promoting human rights and seeking to halt gross violations of those rights; supporting democratization, adherence to the rule of law and civilian control of the military; assisting humanitarian demining; and promoting sustainable development and environmental protection. The spread of democracy and respect for the rule of law helps to create a world community that is more hospitable to U.S. values and interests. Whenever possible, we seek to avert humanitarian disasters and conflict through diplomacy and cooperation with a wide range of partners, including other governments, international institutions and non-governmental organizations. This may not only save lives, but also prevent crises from getting worse and becoming a greater drain on resources.

Threats to U.S. Interests

The security environment in which we live is dynamic and uncertain, replete with a host of threats and challenges that have the potential to grow more deadly.

Regional or State-Centered Threats: A number of states have the capabilities and the desire to threaten our national interests through coercion or aggression. They continue to threaten the sovereignty of their neighbors, economic stability, and international access to resources. In many cases, these states are also actively improving their offensive capabilities, including efforts to obtain or retain nuclear, biological or chemical weapons and the capabilities to deliver these weapons over long distances.

Transnational threats: These are threats that do not respect national borders and which often arise from non-state actors, such as terrorists and criminal organizations. They threaten U.S. interests, values and citizens – in the United States and abroad. Examples include terrorism, drug trafficking and other international crime, illicit arms trafficking, uncontrolled refugee migration, and trafficking in human beings, particularly women and children. We also face threats to critical national infrastructures, which increasingly could take the form of a cyber-attack in addition to physical attack or sabotage, and could originate from terrorist or criminal groups as well as hostile states.

Spread of dangerous technologies: Weapons of mass destruction pose the greatest potential threat to global stability and security. Proliferation of advanced weapons and technologies threatens to provide rogue states, terrorists and international crime organizations with the means to inflict terrible damage on the United States, our allies and U.S. citizens and troops abroad.

Failed states: At times in the new century, we can expect that, despite international prevention efforts, some states will be unable to provide basic governance, safety and security, and opportunities for their populations, potentially generating internal conflict, mass migration, famine, epidemic diseases, environmental disasters, mass killings and aggression against neighboring states or ethnic groups – events which can threaten regional security and U.S. interests.

Other states – though possessing the capacity to govern – may succumb to the inflammatory rhetoric of demagogues who blame their nation's ills on and persecute specific religious, cultural, racial or tribal groups. States that fail to respect the rights of their own citizens and tolerate or actively engage in human rights abuses, ethnic cleansing or acts of genocide not only harm their own people, but can spark civil wars and refugee crises and spill across national boundaries to destabilize a region.

Foreign intelligence collection: The threat from foreign intelligence services is more diverse, complex and difficult to counter than ever before. This threat is a mix of traditional and non-traditional intelligence adversaries that have targeted American military, diplomatic, technological, economic and commercial secrets. Some foreign intelligence services are rapidly adopting new technologies and innovative methods to obtain such secrets, including attempts to use the global information infrastructure to gain access to sensitive information via penetration of

computer systems and networks. We must be concerned about efforts by non-state actors, including legitimate organizations, both quasi-governmental and private, and illicit international criminal organizations, to penetrate and subvert government institutions or critical sectors of our economy.

Environmental and health threats: Environmental and health problems can undermine the welfare of U.S. citizens, and compromise our national security, economic and humanitarian interests abroad for generations. These threats respect no national boundary. History has shown that international epidemics, such as polio, tuberculosis and AIDS, can destroy human life on a scale as great as any war or terrorist act we have seen, and the resulting burden on health systems can undermine hard-won advances in economic and social development and contribute to the failure of fledgling democracies. In the future, we face potentially even more devastating threats if we fail to avert irreparable damage to regional ecosystems and the global environment. Other environmental issues, such as competition over scarce fresh water resources, are a potential threat to stability in several regions.

A Strategy of Engagement

Our strategy is founded on continued U.S. engagement and leadership abroad. The United States must lead abroad if we are to be secure at home. We cannot lead abroad unless we devote the necessary resources to military, diplomatic, intelligence and other efforts. We must be prepared and willing to use all appropriate instruments of national power to influence the actions of other states and non-state actors, to provide global leadership, and to remain a reliable security partner for the community of nations that share our interests. The international community is at times reluctant to act without American leadership. In some instances, the United States is the only nation capable of providing the necessary leadership and capabilities for an international response to shared challenges. By exerting our leadership abroad we have deterred aggression, fostered the resolution of conflicts, enhanced regional cooperation, strengthened democracies, stopped human rights abuses, opened foreign markets and tackled global problems such as preventing the spread of weapons of mass destruction, protected the environment, and combated international corruption.

Our strategy has three core objectives: enhancing American security; bolstering our economic prosperity; and promoting democracy and human rights abroad, which we strongly believe will, in turn, advance the first two goals. Achieving these objectives requires sustained, long-term effort. Many of the threats to our national interests are persistent or recurring – they cannot be resolved or eliminated once and for all. American engagement must be tempered by recognition that there are limits to America's involvement in the world, and that decisions to commit resources must be weighed against the need to sustain our engagement over the long term. Our engagement therefore must be selective, focusing on the threats and opportunities most relevant to our interests and applying our resources where we can make the greatest difference. Additionally, sustaining our engagement abroad over the long term will require the support of the American people and the Congress to bear the costs of defending U.S. interests – in dollars, effort and, when necessary, with military force.

Implementing the Strategy

International cooperation will be vital for building security in the next century because many of the challenges we face cannot be addressed by a single nation. Many of our security objectives are best achieved – or can only be achieved – by leveraging our influence and capabilities through international organizations, our alliances, or as a leader of an ad hoc coalition formed around a specific objective. Leadership in the United Nations and other international organizations, and durable relationships with allies and friendly nations, are critical to our security. A central thrust of our strategy is to strengthen and adapt the formal relationships we have with key nations around the world, create new relationships and structures when necessary, and enhance the capability of friendly nations to exercise regional leadership in support of shared goals. At other times, we seek to shape a favorable international environment outside of formal structures by building coalitions of like-minded nations. But we must always be prepared to act alone when that is our most advantageous course, or when we have no alternative.

Success requires an integrated approach that brings to bear all the capabilities needed to achieve our security objectives – particularly in this era when domestic and foreign policies increasingly overlap. To effectively shape the international environment and respond to the full spectrum of potential threats, our diplomacy, military force, other foreign policy tools, and domestic preparedness efforts must be closely coordinated. We will continue to strengthen and integrate all of these capabilities.

At home, we must have effective capabilities for thwarting and responding to terrorist acts, countering international crime and foreign intelligence collection, and protecting critical national infrastructures. Our efforts to counter these threats require close cooperation among Federal agencies, state and local governments, the industries that own and operate critical national infrastructures, non-governmental organizations, and others in the private sector.

The Power of Our Values

Underpinning our international leadership is the power of our democratic ideals and values. In crafting our strategy, we recognize that the spread of democracy, human rights and respect for the rule of law not only reflects American values, it also advances both our security and prosperity. Democratic governments are more likely to cooperate with each other against common threats, encourage free trade, promote sustainable economic development, uphold the rule of law, and protect the rights of their people. Hence, the trend toward democracy and free markets throughout the world advances American interests. The United States will support this trend by remaining actively engaged in the world, bolstering democratic institutions and building the community of like-minded states. This strategy will take us into the next century.

II. Advancing U.S. National Interests

In our vision of the world, the United States has close cooperative relations with the world's most influential countries, and has the ability to shape the policies and actions of those who can affect our national well-being. We seek to create a stable, peaceful international security environment – one in which our nation, citizens and interests are not threatened; the health and well-being of our citizens are enhanced by a cleaner global environment and effective strategies to combat infectious disease; America continues to prosper through increasingly open international markets and sustainable growth in the global economy; and democratic values and respect for human rights and the rule of law are increasingly accepted.

Enhancing Security at Home and Abroad

Our strategy for enhancing U.S. security has three components: shaping the international security environment, responding to threats and crises, and preparing for an uncertain future.

Shaping the International Environment

The United States seeks to shape the international environment through a variety of means, including diplomacy, economic cooperation, international assistance, arms control and nonproliferation, and health initiatives. These activities enhance U.S. security by promoting regional security; enhancing economic progress; supporting military activities, international law enforcement cooperation, and environmental efforts; and preventing, reducing or deterring the diverse threats we face today. These measures adapt and strengthen alliances and friendships, maintain U.S. influence in key regions, and encourage adherence to international norms.

The U.S. intelligence community provides critical support to the full range of our involvement abroad. Comprehensive collection and analytic capabilities are needed to provide warning of threats to U.S. national security, give analytical support to the policy and military communities, provide near-real time intelligence while retaining global perspective, identify opportunities for advancing our national interests, and maintain our information advantage in the international arena. We place the highest priority on monitoring the most serious threats to U.S. security: states hostile to the United States; countries or other entities that possess strategic nuclear forces or control nuclear weapons, other WMD or nuclear fissile materials; transnational threats, including terrorism, drug trafficking and other international crime; potential regional conflicts that might affect U.S. national security interests; and threats to U.S. forces and citizens abroad.

Diplomacy

Diplomacy is a vital tool for countering threats to our national security. The daily business of diplomacy conducted through our missions and representatives around the world is an irreplaceable shaping activity. These efforts are essential to sustaining our alliances, forcefully articulating U.S. interests, resolving regional disputes peacefully, averting humanitarian catastrophe, deterring aggression against the United States and our friends and allies, promoting international economic cooperation and stability, fostering trade and investment opportunities, and projecting U.S. influence worldwide.

When signs of potential conflict emerge or potential threats appear, we take action to prevent or reduce these threats. One of the lessons that repeatedly has been driven home is the importance of preventive diplomacy in dealing with conflict and complex emergencies. Helping prevent nations from failing is far more effective than rebuilding them after an internal crisis. Helping people stay in their homes is

far more beneficial than feeding and housing them in refugee camps. Helping relief agencies and international organizations strengthen the institutions of conflict resolution is much better than healing ethnic and social divisions that have already exploded into bloodshed. In short, while crisis management and crisis resolution are necessary tasks for our foreign policy, preventive diplomacy is far preferable.

We must renew our commitment to America's diplomacy to ensure we have the diplomatic representation and voice in international organizations that are required to support our global interests. This is central to our ability to retain our influence on international issues that affect our well-being. Our national security requires that we ensure international organizations such as the United Nations are as effective and relevant as possible. We must, therefore, continue to work to ensure that our financial obligations to international organizations are met.

Preserving our leadership, influence and credibility in the world demands that we maintain highly trained and experienced personnel, a broad range of capabilities for diplomacy and public diplomacy, and a secure diplomatic infrastructure abroad. Modernization of embassies, consulates and our diplomatic telecommunications and information infrastructure is essential to advancing and protecting vital national interests overseas. Our embassies and consulates host critical elements of peacetime power: diplomatic personnel, commercial, defense and legal attaches, and consular and security officers dedicated to protecting Americans at home and abroad. The cost of doing these things is a tiny fraction of the costs of employing our military forces to cope with crises that might have been averted through collective international action.

Public Diplomacy

We have an obligation and opportunity to harness the tools of public diplomacy to advance U.S. leadership around the world by engaging international publics on U.S. principles and policies. The global advance of freedom and information technologies like the Internet has increased the ability of citizens and organizations to influence the policies of governments to an unprecedented degree. This makes our public diplomacy – efforts to transmit information and messages to peoples around the world – an increasingly vital component of our national security strategy. Our programs enhance our ability to inform and influence foreign publics in support of U.S. national interests, and broaden the dialogue between American citizens and U.S. institutions and their counterparts abroad.

Effective use of our nation's information capabilities to counter misinformation and incitement, mitigate inter-ethnic conflict, promote independent media organizations and the free flow of information, and support democratic participation helps advance U.S. interests abroad. International Public Information activities, as defined by the newly promulgated Presidential Decision Directive 68 (PDD-68), are designed to improve our capability to coordinate independent public diplomacy, public affairs and other national security information-related efforts to ensure they are more successfully integrated into foreign and national security policy making and execution.

International Assistance

From the U.S.-led mobilization to rebuild post-war Europe to more recent economic success stories across Asia, Latin America and Africa, U.S. foreign assistance has helped emerging democracies, promoted respect for human rights and the rule of law, expanded free markets, slowed the growth of international crime, contained major health threats, improved protection of the environment and natural resources, slowed population growth, and defused humanitarian crises. Crises are averted – and U.S. preventive diplomacy actively reinforced – through U.S. sustainable development programs that promote the rights of workers, voluntary family planning, basic education, environmental protection, democratic governance, the rule of law, religious freedom, and the economic empowerment of citizens.

Debt relief is an important element of our overall effort to alleviate poverty, promote economic development, and create stronger partners around the world for trade and investment, security and democracy. The Cologne Debt Initiative announced at the 1999 G-8 summit, together with earlier debt relief commitments, provides for reduction of up to 70 percent of the total debts for heavily indebted poor countries. This will be a reduction from the current level of about $127 billion to as low as $37 billion with

the cancellation of official development assistance debt by G-8 and other bilateral creditors.

The Cologne Debt Initiative also calls on international financial institutions to develop a new framework for linking debt relief with poverty reduction. These measures center around better targeting of budgetary resources for priority social expenditures, for health, child survival, AIDS prevention, education, greater transparency in government budgeting, and much wider consultation with civil society in the development and implementation of economic programs. In September, President Clinton took our debt relief efforts a step further. He directed the Administration to make it possible to forgive 100 percent of the debt these countries owe to the United States when the money is needed and will be used to help them finance basic human needs.

When combined with other efforts, such as our cooperative scientific and technological programs, U.S. aid initiatives can help reduce the need for costly military and humanitarian measures. When assistance programs succeed in promoting democracy and free markets, substantial growth of American exports has usually followed. Where crises have occurred, our assistance programs have helped alleviate mass human suffering through targeted relief. Other assistance programs have created a path out of conflict and dislocation, helped to restore elementary security and civic institutions, and promoted political stability and economic recovery.

Arms Control and Nonproliferation

Arms control and nonproliferation initiatives are an essential element of our national security strategy and a critical complement to our efforts to defend our nation through our own military strength. We pursue verifiable arms control and nonproliferation agreements that support our efforts to prevent the spread and use of WMD, prevent the spread of materials and expertise for producing WMD and the means of delivering them, halt the use of conventional weapons that cause unnecessary suffering, and contribute to regional stability at lower levels of armaments. In addition, by increasing transparency in the size, structure and operations of military forces and building confidence in the intentions of other countries, arms control agreements and confidence-building measures constrain inventories of dangerous weapons, reduce incentives and opportunities to initiate an attack, reduce the mutual suspicions that arise from and spur on armaments competition, and help provide the assurance of security necessary to strengthen cooperative relationships and direct resources to safer, more productive endeavors.

Verifiable reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain essential to our strategy. Entry into force of the START I Treaty in December 1994 charted the course for reductions in the deployed strategic nuclear forces of the United States and Russia. The other countries of the former Soviet Union that had nuclear weapons on their soil – Belarus, Kazakhstan and Ukraine – have become non-nuclear weapons states. Once the START II Treaty enters into force, the United States and Russia will each be limited to between 3,000-3,500 accountable strategic nuclear warheads. START II also will eliminate destabilizing land-based multiple warhead and heavy missiles. On September 26, 1997, the United States and Russia signed a START II Protocol extending the end date for reductions to 2007, and exchanged letters on early deactivation by 2003 of those strategic nuclear delivery systems to be eliminated by 2007.

At the Helsinki Summit in March 1997, Presidents Clinton and Yeltsin agreed to START III guidelines that, if adopted, will cap the number of strategic nuclear warheads deployed in each country at 2,000-2,500 by the end of 2007 – reducing both our arsenals by 80 percent from Cold War heights. They also agreed that, in order to promote the irreversibility of deep reductions, a START III agreement will include measures relating to the transparency of strategic nuclear warhead inventories and the destruction of strategic nuclear warheads. The statement also committed the two nations to explore possible measures relating to non-strategic nuclear weapons, to include appropriate confidence building and transparency measures.

The Anti-Ballistic Missile (ABM) Treaty remains a cornerstone of strategic stability, and the United States is committed to continued efforts to enhance the Treaty's viability and effectiveness. At the Helsinki Summit, Presidents Clinton and Yeltsin reaffirmed their commitment to the ABM Treaty and recognized the need for effective theater missile defenses in an agreement in principle on

demarcation between systems to counter strategic ballistic missiles and those to counter theater ballistic missiles.

On September 26, 1997, representatives of the United States, Russia, Belarus, Kazakhstan and Ukraine signed or initialed five agreements relating to the ABM Treaty. At the Cologne G-8 Summit in June 1999, Presidents Clinton and Yeltsin reiterated their determination to achieve earliest possible ratification and entry into force of those agreements. The agreements on demarcation and succession will be provided to the Senate for its advice and consent following Russian ratification of START II.

The two presidents also reaffirmed at Cologne their existing obligations under Article XIII of the ABM Treaty to consider possible changes in the strategic situation that have a bearing on the ABM Treaty and, as appropriate, possible proposals for further increasing the viability of the Treaty. They also agreed to begin discussions on the ABM Treaty, which are now underway in parallel with discussions on START III. The United States is proposing that the ABM Treaty be modified to accommodate possible deployment of a limited National Missile Defense (NMD) system which would counter new rogue state threats while preserving strategic stability.

At the Moscow Summit in September 1998, Presidents Clinton and Yeltsin agreed on a new initiative for the exchange of early warning information on missile launches. The agreement will significantly reduce the danger that ballistic missiles could be launched inadvertently on false warning of attack. It will also promote increased mutual confidence in the capabilities of the ballistic missile early warning systems of both sides. The United States and Russia will develop arrangements for providing each other with continuous information from their respective early warning systems on launches of ballistic missiles and space launch vehicles. As part of this initiative, the United States and Russia are establishing a Joint Warning Center in Russia to continuously monitor early warning data. The United States and Russia are also working towards establishing a ballistic missile and space launch vehicle pre-launch notification regime in which other states would be invited to participate.

To be secure, we must not only have a strong military; we must also take the lead in building a safer, more responsible world. We have a fundamental responsibility to limit the spread of nuclear weapons and reduce the danger of nuclear war. To this end, the United States remains committed to bringing the Comprehensive Nuclear Test Ban Treaty (CTBT) into force.

More than 150 countries have signed the Treaty so far, agreeing to refrain from all nuclear explosive testing. The CTBT will constrain nuclear weapons development and will also help prevent nuclear weapons technologies from spreading to other countries. The United States ended nuclear testing seven years ago; the CTBT requires other countries to refrain from testing, too. We have developed means of making sure our nuclear weapons work through non-nuclear tests and computer simulations, rather than by tests with nuclear explosions, and we spend $4.5 billion a year to ensure that our nuclear weapons remain safe and reliable.

The CTBT will put in place a worldwide network for detecting nuclear explosions. With over 300 stations around the globe – including 31 in Russia, 11 in China, and 17 in the Middle East – this international monitoring system will improve our ability to monitor suspicious activity and catch cheaters. The United States already has dozens of monitoring stations of its own; the CTBT will allow us to take advantage of other countries' stations and create new ones, too. The Treaty also will give us the right to request on-site inspections of suspected nuclear testing sites in other countries.

The United States will maintain its moratorium on nuclear testing, and is encouraging all other states to do the same. We are encouraging all states that have not done so to sign and ratify the CTBT. We remain committed to obtaining Senate advice and consent toward ratification of the CTBT. U.S. ratification will encourage other states to ratify, enable the United States to lead the international effort to gain CTBT entry into force, and strengthen international norms against nuclear testing.

The Nuclear Non-Proliferation Treaty (NPT) is the cornerstone of international nuclear nonproliferation efforts and reinforces regional and global security by creating confidence in the non-nuclear commitments of its parties. It was an indispensable precondition for the denuclearization of Ukraine, Kazakhstan, Belarus and South Africa. We seek to ensure that the NPT remains a strong and vital element of global

security by achieving universal adherence and full compliance by its parties with their Treaty obligations. Achieving a successful Review Conference in 2000 will be important to the future of this critical Treaty. We will vigorously promote the value of the NPT in preventing the spread of nuclear weapons while continuing policies designed to reduce U.S. reliance on nuclear weapons and to work for their ultimate elimination.

To reinforce the international nuclear nonproliferation regime, we seek to strengthen the International Atomic Energy Agency (IAEA) safeguards system and achieve a Fissile Material Cutoff Treaty in the Geneva Conference on Disarmament. Halting production of fissile materials for nuclear explosions would cap the supply of nuclear materials available worldwide for weapons, a key step in halting the spread of nuclear weapons. A coordinated effort by the intelligence community and law enforcement agencies to detect, prevent and deter illegal trafficking in fissile materials, and the Material Protection, Control and Accounting program, which enhances security for nuclear materials having potential terrorist applications, are also essential to our counter-proliferation efforts.

Through the Nunn-Lugar Cooperative Threat Reduction (CTR) Program and other initiatives, we aim to strengthen controls over weapons-usable fissile material and prevent the theft or diversion of WMD and related material and technology from the former Soviet Union. The CTR Program has effectively supported enhanced safety, security, accounting and centralized control measures for nuclear weapons and fissile materials in the former Soviet Union. It has assisted Ukraine, Kazakhstan and Belarus in becoming non-nuclear weapons states and will continue to assist Russia in meeting its START obligations. The CTR Program is also supporting measures to eliminate and prevent the proliferation of chemical weapons and biological weapon-related capabilities, and has supported many ongoing military reductions and reform measures in the former Soviet Union. We are working to strengthen the Convention on the Physical Protection of Nuclear Material to increase accountability and protection, which complements our effort to enhance IAEA safeguards.

In 1999, the President launched the Expanded Threat Reduction Initiative (ETRI). This effort is designed to address the new security challenges in Russia and the other Newly Independent States (NIS) caused by the financial crisis, including preventing WMD proliferation, reducing the threat posed by residual WMD, and stabilizing the military. This initiative builds on the success of existing programs, such as the CTR program, the Material Protection, Control and Accounting program and the Science Centers, to make additional progress in the more challenging environment now facing Russia and the NIS. ETRI initiatives will substantially expand our cooperative efforts to eliminate WMD in the NIS and prevent their proliferation abroad. A new component of our nuclear security program will greatly increase the security of fissile material by concentrating it at fewer, well-protected sites, and new programs will increase the security of facilities and experts formerly associated with the Soviet Union's biological weapons effort.

At the Cologne summit in June 1999, the leaders of the G-8 nations affirmed their intention to establish arrangements to protect and safely manage weapons-grade fissile material no longer required for defense purposes, especially plutonium. They expressed strong support for initiatives being undertaken by G-8 countries and others for scientific and technical cooperation necessary to support future large-scale disposition programs, invited all interested countries to support projects for early implementation of such programs, and urged establishment of a joint strategy for cooperation in large-scale disposition projects. They also recognized that an international approach to financing will be required – involving both public and private funds – and agreed to review potential increases in their resource commitments prior to the next G-8 Summit in July 2000.

We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel, and working with Russia to remove 34 metric tons of plutonium from each country's nuclear weapons programs and converting it so that it can never be used in nuclear weapons. We are redirecting dozens of former Soviet WMD facilities and tens of thousands of former Soviet WMD scientists in Eastern Europe and Eurasia from military activities to beneficial civilian research. These efforts include implementing a new biotechnical initiative aimed at increasing transparency in former Soviet biological weapons facilities and redirecting their scientists to civilian commercial, agricultural, and public health activities.

In support of U.S. efforts to prevent proliferation of WMD by organized crime groups and individuals in the NIS and Eastern Europe, the Departments of Defense, Energy, Commerce, the U.S. Customs Service, and the FBI are engaging in programs that assist governments in developing effective export control systems and capabilities to prevent, deter, or detect proliferation of WMD and weapons materials across borders. These programs provide training, equipment, advice, and services to law enforcement and border security agencies in these countries.

We seek to strengthen the Biological Weapons Convention (BWC) with a new international regime to ensure compliance. We are negotiating with other BWC member states in an effort to reach consensus on a protocol to the BWC that would implement an inspection system to enhance compliance and promote transparency. We are also working hard to implement and enforce the Chemical Weapons Convention (CWC). The United States Congress underscored the importance of these efforts in October 1998 by passing implementing legislation that makes it possible for the United States to comply with the requirements in the CWC for commercial declarations and inspections.

The Administration also seeks to prevent destabilizing buildups of conventional arms and limit access to sensitive technical information, equipment and technologies by strengthening international regimes, including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group (for chemical and biological weapons), the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Zangger Committee (which ensures that IAEA safeguards are applied to nuclear exports). At the NATO 50th Anniversary Summit, Allied leaders agreed to enhance NATO's ability to deal both politically and militarily with the proliferation of weapons of mass destruction and the means of their delivery.

Regional nonproliferation efforts are particularly important in three critical proliferation zones. On the Korean Peninsula, we are implementing the 1994 Agreed Framework, which requires full compliance by North Korea with its nonproliferation obligations. We also seek to convince North Korea to halt its indigenous missile program and exports of missile systems and technologies. In the Middle East and Southwest Asia, we encourage regional confidence building measures and arms control agreements that address the legitimate security concerns of all parties, and continue efforts to thwart and roll back Iran's development of WMD and long-range missiles, and Iraq's efforts to reconstitute its WMD programs. In South Asia, we seek to persuade India and Pakistan to refrain from weaponization or deployment of nuclear weapons, testing or deploying missiles capable of delivering nuclear weapons, and further production of fissile material for nuclear weapons, as well as to adhere fully to international nonproliferation standards and to sign and ratify the CTBT.

Over the past three years, the United States has worked to ensure that the landmark 1990 Conventional Armed Forces in Europe (CFE) Treaty remains a cornerstone of European peace, security and stability into the twenty-first century. On November 19, 1999, we joined the other 29 CFE States Parties in signing an Adaptation Agreement that eliminates obsolete bloc-to-bloc limits and replaces them with nationally based ceilings. It will also enhance transparency through more information and inspections, strengthen requirements for host nation consent to the presence of foreign forces, and open the treaty to accession by other European nations. The accompanying CFE Final Act reflects a number of important political commitments, including agreements on the complete withdrawal of Russian armed forces from Moldova and partial withdrawal of Russian forces from Georgia. President Clinton has stated that he will only submit the CFE Adaptation Agreement to the Senate for advice and consent to ratification when Russian forces have been reduced to the flank levels set forth in the adapted Treaty.

President Clinton is committed to ending the threat to innocent civilians from anti-personnel landmines (APLs). The United States has already taken major steps toward this goal while ensuring our ability to meet international obligations and provide for the safety and security of our men and women in uniform. President Clinton has directed the Defense Department to end the use of all APLs, including self-destructing APLs, outside Korea by 2003 and to pursue aggressively the objective of having APL alternatives ready for Korea by 2006. We will also aggressively pursue alternatives to our mixed anti-tank systems that contain anti-personnel submunitions. We have made clear that the United States will sign the Ottawa Convention by 2006 if by then we have succeeded in identifying and fielding

suitable alternatives to our self-destructing APLs and mixed anti-tank systems.

In May 1999, we gained Senate advice and consent to ratification of the Amended Mines Protocol to the Convention on Conventional Weapons. This agreement addresses the worldwide humanitarian problem caused by APLs by banning the use of non-detectable APLs and severely limiting the use of long-duration APLs to clearly marked and monitored fields that effectively keep out civilians. We have established a permanent ban on APL exports and are seeking to universalize an export ban through the Conference on Disarmament in Geneva. We are supporting humanitarian demining programs worldwide through engagement with mine-afflicted nations and the international community, and through our "Demining 2010" initiative have challenged the world to increase the effectiveness and efficiency of removing landmines that threaten civilians.

Military Activities

The U.S. military plays a crucial role in shaping the international security environment in ways that protect and promote U.S. interests, but is not a substitute for other forms of engagement, such as diplomatic, economic, scientific, technological, cultural and educational activities. Through overseas presence and peacetime engagement activities such as defense cooperation, security assistance, and training and exercises with allies and friends, our Armed Forces help to deter aggression and coercion, build coalitions, promote regional stability and serve as role models for militaries in emerging democracies. With countries that are neither staunch friends nor known foes, military cooperation can serve as a positive means of building security relationships today that will contribute to improved relations tomorrow. At the same time, we remain firmly committed to human rights and we will continue to ensure that we do not train or assist known human rights abusers.

Maintaining our overseas presence promotes regional stability, giving substance to our security commitments, helping to prevent the development of power vacuums and instability, and contributing to deterrence by demonstrating our determination to defend U.S., allied, and friendly interests in critical regions. Having credible combat forces forward deployed in peacetime also better positions the United States to respond rapidly to crises. Equally essential is effective global power projection, which is key to the flexibility demanded of our forces and provides options for responding to potential crises and conflicts even when we have no permanent presence or a limited infrastructure in a region.

Strategic mobility is a key element of our strategy. It is critical for allowing the United States to be first on the scene with assistance in many domestic or international crises, and is a key to successful American leadership and engagement. Deployment and sustainment of U.S. and multinational forces requires maintaining and ensuring access to sufficient fleets of aircraft, ships, vehicles and trains, as well as bases, ports, pre-positioned equipment and other infrastructure.

Although military activities are an important pillar of our effort to shape the global security environment, we must always be mindful that the primary mission of our Armed Forces is to deter and, if necessary, to fight and win conflicts in which our vital interests are threatened.

Just as American engagement overall must be selective—focusing on the threats and opportunities most relevant to our interests and applying our resources where we can make the greatest difference—so must our use of the Armed Forces for engagement be selective. Engagement activities must be carefully managed to prevent erosion of our military's current and long-term readiness. The Defense Department's theater engagement planning process, which was approved by the President in 1997, helps ensure that military engagement activities are prioritized within and across theaters, and balanced against available resources. In short, we must prioritize military engagement activities to ensure the readiness of our Armed Forces to carry out crisis response and warfighting missions, as well as to ensure that we can sustain an appropriate level of engagement activities over the long term.

Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and our credible warfighting capability. This capability is embodied in ready forces and equipment strategically stationed or deployed

forward, in forces in the United States at the appropriate level of readiness to deploy when needed, in our ability to gain timely access to critical regions and infrastructure overseas, and in our demonstrated ability to form and lead effective military coalitions. Because terrorist organizations may not be deterred by traditional means, we must ensure a robust capability to accurately attribute the source of attacks against the United States or its citizens, and to respond effectively and decisively to protect our national interests.

Our nuclear deterrent posture is one example of how U.S. military capabilities are used effectively to deter aggression and coercion against U.S. interests. Nuclear weapons serve as a guarantee of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons. Our military planning for the possible employment of U.S. strategic nuclear weapons is focused on deterring a nuclear war and emphasizes the survivability of our nuclear systems and infrastructure necessary to endure a preemptive attack and still respond at overwhelming levels. The United States will continue to maintain a robust triad of strategic nuclear forces sufficient to deter any potential adversaries who may have or seek access to nuclear forces – to convince them that seeking a nuclear advantage or resorting to nuclear weapons would be futile. In addition, some U.S. non-strategic nuclear forces are maintained in a forward-deployed status in NATO as a visible reminder of our security commitment.

We must also ensure the continued viability of the infrastructure that supports U.S. nuclear forces and weapons. The Stockpile Stewardship Program will provide high confidence in the safety and reliability of our nuclear weapons under the Comprehensive Nuclear Test Ban Treaty.

The United States is committed to preserving internationally recognized freedom of navigation on and overflight of the world's oceans, which are critical to the future strength of our nation and to maintaining global stability. Freedom of navigation and overflight are essential to our economic security and for the worldwide movement and sustainment of U.S. military forces. These freedoms are codified in the United Nations Convention on the Law of the Sea, which the President submitted to the Senate in 1994 for advice and consent to ratification. In addition to lending the certainty of the rule of law to an area critical to our national security, the Convention preserves our leadership in global ocean policy. Thus, the Law of the Sea Convention buttresses the strategic advantages that the United States gains from being a global power, and ratification of the Convention remains a high priority.

We are committed to maintaining U.S. leadership in space. Unimpeded access to and use of space is a vital national interest – essential for protecting U.S. national security, promoting our prosperity and ensuring our well-being. Consistent with our international obligations, we will deter threats to our interests in space, counter hostile efforts against U.S. access to and use of space, and maintain the ability to counter space systems and services that could be used for hostile purposes against our military forces, command and control systems, or other critical capabilities. We will maintain our technological superiority in space systems, and sustain a robust U.S. space industry and a strong, forward-looking research base. We also will continue efforts to prevent the spread of weapons of mass destruction to space, and will continue to pursue global partnerships addressing space-related scientific, economic, environmental and security issues.

We also are committed to maintaining information superiority – the capability to collect, process, and disseminate an uninterrupted flow of information while exploiting and/or denying an adversary's ability to do the same. Operational readiness, as well as the command and control of forces, relies increasingly on information systems and technology. We must keep pace with rapidly evolving information technology so that we can cultivate and harvest the promise of information superiority among U.S. forces and coalition partners while exploiting the shortfalls in our adversaries' information capabilities.

Quality people – civilian and military – are our most critical asset in implementing our defense activities. The quality of our men and women in uniform will be the deciding factor in future military operations. We must ensure that we remain the most fully prepared and best trained military force in the world. Accordingly, we will continue to place the highest priority on programs that support recruiting, retention, quality of life, training and education.

International Law Enforcement Cooperation

As threats to our national security from terrorism, drug trafficking and other international crime increase, U.S. and foreign law enforcement and judicial agencies must continue to find innovative ways to implement a concerted, global plan to combat international crime. As highlighted in the President's *International Crime Control Strategy*, one way to accomplish this is through cooperative activities, such as overseas law enforcement presence, that leverage our resources and foster the establishment of effective working relationships with foreign law enforcement agencies. U.S. investigators and prosecutors work to enlist the cooperation of foreign law enforcement officials, keeping crime away from American shores, enabling the arrest of many U.S. fugitives and solving serious U.S. crimes. This presence creates networks of law enforcement professionals dedicated to preventing crime and bringing international criminals to justice.

The Department of State and U.S. federal law enforcement agencies are engaged in a cooperative effort to provide assistance to law enforcement agencies in Central and Eastern Europe and East Asia through the International Law Enforcement Academies that have been established in Hungary and Thailand. The ILEA initiative is a multinational effort organized by the United States, the host nations, and other international training partners to provide mutual assistance and law enforcement training.

Environmental and Health Initiatives

Decisions today regarding the environment and natural resources can affect our security for generations. Environmental threats do not heed national borders; environmental peril overseas can pose long-term dangers to Americans' security and well-being. Natural resource scarcities can trigger and exacerbate conflict. Environmental threats such as climate change, stratospheric ozone depletion, introduction of nuisance plant and animal species, overharvesting of fish, forests and other living natural resources, and the transnational movement of hazardous chemicals and waste directly threaten the health and economic well-being of U.S. citizens.

We have a full diplomatic agenda to respond aggressively to environmental threats. For example, at Kyoto in December 1997, the industrialized nations of the world agreed for the first time to binding limits on greenhouse gases. This was a vital turning point, but we must press for participation by key developing nations and will not submit the Kyoto protocol for ratification until they have agreed to participate meaningfully in efforts to address global warming.

Diseases and health risks can no longer be viewed solely as a domestic concern. Like the global economy, the health and well-being of all peoples are becoming increasingly interdependent. With the movement of millions of people per day across international borders and the expansion of international trade, health issues as diverse as importation of dangerous infectious diseases and bioterrorism preparedness profoundly affect our national security. Besides reducing the direct threat to Americans from disease, healthy populations internationally provide an essential underpinning for economic development, democratization and political stability. We are, therefore, taking a leadership role to promote international cooperation on health issues.

Beyond these general concerns, a number of specific international health issues are critical for our national security. Because a growing proportion of our national food supply is coming from international sources, assuring the safety of the food we consume must be a priority. The Administration has announced new and stronger programs to ensure the safety of imported as well as domestic foods, to be overseen by the President's Council on Food Safety. New and emerging infections such as drug-resistant tuberculosis and the Ebola virus can move with the speed of jet travel. We are actively engaged with the international health community as well as the World Health Organization to stop the spread of these dangerous diseases.

The worldwide epidemic HIV/AIDS is destroying peoples and economies on an unprecedented scale and is now the number one cause of death in Africa, killing over 5,500 per day. The Administration has taken bold new steps to combat this devastating epidemic, including reaching agreement in 1999 with

the G-8 in Cologne to link debt relief with social programs such as HIV/AIDS prevention. And at the United Nations in September 1999, the President committed the United States to a concerted effort to accelerate the development and delivery of vaccines for AIDS, malaria, tuberculosis and other diseases disproportionately affecting the developing world. He announced plans for a special White House meeting to strengthen incentives to work with the private sector on common goals for fighting these diseases.

Responding to Threats and Crises

Because our shaping efforts alone cannot guarantee the international security environment we seek, the United States must be able to respond at home and abroad to the full spectrum of threats and crises that may arise. Our resources are finite, so we must be selective in our responses, focusing on challenges that most directly affect our interests and engaging where we can make the most difference. We must use the most appropriate tool or combination of tools – diplomacy, public diplomacy, economic measures, law enforcement, military operations, and others. We act in alliance or partnership when others share our interests, but unilaterally when compelling national interests so demand.

Efforts to deter an adversary – be it an aggressor nation, terrorist group or criminal organization – can become the leading edge of crisis response. In this sense, deterrence straddles the line between shaping the international environment and responding to crises. Deterrence in crisis generally involves signaling the United States' commitment to a particular country or interest by enhancing our warfighting capability in the theater. We may also choose to make additional statements to communicate the costs of aggression or coercion to an adversary, and in some cases may choose to employ U.S. forces to underline the message and deter further adventurism.

Transnational Threats

Transnational threats include terrorism, drug trafficking and other international crime, and illegal trade in fissile materials and other dangerous substances.

Terrorism

The United States has made concerted efforts to deter and punish terrorists, and remains determined to apprehend and bring to justice those who terrorize American citizens. We make no concessions to terrorists. We fully exploit all available legal mechanisms to punish international terrorists, eliminate foreign terrorists and their support networks in our country, and extend the reach of financial sanctions to international terrorist support networks. And we seek to eliminate terrorist sanctuaries overseas, counter state support for terrorism, and help other governments improve their capabilities to combat terrorism.

To respond to terrorism incidents overseas, the State Department leads an interagency team, the Foreign Emergency Support Team (FEST), which is prepared to deploy on short notice to the scene of an incident. FEST teams are tailored to the nature of the event and include personnel from the State Department, Defense Department, FBI, and other agencies as appropriate. Additionally, the FBI has five Rapid Deployment Teams ready to respond quickly to terrorist events anywhere in the world. The State Department is also working on agreements with other nations on response to WMD incidents overseas.

Whenever possible, we use law enforcement and diplomatic tools to wage the fight against terrorism. But there have been, and will be, times when those tools are not enough. As long as terrorists continue to target American citizens, we reserve the right to act in self-defense by striking at their bases and those who sponsor, assist or actively support them.

On August 20, 1998, acting on convincing information from a variety of reliable sources that the network of radical groups affiliated with Osama bin Laden had planned, financed and carried out the bombings of our embassies in Nairobi and Dar es Salaam, and planned future attacks against Americans, the U.S. Armed Forces carried out strikes on one of the most active terrorist bases in the world. Located in Afghanistan, it contained key elements of the bin Laden network's infrastructure and has served as a training camp for literally thousands of terrorists from around the globe. We also struck a plant in Khartoum, Sudan, that was linked by intelligence information to chemical weapons and to the bin Laden terror network. The strikes were a necessary

and proportionate response to the imminent threat of further terrorist attacks against U.S. personnel and facilities, and demonstrated that no country can be a safe haven for terrorists.

Drug Trafficking and Other International Crime

A broad range of criminal activities emanating from overseas threatens the safety and well-being of the American people.

Drug Trafficking. We have shown that with determined and relentless efforts, we can make significant progress against the scourge of drug abuse and drug trafficking. For much of this century, organized crime leaders inside the United States controlled America's drug trade. Aggressive law enforcement efforts have dramatically weakened U.S. crime syndicates. But international trade in drugs persists; now led by criminals based in foreign countries. International drug syndicates, especially those based in Mexico and Colombia, continue to diversify and seek new markets in the United States – moving beyond large cities into smaller communities and rural towns.

The aim of our drug control strategy is to cut illegal drug use and availability in the United States by 50 percent by 2007 – and reduce the health and social consequences of drug use and trafficking by 25 percent over the same period, through expanded prevention efforts, improved treatment programs, strengthened law enforcement and tougher interdiction. Our strategy recognizes that, at home and abroad, prevention, treatment and economic alternatives must be integrated with intelligence collection, law enforcement and interdiction efforts.

Domestically, we seek to educate and enable America's youth to reject illegal drugs, increase the safety of America's citizens by substantially reducing drug-related crime and violence, reduce health and social costs to the public of illegal drug use, reduce domestic cultivation of cannabis and production of methamphetamines and other synthetic drugs, and shield America's air, land and sea frontiers from the drug threat. Concerted efforts by the public, all levels of government and the private sector together with other governments, private groups and international organizations will be required for our strategy to succeed.

Internationally, our strategy recognizes that the most effective counterdrug operations are mounted at the source where illegal drugs are grown and produced. We seek to stop drug trafficking by bolstering the capabilities of source nations to reduce cultivation through eradication and development of alternative crops, and attack production through destruction of laboratories and control of chemicals used to produce illegal drugs. In the transit zone between source regions and the U.S. border, we support interdiction programs to halt the shipment of illicit drugs. In concert with allies abroad, we pursue prosecution of major drug traffickers, destruction of drug trafficking organizations, prevention of money laundering, and elimination of criminal financial support networks.

Our strategy also includes efforts to build cooperative links with foreign law enforcement agencies, strengthen democratic institutions, assist source nations to root out corruption, and safeguard human rights and respect for the rule of law in both source and transit nations. Additionally, we are engaging international organizations, financial institutions and non-governmental organizations in counterdrug cooperation.

Other International Crime. A free and efficient market economy requires transparency and effective law enforcement to combat unlawful activities such as extortion and corruption that impede rational business decisions and fair competition. The benefits of open markets are enhanced by fostering the safe and secure international movement of passengers and goods by all modes of transportation. Additionally, the integrity and reliability of the international financial system will be improved by standardizing laws and regulations governing financial institutions and improving international law enforcement cooperation in the financial sector. Corruption and extortion activities by organized crime groups can also undermine the integrity of government and imperil fragile democracies. And the failure of governments to effectively control international crime rings within their borders – or their willingness to harbor international criminals – endangers global stability. There must be no safe haven where criminals can roam free, beyond the reach of our extradition and legal assistance treaties.

We are negotiating and implementing new and updated extradition and mutual legal assistance treaties, and increasing our enforcement options through agreements on asset seizure, forfeiture, and

money laundering. The new National Money Laundering Strategy being implemented by the Departments of Treasury and Justice is increasing the effectiveness of America's efforts both domestically and internationally to deprive organized crime groups the benefit of their illegal profits. Initiatives also are under way to accelerate the criminal identification process and facilitate global participation in the investigation and prosecution of criminal activities through the linking of worldwide law enforcement databases. This will be done in a manner that protects the privacy of U.S. citizens.

Because of the global nature of information networks, no area of criminal activity has greater international implications than high technology crime. Computer hackers and other cyber-criminals are not hampered by international boundaries, since information and transactions involving funds or property can be transmitted quickly and covertly via telephone and information systems. Many of the challenges that law enforcement faces in this area are extremely difficult to address without international consensus and cooperation. We seek to develop and implement new agreements and encourage cooperative research and development with other nations to address high technology crime, particularly cyber-crime.

Defending the Homeland

Our potential enemies, whether nations or terrorists, may be more likely in the future to resort to attacks against vulnerable civilian targets in the United States. At the same time, easier access to sophisticated technology means that the destructive power available to rogue nations and terrorists is greater than ever. Adversaries may be tempted to use long-range ballistic missiles or unconventional tools, such as WMD, financial destabilization, or information attacks, to threaten our citizens and critical national infrastructures at home.

The United States will act to deter or prevent such attacks and, if attacks occur despite those efforts, will be prepared to defend against them, limit the damage they cause, and respond effectively against the perpetrators. At home, we will forge an effective partnership of Federal, state and local government agencies, industry and other private sector organizations.

National Missile Defense

We are committed to meeting the growing danger posed by nations developing and deploying long-range missiles that could deliver weapons of mass destruction against the United States. Informed by the Intelligence Community's analysis of the August 1998 North Korean flight test of its Taepo Dong I missile, as well as the report of the Rumsfeld Commission and other information, the Administration has concluded that the threat posed by a rogue state developing an ICBM capable of striking the United States is growing. The Intelligence Community estimates that during the next fifteen years the United States will most likely face an ICBM threat from North Korea, probably from Iran, and possibly from Iraq.

We intend to determine in 2000 whether to deploy a limited national missile defense against ballistic missile threats to the United States from rogue states. The Administration's decision will be based on an assessment of the four factors that must be taken into account in deciding whether to field this system: (1) whether the threat is materializing; (2) the status of the technology based on an initial series of rigorous flight tests, and the proposed system's operational effectiveness; (3) whether the system is affordable; and (4) the implications that going forward with NMD deployment would hold for the overall strategic environment and our arms control objectives, including efforts to achieve further reductions in strategic nuclear arms under START II and START III.

In making our decision, we will review progress in achieving our arms control objectives, including negotiating changes to the ABM Treaty that would permit the deployment of a limited NMD system. At the Cologne G-8 Summit in June 1999, Presidents Clinton and Yeltsin agreed to begin discussions on START III and the ABM Treaty. Their reaffirmation that under the ABM Treaty the two sides are obligated to consider possible changes in the strategic situation that have a bearing on the Treaty and possible proposals for further increasing the viability of the Treaty opened the door for discussion of proposals for modifying the Treaty to accommodate a limited NMD deployment. The United States will attempt to negotiate changes to the ABM Treaty that would be necessary if we decide to deploy a limited NMD system. At the same time, the

Administration has made clear that it will not give any state a veto over any missile defense deployment decision that is vital to our national security interests.

Countering Foreign Intelligence Collection

The United States is a primary target of foreign intelligence services due to our military, scientific, technological and economic preeminence. Foreign intelligence services aggressively seek information about U.S. political and military intentions and capabilities, and are stepping up their efforts to collect classified or sensitive information on U.S. weapons systems, emerging technologies with military applications, and related technical methods. Such information enables potential adversaries to counter U.S. political and military objectives, develop sophisticated weapons more quickly and efficiently, and develop countermeasures against U.S. weapons. Intelligence collection against U.S. economic, commercial and proprietary information enables foreign states and corporations to obtain shortcuts to industrial development and improve their competitiveness against U.S. corporations in global markets. Although difficult to quantify, economic and industrial espionage result in the loss of millions of dollars and thousands of jobs annually.

To protect sensitive national security information, we must be able to effectively counter the collection efforts of foreign intelligence services through vigorous counterintelligence efforts and security programs. Over the last five years, we have created new counterintelligence mechanisms to address economic and industrial espionage and implemented procedures to improve coordination among intelligence, counterintelligence and law enforcement agencies. These measures have considerably strengthened our ability to counter the foreign intelligence collection threat. We will continue to refine and enhance our counterintelligence capabilities as we enter the twenty-first century.

Domestic Preparedness Against Weapons of Mass Destruction

The Federal Government will respond rapidly and decisively to any terrorist incident in the United States involving WMD, working with state and local governments to restore order and deliver emergency assistance. The Domestic Terrorism Program is integrating the capabilities and assets of a number of Federal agencies to support the FBI, FEMA, the Department of Health and Human Services, and state and local governments in crisis response and managing the consequences of a WMD incident. We continue to develop and refine a comprehensive strategy to protect our civilian population from nuclear, biological and chemical weapons. We are upgrading our public health and medical surveillance systems to enhance our preparedness for a biological or chemical weapons attack, and helping to ensure that federal, state and local emergency response personnel have the resources they need to deal with such a crisis.

Critical Infrastructure Protection

Our national security and our economic prosperity rest on a foundation of critical infrastructures, including telecommunications, energy, banking and finance, transportation, water systems and emergency services. These infrastructures are vulnerable to computer-generated and physical attacks. More than any nation, America is dependent on cyberspace. We know that other governments and terrorist groups are creating sophisticated, well-organized capabilities to launch cyber-attacks against critical American information networks and the infrastructures that depend on them.

The President has directed that a plan for defending our critical infrastructures be in effect by May 2001, and fully operational by December 2003. Through this plan we will achieve and maintain the ability to protect our critical infrastructures from intentional acts that would significantly diminish the ability of the Federal Government to perform essential national security missions. This plan will also help ensure the general public health and safety; protect the ability of state and local governments to maintain order and to deliver minimum essential public services; and work with the private sector to ensure the orderly functioning of the economy and the delivery of essential telecommunications, energy, financial and transportation services.

The Federal government is committed to building this capability to defend our critical infrastructures, but it cannot do it alone. The private sector, as much as the Federal government, is a target for infrastructure attacks, whether by cyber or other means. A new

partnership between the Federal government and the private sector is required. Acting jointly, we will work to identify and eliminate significant vulnerabilities in our critical infrastructures and the information systems that support them.

We are creating the systems necessary to detect and respond to attacks before they can cause serious damage. For the first time, law enforcement, intelligence agencies and the private sector will share, in a manner consistent with U.S. law, information about cyber-threats, vulnerabilities and attacks. The Government is developing and deploying new intrusion detection network technologies to protect Defense Department and other critical Federal systems, and we are encouraging the private sector to develop and deploy appropriate protective technology as well. A nationwide system for quickly reconstituting in the face of a serious cyber-attack is being developed. Every Federal Department is also developing a plan to protect its own critical infrastructures, which include both cyber and physical dimensions.

Finally, we will be building a strong foundation for continued protection of our critical infrastructures: increased Federal R&D in information security, increased investment in training and educating cyber-security practitioners, and evaluating whether legislation is necessary to protect both our civil liberties and our critical infrastructures.

National Security Emergency Preparedness

We will do all we can to deter and prevent destructive and threatening forces such as terrorism, WMD use, disruption of our critical infrastructures, and regional or state-centered threats from endangering our citizens. But if an emergency occurs, we must be prepared to respond effectively at home and abroad to protect lives and property, mobilize the personnel, resources and capabilities necessary to effectively handle the emergency, and ensure the survival of our institutions and infrastructures. To this end, we will sustain our efforts to maintain comprehensive, all-hazard emergency planning by federal departments, agencies and the military, as well as a strong and responsive industrial and technology base, as crucial national security emergency preparedness requirements.

Smaller-Scale Contingencies

In addition to defending the U.S. homeland, the United States must be prepared to respond to the full range of threats to our interests abroad. Smaller-scale contingency operations encompass the full range of military operations short of major theater warfare, including humanitarian assistance, peace operations, enforcing embargoes and no-fly zones, evacuating U.S. citizens, and reinforcing key allies. These operations will likely pose frequent challenges for U.S. military forces and cumulatively require significant commitments over time. These operations will also put a premium on the ability of the U.S. military to work closely and effectively with other U.S. Government agencies, non-governmental organizations, regional and international security organizations and coalition partners.

It often will be in our national interest to proceed in partnership with other nations to preserve, maintain and restore peace. American participation in peace operations takes many forms, such as the NATO-led coalitions in Bosnia and Kosovo, the American-led UN force in Haiti, the recently concluded Military Observer Mission Ecuador and Peru (MOMEP), our participation in the coalition operation in the Sinai, military observers in UN missions in Western Sahara, Georgia and the Middle East, and the UN mission in East Timor.

The question of command and control in multinational contingency operations is particularly critical. Under no circumstances will the President ever relinquish his constitutional command authority over U.S. forces, but there may be times in the future, just as in the past, when it is in our interest to place U.S. forces under the temporary operational control of a competent allied or United Nations commander.

Not only must the U.S. military be prepared to successfully conduct multiple smaller-scale contingencies worldwide, it must be prepared to do so in the face of challenges such as terrorism, information operations and the threat or use of WMD. U.S. forces must also remain prepared to withdraw from contingency operations if needed to deploy to a major theater war. Accordingly, appropriate U.S. forces will be kept at a high level of readiness and will be trained, equipped and organized to be capable of performing multiple missions at one time.

Major Theater Warfare

Fighting and winning major theater wars is the ultimate test of our Armed Forces – a test at which they must always succeed. For the foreseeable future, the United States, preferably in concert with allies, must have the capability to deter and, if deterrence fails, defeat large-scale, cross-border aggression in two distant theaters in overlapping time frames. Maintaining a two major theater war capability reassures our friends and allies and makes coalition relationships with the United States more attractive. It deters opportunism elsewhere when we are heavily involved in deterring or defeating aggression in one theater, or while conducting multiple smaller-scale contingencies and engagement activities in other theaters. It also provides a hedge against the possibility that we might encounter threats larger or more difficult than expected. A strategy for deter ring and defeating aggression in two theaters ensures we maintain the capability and flexibility to meet unknown future threats, while continued global engagement helps preclude such threats from developing.

Fighting and winning major theater wars entails three challenging requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of the enemy's objectives in two theaters, in close succession. We must maintain this ability to ensure that we can seize the initiative, minimize territory lost before an invasion is halted and ensure the integrity of our warfighting coalitions. Failure to defeat initial enemy advances rapidly would make the subsequent campaign to evict enemy forces from captured territory more difficult, lengthy and costly, and could undermine U.S. credibility and increase the risk of conflict elsewhere.

Second, the United States must be prepared to fight and win under conditions where an adversary may use asymmetric means against us – unconventional approaches that avoid or undermine our strengths while exploiting our vulnerabilities. Because of our conventional military dominance, adversaries are likely to use asymmetric means, such as WMD, information operations or terrorism. Such asymmetric attacks could be used to disrupt the critical logistics pipeline – from its origins in the United States, along sea and air routes, at in-transit refueling and staging bases, to its termination at airfields, seaports and supply depots in theater – as well as our forces deployed in the field.

We are enhancing the preparedness of our Armed Forces to effectively conduct sustained operations despite the presence, threat or use of WMD. These efforts include development, procurement and deployment of theater missile defense systems to protect forward-deployed military personnel, as well as improved intelligence collection capabilities, heightened security awareness and force protection measures worldwide. We are also enhancing our ability to defend against hostile information operations, which could in the future take the form of a full-scale, strategic information attack against our critical national infrastructures, government and economy – as well as attacks directed against our military forces.

Third, our military must also be able to transition to fighting major theater wars from a posture of global engagement – from substantial levels of peacetime engagement overseas as well as multiple concurrent smaller-scale contingency operations. Withdrawing from such operations would pose significant political and operational challenges. Ultimately, however, the United States must accept a degree of risk associated with withdrawing from contingency operations and engagement activities in order to reduce the greater risk incurred if we failed to respond adequately to major theater wars.

The Decision to Employ Military Forces

The decision whether to use force is dictated first and foremost by our national interests. In those specific areas where our **vital interests** are at stake, our use of force will be decisive and, if necessary, unilateral.

In situations posing a threat to **important national interests,** military forces should only be used if they advance U.S. interests, they are likely to accomplish their objectives, the costs and risks of their employment are commensurate with the interests at stake, and other non-military means are incapable of achieving our objectives. Such uses of military forces should be selective and limited, reflecting the importance of the interests at stake. We act in concert with the international community whenever

possible, but do not hesitate to act unilaterally when necessary.

The decision to employ military forces to support our **humanitarian and other interests** focuses on the unique capabilities and resources the military can bring to bear, rather than on its combat power. Generally, the military is not the best tool for humanitarian concerns, but under certain conditions use of our Armed Forces may be appropriate. Those conditions are when the scale of a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond, when the need for relief is urgent and only the military has the ability to provide an immediate response, when the military is needed to establish the preconditions necessary for effective application of other instruments of national power, when a humanitarian crisis could affect U.S. combat operations, or when a response otherwise requires unique military resources. Such efforts by the United States, preferably in conjunction with other members of the international community, will be limited in duration, have a clearly defined mission and end state, entail minimal risk to American lives, and be designed to give the affected country the opportunity to restore its own basic services.

In all cases, the costs and risks of U.S. military involvement must be commensurate with the interests at stake. We will be more inclined to act where there is reason to believe that our action will bring lasting improvement. Our involvement will be more circumscribed when regional states or organizations are better positioned to act than we are. Even in these cases, however, the United States will be actively engaged with appropriate diplomatic, economic and military tools.

In every case, we will consider several critical questions before committing military force: Have we explored or exhausted non-military means that offer a reasonable chance of achieving our goals? Is there a clearly defined, achievable mission? What is the threat environment and what risks will our forces face? What level of effort will be needed to achieve our goals? What are the potential costs—human and financial—of the operation? What are the opportunity costs in terms of maintaining our capability to respond to higher-priority contingencies? Do we have milestones and a desired end state to guide a decision on terminating the mission?
Having decided that use of military forces is appropriate, the decision on how they will be employed is based on two guidelines. First, our forces will have a clear mission and the means to achieve their objectives decisively. Second, as much as possible, we will seek the support and participation of our allies, friends and relevant international institutions. When our vital interests are at stake, we are prepared to act alone. But in most situations, working with other nations increases the effectiveness of each nation's actions and lessens everyone's burden.

Sustaining our engagement abroad over the long term will require the support of the American people and the Congress to bear the costs of defending U.S. interests – including the risk of losing American lives. Some decisions to engage abroad with our military forces could well face popular opposition, but must ultimately be judged by whether they advance the interests of the American people in the long run. When it is judged to be in America’s interest to intervene, we must remain clear in our purposes and resolute in our actions.

Preparing for an Uncertain Future

We must prepare for an uncertain future even as we address today's security problems. We need to look closely at our national security apparatus to ensure its effectiveness by adapting its institutions to meet new challenges. This means we must transform our capabilities and organizations – diplomatic, defense, intelligence, law enforcement, and economic – to act swiftly and to anticipate new opportunities and threats in today’s continually evolving, highly complex international security environment. Preparing for an uncertain future also means that we must have a strong, competitive, technologically superior, innovative and responsive industrial and research and development base.

Within the military, transformation requires that we strike a balance among funding three critical priorities: maintaining the ability of our forces to shape and respond today, modernizing to protect the long-term readiness of the force, and transforming our unparalleled capabilities to ensure we can effectively shape and respond in the future. Transformation also means taking prudent steps to position ourselves to effectively counter unlikely but significant future threats, particularly asymmetric

threats. We also must work with Allies and coalition partners to help improve their defense capabilities and interoperability with our forces, in order to bolster the effectiveness of multinational operations across the full spectrum of potential military missions.

Transformation of our military forces is critical to meeting the military challenges of the next century. Exploiting the revolution in military affairs is fundamental if U.S. forces are to retain their dominance in an uncertain world. Investment in research and development while closely monitoring trends in likely future threats are important elements of our transformation effort. A carefully planned and focused modernization program will maintain our technological superiority and replace Cold War-era equipment with new systems and platforms capable of supporting the full spectrum of military operations.

Transformation extends well beyond the acquisition of new military systems – we seek to leverage technological, doctrinal, operational and organizational innovations to give U.S. forces greater capabilities and flexibility. Joint Forces Command and the Armed Services are pursuing an aggressive, wide-ranging innovation and experimentation program to achieve that transformation. The on-going integration of the Active and Reserve components into a Total Force is another important element of the transformation. Despite the rapid pace of technological innovation, the human dimension of warfare remains timeless. In this era of multinational operations and complex threats involving ethnic, religious, and cultural strife, regional expertise, language proficiency, and cross-cultural communications skills have never been more important to the U.S. military. We will continue to transform and modernize our forces, ensure the quality of our personnel, and explore new ways of optimizing the Total Force for future missions.

To support the readiness, modernization and transformation of our military forces, we will work with the Congress to enact legislation to implement the Defense Reform Initiative, which will free up resources through a revolution in business affairs. This effort includes competitive sourcing, acquisition reform, transformation of logistics, and elimination of excess infrastructure through two additional base realignment and closure rounds. The Administration, in partnership with the Congress, will continue to assure we maintain the best-trained, best-equipped and best-led military force in the world for the twenty-first century.

In the area of law enforcement, the United States is already facing criminal threats that are much broader in scope and much more sophisticated than those we have confronted in the past. Ongoing technological and economic revolutions such as the Internet and globalization of markets offer extraordinary benefits, but will also continue to present new dangers. We must prepare for the law enforcement challenges arising from emerging technology, globalization of trade and finance, and other international dynamics. Our strategy for the future calls for the development of new investigative tools and approaches as well as increased integration of effort among law enforcement agencies at all levels of government, both in America and abroad.

We will continue efforts to construct appropriate twenty-first century national security programs and structures government-wide. We will continue to foster innovative approaches and organizational structures to better protect American lives, property and interests at home and abroad.

Promoting Prosperity

The second core objective of our national security strategy is to promote America's prosperity through efforts at home and abroad. Our economic and security interests are inextricably linked. Prosperity at home depends on stability in key regions with which we trade or from which we import critical commodities, such as oil and natural gas. Prosperity also demands our leadership in international development, financial and trade institutions. In turn, the strength of our diplomacy, our ability to maintain an unrivaled military and the attractiveness of our values abroad depend in large part on the strength of our economy.

Strengthening Financial Coordination

As national economies become more integrated internationally, U.S. prosperity depends more than ever on economic developments abroad. Cooperation with other states and international

organizations is vital to protecting the health of the global economic system and responding to financial crises.

Global financial markets dominated by private capital flows provide both opportunities and risks, as highlighted by the international financial crisis of the past two years. Our goal is to build a stable, resilient global financial system that promotes strong global economic growth while providing broad benefits in all countries. We have worked with our G-7 partners and the rest of the international community to pursue reforms in six broad areas: strengthening and reforming international institutions and arrangements; enhancing transparency and promoting best practices; strengthening financial regulation in industrial countries; strengthening macroeconomic policies and financial systems in emerging markets; improving crisis prevention and management, and involving the private sector; and promoting social policies to protect the poor and most vulnerable.

The United States has played an important role in initiating a process of broader participation in financial architecture discussions, especially to include a substantial number of emerging market economies. In furtherance of this goal, we agreed to create the G-20 to provide a new mechanism for informal dialogue in the framework of the Bretton Woods institutional system to broaden the discussions on key economic and financial policy issues and promote cooperation to achieve stable and sustainable world economic growth. International financial institutions, particularly the International Monetary Fund (IMF), have an important role to play in building a stronger global financial system. To ensure that it is better positioned to meet the challenges of the changed world, we are pursuing a number of IMF reforms, including: requiring greater openness and transparency; building strong national financial systems; promoting an appropriate role for the private sector in preventing and resolving financial crises; and giving greater attention in IMF country programs to governance, poverty reduction, social, labor, and environmental concerns.

Promoting an Open Trading System

In a world where over 96 percent of the world's consumers live outside the United States, we must continue to expand our international trade to sustain economic growth at home. The rapidly expanding global economy presents enormous opportunities for American companies and workers, particularly in emerging markets. Our prosperity as a nation in the twenty-first century will depend upon our ability to compete effectively in international markets.

The Administration remains committed to carrying forward the success of the Uruguay Round under the General Agreement on Tariffs and Trade (GATT), and to the success of the World Trade Organization (WTO) as a forum for openly resolving disputes. We completed the Information Technology Agreement, which goes far toward eliminating tariffs on high technology products, and concluded a landmark WTO agreement that will dramatically liberalize trade in telecommunications services. The WTO agenda includes further negotiations to reform agricultural trade, liberalize service sector markets, encourage unfettered development of electronic commerce, and strengthen protection for intellectual property rights.

We also have a full agenda of accession negotiations with economies seeking to join the WTO. The United States is setting high standards for accession in terms of adherence to the rules and market access. Accessions offer an opportunity to help ground new economies in the rules-based trading system and reinforce their own reform programs.

An OECD Convention on criminalizing the bribery of foreign officials entered into force in 1999. The United States and 16 other countries are currently parties. It provides for a monitoring process, based on peer review, to evaluate parties' implementation of the Convention. As parties enact anti-bribery laws, the tax deductibility of bribes to foreign officials will be eliminated. We are seeking an agreement in the WTO on transparency in government procurement.

We have also made important strides on labor issues. WTO members have affirmed their commitment to observing core labor standards: the right to organize and bargain collectively, and prohibitions against employment discrimination, child labor and forced labor. We will continue pressing for better integration of the international core labor standards into the WTO's work, including through closer WTO interaction with the International Labor Organization (ILO).

We will continue to ensure that liberalization of trade does not come at the expense of national security or

environmental protection. For example, the national security, law enforcement and trade policy communities worked together to make sure that the WTO agreement liberalizing global investment in telecommunications was consistent with U.S. national security interests. Moreover, our leadership in the Uruguay Round negotiations led to the incorporation of environmental provisions into the WTO agreements and creation of the Committee on Trade and Environment, which continues to pursue the goal of ensuring that trade and environment policies are mutually supportive.

Although significant differences remain, we made progress on this broad agenda at the recent WTO Ministerial meeting in Seattle. We will work to ensure that a new round of global trade talks includes bringing down barriers in agriculture, manufacturing and services, keeping electronic commerce tariff-free, and ensuring that trade will lift living conditions for working people everywhere while protecting the environment. We remain determined to move forward on the path of free trade and economic growth while ensuring that a human face is put on the global economy.

In addition to working in the WTO, the Administration will continue to press for more open markets through regional economic organizations – such as the Asia Pacific Economic Cooperation Forum (APEC), the Transatlantic Economic Partnership, the President's economic partnership with sub-Saharan Africa, and the Free Trade Area of the Americas (FTAA).

Trade agreement implementing authority is essential for advancing our nation's economic interests. Congress has consistently recognized that the President must have the authority to break down foreign trade barriers and create good jobs. Accordingly, the Administration will continue to work with Congress to fashion an appropriate grant of fast track authority.

Enhancing American Competitiveness

Gaining full benefit of more open markets requires an integrated strategy that maintains our technological advantages, promotes American exports abroad, and ensures that export controls intended to protect our national security do not unnecessarily make U.S. high technology companies less competitive globally.

Technological advantage. We will continue to support a vigorous science and technology base that promotes economic growth, creates high-wage jobs, sustains a healthy, educated citizenry, and provides the basis for our future military systems. We will invest in education and training to develop a workforce capable of participating in our rapidly changing economy. And we will invest in world-class transportation, information and space infrastructures for the twenty-first century.

Export Advocacy. The Administration created America's first national export strategy, reforming the way government works with the private sector to expand exports. The Trade Promotion Coordination Committee has been instrumental in improving export promotion efforts, coordinating our export financing, implementing a government-wide advocacy initiative, and updating market information systems and product standards education.

The export strategy is working, with the United States regaining its position as the world's largest exporter. While our strong export performance has supported millions of new, export-related jobs, we must export more in the years ahead if we are to further strengthen our trade balance position and raise living standards with high-wage jobs.

Enhanced Export Control. The United States is a world leader in high technology exports, including satellites, cellular phones, computers, information security, and commercial aircraft. Some of this technology has direct or indirect military applications, or may otherwise be used by states or transnational organizations to threaten our national security. For that reason, the United States government carefully controls high technology exports by placing appropriate restrictions on the sale of goods and technologies that could be used for military purposes or otherwise impair our security. These controls recognize that in an increasingly competitive global economy where there are many non-U.S. suppliers, excessive restrictions will not limit the availability of high technology goods. Rather, they would serve only to make U.S. high technology companies less competitive globally, thus losing market share and becoming less able to produce cutting-edge products for the U.S. military and our allies.

Our current policy recognizes that we must balance a variety of factors. While acting to promote high technology exports by making license decisions more transparent, predictable and timely through a rigorous

licensing process administered by the Department of Commerce, we also expanded review of dual-use applications by the Departments of Defense, State and Energy. If any of these agencies disagree with a proposed export, it can put the issue into a dispute resolution process that can ultimately rise to the President. As a result, reviews of dual-use licenses are today more thorough than ever before. In the case of munitions exports, we are committed to a policy of responsible restraint in the transfer of conventional arms and technologies that could contribute to WMD. A key goal in the years ahead is to strengthen worldwide controls in those areas.

Encryption is an example of a specific technology where careful balance is required. Export controls on encryption must be considered as part of an overall policy that balances several important national interests, including promoting secure electronic commerce, protecting privacy rights, supporting public safety and national security interests, and maintaining U.S. industry leadership. Over the past year, the Administration, in consultation with industry and privacy groups, conducted a review of its encryption policy as well as foreign and domestic markets, and announced an updated policy in September 1999. While continuing a balanced approach, the new policy significantly streamlines export controls while protecting critical national security interests. When the new encryption export regulation is published in early 2000, U.S. companies will be afforded new opportunities to sell their encryption products without limits on key length to global businesses, commercial organizations and individuals. Most U.S. mass-market software products, previously limited to 40 and 56 bit keys, will be approved for export to any end user.

Similarly, computers are a technology where we must apply export controls in a manner that addresses our national security concerns and continues to help strengthen America's competitiveness. In doing so, we face extraordinarily rapid technological changes. Maintaining outdated controls on commodity level computers would hurt U.S. companies without benefiting our national security. Recognizing this, the Administration announced reforms to export controls on computers in July 1999 that permit higher levels of computers to be sold to countries which are friendly to the United States. For countries that present risks from a national security viewpoint, the Administration will continue its policy of maintaining a lower threshold for military end-users than civilian end-users. Export control agencies will review advances in computer technology on an ongoing basis and will provide the President with recommendations to update computer export controls every six months.

U.S. efforts to stem proliferation cannot be effective without the cooperation of other countries. We have strengthened cooperation through the Nuclear Suppliers Group, the Missile Technology Control Regime, the Zangger Committee, the Australia Group for the control of chemical and biological weapons-related related items, and the Wassenaar Arrangement for greater transparency in conventional arms transfers. These efforts enlist the world community in the battle against the proliferation of weapons of mass destruction, advanced conventional weapons and sensitive technologies, while at the same time producing a level playing field for U.S. business by ensuring that our competitors face corresponding export controls.

Providing for Energy Security

The United States depends on oil for about 40 percent of its primary energy needs, and roughly half of our oil needs are met with imports. And although we import less than 15% of the oil exported from the Persian Gulf, our allies in Europe and Japan account for about 80% of those exports. The United States is undergoing a fundamental shift away from reliance on Middle East oil. Venezuela is our number one foreign supplier, and Africa supplies 15% of our imported oil. Canada, Mexico and Venezuela combined supply almost twice as much oil to the United States as the Arab OPEC countries. The Caspian Basin, with potential oil reserves of 160 billion barrels, promises to play an increasingly important role in meeting rising world energy demand in coming decades.

Conservation measures and research leading to greater energy efficiency and alternative fuels are a critical element of the U.S. strategy for energy security. Our research must continue to focus on developing highly energy-efficient buildings, appliances, and transportation and industrial systems, shifting them where possible to alternative or renewable fuels, such as hydrogen, fuel cell technology, ethanol, or methanol from biomass.

Conservation and energy research notwithstanding, the United States will continue to have a vital interest in

ensuring access to foreign oil sources. We must continue to be mindful of the need for regional stability and security in key producing areas to ensure our access to, and the free flow of, these resources.

Promoting Sustainable Development

Developing countries face an array of challenges in their efforts to achieve broad-based economic and social progress and participate more fully in the opportunities presented by globalization. Poor environmental and natural resource management can impede sustainable development efforts and promote regional instability. Many nations are struggling to provide jobs, education and other services to their citizens. Three billion people, half the world's population, subsist on less than two dollars a day. Their continued poverty leads to hunger, malnutrition, economic migration and political unrest. Malaria, AIDS and other epidemics, including some that can spread through environmental damage, threaten to overwhelm the health facilities of developing countries, disrupt societies and economic growth, and spread disease to other parts of the world.

Sustainable development brings higher incomes and more open markets that create steadily expanding opportunities for U.S. trade and investment. It improves the prospects for democracy and social stability in developing countries and increases global economic growth, on which the demand for U.S. exports depends. It alleviates pressure on the global environment, reduces the attraction of the illegal drug trade and other illicit commerce, and improves health and economic productivity. U.S. foreign assistance focuses on five key elements of sustainable development: broad-based economic growth, human capacity development, environmental protection, population and health, and democracy. We will continue to advocate environmentally sound private investment and responsible approaches by international lenders.

Promoting Democracy and Human Rights

The third core objective of our national security strategy is to promote democracy, human rights, and respect for the rule of law. In the past decade, the movement of nations away from repressive governance and toward democratic and publicly accountable institutions has been extraordinary. Since the success of many of those changes is by no means assured, our strategy must focus on strengthening the commitment and capacity of nations to implement democratic reforms, protect human rights, fight corruption and increase transparency in government.

Emerging Democracies

The United States works to strengthen democratic and free market institutions and norms in all countries, particularly those making the transition from closed to open societies. This commitment to see freedom and respect for human rights take hold is not only just, but pragmatic. Our security depends upon the protection and expansion of democracy worldwide, without which repression, corruption and instability could engulf a number of countries and threaten the stability of entire regions.

The sometimes-difficult road for new democracies in the 1990's demonstrates that free elections are not enough. Genuine, lasting democracy also requires respect for human rights, including the right to political dissent; freedom of religion and belief; an independent media capable of engaging an informed citizenry; a robust civil society; the rule of law and an independent judiciary; open and competitive economic structures; mechanisms to safeguard minorities from oppressive rule by the majority; full respect for women's and workers' rights; and civilian control of the military.

The United States is helping consolidate democratic and market reforms in Central and Eastern Europe and the newly independent states of the former Soviet Union. Integrating new democracies in Europe into European political, economic and security organizations, such as NATO, OSCE, the EU and the Council of Europe, will help lock in and preserve the impressive progress these nations have made in instituting democratic and market-economic reforms. Consolidating advances in democracy and free markets in our own hemisphere remain a priority. In the Asia Pacific region, economic dynamism is increasingly associated with political modernization, democratic evolution, and the widening of the rule of law. Indonesia's October 1999 election was a significant step toward democracy and we will do our part to help Indonesia continue on that path. In

Africa, we are particularly attentive to states, such as South Africa and Nigeria, whose entry into the community of market democracies may influence the future direction of an entire region.

The methods for assisting emerging democracies are as varied as the nations involved. Our public diplomacy programs are designed to share our democratic experience in both government and civil society with the publics in emerging democracies. We must continue leading efforts to mobilize international economic and political resources, as we have with Russia, Ukraine and other countries in Eastern Europe and Eurasia and with Southeast Europe. We must take firm action to help counter attempts to reverse democracy, as we have in Haiti and Paraguay.

We must help democratizing nations strengthen the pillars of civil society, supporting administration of justice and rule of law programs, promoting the principle of civilian control of the military, and training foreign police and security forces to solve crimes and maintain order without violating the basic rights of their citizens. And we must seek to improve their market institutions and fight corruption and political discontent by encouraging good governance practices and a free and independent local media that promotes these principles.

Adherence to Universal Human Rights and Democratic Principles

We must sustain our efforts to press for adherence to democratic principles, and respect for basic human rights and the rule of law worldwide, including in countries that continue to defy democratic advances. Working bilaterally and through international institutions, the United States promotes universal adherence to democratic principles and international standards of human rights. Our efforts in the United Nations and other organizations are helping to make these principles the governing standards for acceptable international behavior.

Ethnic conflict represents a great challenge to our values and our security. When it erupts in ethnic cleansing or genocide, ethnic conflict is a grave violation of universal human rights. Innocent civilians should not be subject to forcible relocation or slaughter because of their religious, ethnic, racial, or tribal heritage. In addition to being a cause for concern on humanitarian grounds, ethnic conflict can threaten regional stability and may give rise to potentially serious national security concerns.

We will work to strengthen the capacity of the international community to prevent and, whenever possible, stop outbreaks of mass killing and displacement. The United States and other countries cannot respond to every humanitarian crisis in the world. But when the world community has the power to stop genocide and ethnic cleansing, we will work with our allies and partners, and with the United Nations, to mobilize against such violence – as we did in Bosnia and Kosovo.

Our response will not be the same in every case. Sometimes collective military action is both appropriate and feasible. Sometimes concerted economic and political pressure, combined with diplomacy, is a better answer. The way the international community responds will depend upon the capacity of countries to act, and on their perception of their national interests.

Events in the Bosnia conflict and preceding the 1994 genocide in Rwanda demonstrate the unfortunate power of inaccurate and malicious information in conflict-prone situations. We must enhance our ability to make effective use of our communications and information capabilities to counter misinformation and incitement, mitigate ethnic conflict, promote independent media organizations and the free flow of information, and support democratic participation.

We will also continue to work – bilaterally and with international institutions – to ensure that international human rights principles protect the most vulnerable or traditionally oppressed groups in the world – women, children, workers, refugees and other persecuted persons. To this end, we will seek to strengthen international mechanisms that promote human rights and address violations of international humanitarian law, such as the UN Human Rights Commission and the international war crimes tribunals for the former Yugoslavia and Rwanda. We strongly support wide ratification of the ILO Convention on the Worst Forms of Child Labor. We also aim to implement fully those international human rights treaties to which we are a party.

It is our aim to ensure temporary protection for persons fleeing situations of armed conflict or generalized human rights abuses by encouraging governments to

not return refugees to countries where they face persecution or torture. We also seek to focus additional attention on the more vulnerable or traditionally oppressed people by spearheading new international initiatives to combat the sexual exploitation of minors, child labor, homelessness among children, and the use of child soldiers.

Violence against and trafficking in women and children are international problems with national implications. We have seen cases of trafficking in the United States for purposes of forced prostitution, sweatshop labor and domestic servitude. Our efforts have expanded to combat this problem, both nationally and internationally, by increasing awareness, focusing on prevention, providing victim assistance and protection, and enhancing law enforcement. The President continues to call upon the Senate to give its advice and consent to ratification to the Convention on the Elimination of all Forms of Discrimination Against Women, which will enhance our efforts to combat violence against women, reform unfair inheritance and property rights, and strengthen women's access to fair employment and economic opportunity.

Promotion of religious freedom is one of the highest concerns in our foreign policy. Freedom of thought, conscience and religion is a bedrock issue for the American people. To that end, the President signed the International Religious Freedom Act of 1998, which provides the flexibility needed to advance religious freedom and to counter religious persecution. In September 1999, we completed the first phase outlined in the Act with publication of the first annual report on the status of religious freedom worldwide, and in October, we designated the most severe violators of religious freedom. The United States is active throughout the world assisting those who are persecuted because of their religion and promoting freedom of religious belief and practice. We will continue to work with individual nations and with international institutions to combat religious persecution and promote religious freedom.

The United States will continue to speak out against human rights abuses and carry on human rights dialogues with countries willing to engage with us constructively. Because police and internal security services can be a source of human rights violations, we use training and contacts between U.S. law enforcement and their foreign counterparts to help address these problems. We do not provide training to police or military units implicated in human rights abuses. When appropriate, we are prepared to take strong measures against human rights violators. These include economic sanctions, visa restrictions and restricting sales of arms and police equipment that may be used to commit human rights abuses.

Humanitarian Activities

Our efforts to promote democracy and human rights are complemented by our humanitarian programs, which are designed to alleviate human suffering, address resource and economic crises that could have global implications, pursue appropriate strategies for economic development, and support and promote democratic regimes that respect human rights and the rule of law.

We also must seek to promote reconciliation in states experiencing civil conflict and to address migration and refugee crises. To this end, the United States will provide appropriate financial support and work with other nations and international bodies, such as the International Committee of the Red Cross and the UN High Commissioner for Refugees. We also will assist efforts to protect the rights of refugees and displaced persons and to address the economic and social root causes of internal displacement and international flight.

Private firms and non-governmental organizations are natural allies in activities and efforts intended to address humanitarian crises and bolster democracy and market economies. We have natural partners in labor unions, human rights groups, environmental advocates, chambers of commerce and election monitors in promoting democracy and respect for human rights and in providing international humanitarian assistance; thus, we should promote democratization efforts through private and non-governmental groups as well as foreign governments.

Supporting the global movement toward democracy requires a pragmatic, long-term effort focused on both values and institutions. Our goal is a broadening of the community of free-market democracies, and stronger institutions and international non-governmental movements committed to human rights and democratization.

III. Integrated Regional Approaches

Our policies toward different regions reflect our overall strategy tailored to their unique challenges and opportunities.

Europe and Eurasia

European stability is vital to our own security. The United States has two strategic goals in Europe. The first is to build a Europe that is truly integrated, democratic, prosperous and at peace -- a realization of the vision the United States launched 50 years ago with the Marshall Plan and the North Atlantic Treaty Organization (NATO). Our second goal is to work with our allies and partners across the Atlantic to meet the global challenges no nation can meet alone. This means working together to consolidate this region's historic transition in favor of democracy and free markets; to support peace efforts in troubled regions; to tackle global threats such as environmental and health problems, terrorism, drug trafficking, the spread of weapons of mass destruction and other potentially dangerous technologies; and to build a more open world economy without barriers to transatlantic trade and investment.

Enhancing Security

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. As the leading guarantor of European security and a force for European stability, NATO must play a leading role in promoting a more integrated and secure Europe, prepared to respond to new challenges. We will maintain approximately 100,000 military personnel in Europe to fulfill our commitments to NATO, provide a visible deterrent against aggression and coercion, contribute to regional stability, respond to crises, sustain our vital transatlantic ties and preserve U.S. leadership in NATO.

NATO is pursuing several initiatives to enhance its ability to respond to the new challenges it will face in the twenty-first century. At NATO's Fiftieth Anniversary Summit in April 1999, Alliance leaders adopted an expansive agenda to adapt and prepare NATO for current and future challenges. This included an updated Strategic Concept, which envisions a larger, more capable and more flexible Alliance, committed to collective defense and able to undertake new missions. The Defense Capabilities Initiative aims to improve defense capabilities and interoperability among NATO military forces, thus bolstering the effectiveness of multinational operations across the full spectrum of Alliance missions, to include Partner forces where appropriate. The WMD Initiative will increase Alliance efforts against weapons of mass destruction and their means of delivery.

NATO enlargement has been a crucial element of the U.S. and Allied strategy to build an undivided, peaceful Europe. At the April 1999 NATO Summit, the alliance welcomed the entry of Poland, Hungary and the Czech Republic as new members. These three nations will make the Alliance stronger while helping to enlarge Europe's zone of democratic stability.

Together with our Allies, we are pursuing efforts to help other countries that aspire to membership become the best possible candidates. These efforts include the NATO Membership Action Plan and our Partnership for Peace. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in promoting Western-style reform of the armed forces of Central and Eastern Europe and Eurasia and helping them become more interoperable with NATO. Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal vehicle for such relationships. It formalizes relations, provides a

mechanism for mutual beneficial interaction and establishes a sound basis for combined action should that be desired. This can be seen in the major contributions some Partnership for Peace members have made to NATO missions in the Balkans.

NATO is pursuing several other initiatives to enhance its ability to respond to new challenges and deepen ties between the Alliance and Partner countries. NATO has launched the Euro-Atlantic Partnership Council to strengthen political dialogue and practical cooperation with all Partners, and established a distinctive partnership with Ukraine, which provides a framework for enhanced relations and practical cooperation. As a result of the 1997 NATO-Russia Founding Act, NATO and Russia launched the Permanent Joint Council to enhance political consultation and practical cooperation, while retaining NATO's decision-making authority. Our shared goal remains to deepen and expand constructive Russian participation in the European security system.

The Organization for Security and Cooperation in Europe (OSCE) has a key role to play in enhancing Europe's stability. It provides the United States with a venue for developing Europe's security architecture in a manner that complements our NATO strategy. In many instances, cooperating through the OSCE to secure peace, deter aggression, and prevent, defuse and manage crises offers a comparative advantage because it is more cost effective than unilateral action. The November 1999 Istanbul OSCE Summit agreed on principles and modalities to further such cooperation in the Charter on European Security. The Charter commits members to, among other things, the establishment of Rapid Expert Assistance and Cooperation Teams to assist in conflict prevention and crisis management. The Charter also recognizes that European security in the twenty-first century increasingly depends on building security within societies as well as security between states. The United States will continue to give strong support to the OSCE as our best choice to engage all the countries of Europe, the Caucasus, and Central Asia in an effort to advance democracy, human rights and the rule of law, and to encourage them to support one another when instability, insecurity and human rights violations threaten peace in the region.

The Balkans and Southeastern Europe: The United States has an abiding interest in peace in this region because continued instability there threatens European security. We are working to advance the integration of several new democracies in Southeastern Europe (Albania, Bosnia, Bulgaria, Croatia, Macedonia, Romania, and Slovenia) into the European mainstream. More specifically, the President's Action Plan for Southeast Europe seeks to promote further democratic, economic and military reforms in these countries, to encourage greater regional cooperation, advance common interests, such as closer contact with NATO, and increased law enforcement training and exchanges to assist in the fight against organized crime. We are working to promote increased security cooperation among NATO Allies and Partners in the region through the Southeast Europe Defense Ministerial process and NATO's Southeast Europe Initiative. We are also working with the region, the EU and others to strengthen overall democratization, economic development and security through the Stability Pact for Southeastern Europe, initiated by the EU and launched by President Clinton and other leaders at Sarajevo in July 1999. The Pact also seeks to deepen regional cooperation and draw those countries closer to the rest of Europe and the United States, thereby giving them an opportunity to demonstrate that they are ready for integration into Euro-Atlantic institutions.

Kosovo and Serbia-Montenegro: After this year's successful NATO intervention in Kosovo, the stability of the Balkans is still threatened by the vestiges of ethnic hatred and political repression. As the United States and NATO remain engaged in helping the people of the region build a stable and secure future for the Balkans, we remain prepared to address renewed threats to the region's stability. Constitutional challenges between Serbia and a democratic and reform-minded Montenegro pose a danger for renewed conflict. And in Kosovo, the last decade of Serbia's systemic repression of Kosovar Albanians leaves a volatile mixture of disenfranchisement, displacement and revenge-seekers.

NATO military operations against Serbia in the spring of 1999 had three clear goals: the withdrawal of all Serb military, paramilitary, and police forces from Kosovo; the unconditional and safe return of all refugees and displaced persons to Kosovo; and deployment of an international security force, with NATO at its core, to protect all the people of Kosovo -- Serbs, Albanians and others. Those goals were achieved. Now, NATO, the UN and the international community face the challenge of establishing a stable

environment that provides for the security and dignity of all people in Kosovo. Much has been achieved to this end. Mine fields are being cleared; homes are being rebuilt; nearly a million Kosovars who returned to the province are receiving food, shelter and medicine; investigations into the fate of the missing are ongoing; and the Kosovar Liberation Army has been demilitarized.

Over 48,000 troops from 30 countries have participated in the Kosovo Force (KFOR). Our European allies have provided the vast majority of them; America will continue to contribute about 7,000. Russian and other non-NATO participation in KFOR remains an important demonstration of international commitment and provides reassurance to all the people of Kosovo that they will live in peace and security. KFOR continues to operate under NATO command and control and rules of engagement set by NATO. It has the means and the mandate to protect itself while doing its job. Under the security environment established by KFOR, the United Nations has established an interim civilian administration and a 4,700-person international police force that will assist the Kosovars in building institutions of self-government. As local institutions take hold, and as international and indigenous police forces establish law and order, NATO will be able to turn over increasing responsibility to them.

A final challenge will be to encourage Serbia to join its neighbors in this historic journey to a peaceful, democratic, united Europe. But as long as Slobodan Milosevic remains in power we will not provide support for the reconstruction of Serbia. We are providing humanitarian aid, and will be willing to help build a better future for Serbia when its government represents tolerance and freedom, not repression and terror. We are also providing support for democratic forces in Serbia to strengthen independent political parties and a free media, and to accelerate Serbia's transition to democracy.

Bosnia and Croatia: Full implementation of the Dayton Accords is the best hope for creating a self-sustaining peace in Bosnia. NATO-led forces are contributing to a secure environment in Bosnia and providing essential support for broader progress in implementing the Dayton Accords. However, further progress is necessary to create conditions that will allow implementation to continue without a major international military presence. We continue to support the efforts of the International Criminal Tribunal for the former Yugoslavia by assisting in the location, detention and transfer of suspected war criminals, and supporting the international community's efforts to eliminate corruption, expose outside influence, facilitate the return of refugees, and promote justice and reconciliation in Bosnia. We are working to accelerate market economic reforms in Bosnia and Croatia and support a transition to democracy in Croatia.

Cyprus and the Aegean: Tensions on Cyprus, Greek-Turkish disagreements in the Aegean and Turkey's relationship with the EU have serious implications for regional stability and the evolution of European political and security structures. Our goals are to stabilize the region by reducing long-standing Greek-Turkish tensions and pursuing a comprehensive settlement on Cyprus. A democratic, secular, stable and Western-oriented Turkey is critical to these efforts and has supported broader U.S. efforts to enhance stability in Bosnia, the nations of the former Soviet Union and the Middle East, as well as to contain Iran and Iraq. The President's recent trip to Turkey and Greece highlighted encouraging signs of progress for reconciliation in the region, including talks on the Cyprus dispute that are being held under the auspices of the UN in New York. The EU's historic decision at its Helsinki Summit to grant candidate status to Turkey reinforced this positive trend.

The Baltic States: The special nature of our relationship with Estonia, Latvia and Lithuania is recognized in the 1998 Charter of Partnership, which clarifies the principles upon which U.S. relations with the Baltic states are based and provides a framework for strengthening ties and pursuing common goals. These goals include integration of Latvia, Lithuania and Estonia into the transatlantic community and development of close, cooperative relationships among all the states in Northeastern Europe. Through the Northern European Initiative we seek to strengthen regional cooperation, enhance regional security and stability, and promote the growth of Western institutions, trade and investment by bringing together the governments and private sector interests in the Baltic and Nordic countries, Poland, Germany and Russia.

Northern Ireland: Historic progress was achieved in implementing the Good Friday Accord when, on December 2, 1999, an inclusive power-sharing government was formed in Northern Ireland, the principle of consent was accepted with respect to any

change in the territorial status of Northern Ireland, new institutions were launched for North-South cooperation on the island of Ireland, and the Irish Republican Army named a representative to the Independent International Commission on Decommissioning of paramilitary weapons (loyalist paramilitaries named their representatives to the commission soon thereafter). These developments followed continued progress in promoting human rights and equality in Northern Ireland, including the important recommendations put forward for police reform in the Patten Report issued on September 9, 1999.

The United States continues to work with the British and Irish governments and the political leaders in Northern Ireland to achieve full implementation of the Good Friday Accord. Working through the International Fund for Ireland and the private sector, we will help the people seize the opportunities that peace will bring to attract new investment and bridge the community divide, create new factories, workplaces and jobs, and establish new centers of learning for the twenty-first Century.

Russia and the Newly Independent States (NIS): There is no historical precedent for the transition underway in Russia, Ukraine, and other NIS. The United States has core national interests at stake in those endeavors and has acted quickly to help people across the NIS to break the back of the Soviet regime. But the Soviet system's collapse created new challenges. In Russia, for example, rigidity often gave way to laxness and disorder – too many rules were replaced by too few. The United States' strategy of engagement with each of the NIS recognizes that their transformation will be a long-term endeavor, with far-reaching implications for regional and global stability, as well as disappointments and setbacks along the way.

Russia, Ukraine, and most other NIS are now electoral democracies, although we will continue to engage with all these countries to improve their electoral processes and help strengthen civil society by working with grassroots organization, independent media and emerging entrepreneurs. Though the transition from communism to market democracy is far from complete, the NIS have largely dismantled state controls over their economies and liberalized prices. It is in our national interest to help them build the laws, institutions and skills needed for a market democracy, to fight crime and corruption and to advance human rights and the rule of law. The conflict in Chechnya represents a major problem in Russia's post-Communist development and relationship with the international community; the means Russia is pursuing in Chechnya are undermining its legitimate objective of upholding its territorial integrity and protecting citizens from terrorism and lawlessness.

The United States strategy in Russia and the NIS has made every American safer. Threat reduction programs have helped deactivate former Soviet nuclear warheads and make it far less likely that sensitive materials, technology, expertise, or equipment do not fall into the wrong hands. We are working aggressively to strengthen export controls in Russia and the other NIS and to stem proliferation of sensitive missile and nuclear technology to countries of concern such as Iran. The Administration has supported the sovereignty and territorial integrity of the NIS, including through agreement on an adapted CFE Treaty, which provides schedules for the withdrawal of Russian forces from Georgia and Moldova. The integration of Russia, Ukraine, and other NIS with the new Europe and the international community remains a key priority. Despite disagreements over NATO enlargement and the Kosovo conflict, Russian troops serve shoulder-to-shoulder with U.S. and NATO forces in Kosovo and Bosnia. The United States remains committed to further development of the NATO-Russia relationship and the NATO-Ukraine distinctive partnership.

Promoting Prosperity

Europe is a key element in America's global commercial engagement. Europe and the United States produce almost half of all global goods and services; more than 60% of total U.S. investment abroad is in Europe; and fourteen million workers on both sides of the Atlantic earn their livelihoods from transatlantic commerce. As part of the New Transatlantic Agenda launched in 1995, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through creation of an open New Transatlantic Marketplace and through Mutual Recognition Agreements in goods that eliminate redundant testing and certification requirements. Our governments are also cooperating closely with the civil society dialogues established under the New Transatlantic Agenda: the Transatlantic

Business Dialogue, Transatlantic Consumer Dialogue, Transatlantic Environment Dialogue, and Transatlantic Labor Dialogue. These people-to-people dialogues create opportunities for increased communication focusing on best practices, and can help their governments identify and reduce barriers to greater transatlantic interaction. In return, our governments should be committed to listen, learn, and facilitate.

Building on the New Transatlantic Agenda, the United States and the EU launched the Transatlantic Economic Partnership in 1998 to deepen our economic relations, reinforce our political ties and reduce trade frictions. The first element of the initiative is reducing barriers that affect manufacturing, agriculture and services. In the manufacturing area we are focusing on standards and technical barriers that American businesses have identified as the most significant obstacle to expanding trade. In the agricultural area we are focusing on regulatory barriers that have inhibited the expansion of agriculture trade, particularly in the biotechnology area. In the area of services we seek to facilitate trade in specific service sectors, thereby creating new opportunities for the service industries that are already so active in the European market.

The second element of the Transatlantic Economic Partnership is a broader, cooperative approach to addressing a wide range of trade issues. We will continue not imposing duties on electronic transmissions and develop a work program in the WTO for electronic commerce. We will seek to adopt common positions and effective strategies for accelerating compliance with WTO commitments on intellectual property. We will seek to promote government procurement opportunities, including promoting compatibility of electronic procurement information and government contracting systems. To promote fair competition, we will seek to enhance the compatibility of our procedures with potentially significant reductions in cost for American companies.

The United States strongly supports the process of European integration embodied in the EU. We support EU enlargement, and we are also encouraging bilateral trade and investment in non-EU countries. We recognize that EU nations face significant economic challenges and that periods of economic stagnation have eroded public support for funding outward-looking foreign policies and greater integration. We are working closely with our European partners to expand employment, promote long-term growth and support the New Transatlantic Agenda.

By supporting historic market reforms in Central and Eastern Europe and in the NIS, we help new democracies take root by avoiding conditions, such as corruption and poverty, that can weaken democratic governance and erode the appeal of democratic values. The United States will continue helping the NIS economies integrate into international economic and other institutions and develop healthy business climates. We will continue to promote political and economic reform in Russia, working to create a thriving market economy while guarding against corruption.

We are working with many NIS countries to promote their accession to the WTO on commercially fair terms. Building on successful accession of Kyrgyzstan, Latvia and Estonia, we have made significant progress on the accession of Georgia, Albania, Armenia, Croatia, Lithuania and Moldova. We also have held fruitful discussions on WTO with Russia and Ukraine. We will continue to mobilize the international community to provide assistance to support reform and to help the Central and Eastern European and NIS countries stimulate foreign and domestic private investment. We are also encouraging investment in these countries, especially by U.S. companies.

We are focusing particular attention on investment in Caspian energy resources and their export from the Caucasus region to world markets, thereby expanding and diversifying world energy supplies and promoting prosperity in the region. A stable and prosperous Caucasus and Central Asia will facilitate rapid development and transport to international markets of the large Caspian oil and gas resources, with substantial U.S. commercial participation. Resolution of regional conflicts such as Nagorno-Karabakh and Abkhazia is important for creating the stability necessary for development and transport of Caspian resources.

On November 18, 1999, President Clinton was present in Istanbul, Turkey for the signing of the Baku-Tbilisi-Ceyhan pipeline agreement and the Trans-Caspian Gas Pipeline Declaration. We actively supported the negotiations leading to these agreements and will continue to be actively engaged in both pipeline projects. We believe that the Baku-Tbilisi-Ceyhan pipeline and the trans-Caspian gas

pipeline are commercially viable. The Export-Import Bank and OPIC stand ready to provide the necessary financing and insurance on a commercial basis to help bring these projects to fruition. The trans-Caspian gas pipeline is planned to begin delivering gas to Turkey in 2002 and the Baku-Tbilisi-Ceyhan pipeline is planned to begin delivering oil by 2004.

We support these agreements because they will achieve several important goals. They will help fulfill our commitment to the prosperity and independence of the Caspian states. The agreements will help the development of their societies into democratic, stable commonwealths, and will bolster relationships among the states. Countries on both sides of the Caspian – Azerbaijan, Turkey, Georgia, Kazakhstan and Turkmenistan – will be working together, united by a single vision. Development of Caspian energy resources will improve our energy security, as well as that of Turkey and other allies. It will create commercial opportunities for U.S. companies and other companies around the world. The Baku-Tbilisi-Ceyhan pipeline is also the most environmentally sound approach to transporting oil resources from the Caspian region to world markets.

Promoting Democracy

Democratic reforms in Central and Eastern Europe and Eurasia are the best measures to avert conditions that could foster ethnic violence and regional conflict. Already, the prospect of joining or rejoining the Western democratic family has strengthened the forces of democracy and reform in many countries of the region. Together with our West European partners we are helping these nations build civil societies. For example, the CIVITAS organization has carried out a joint civic education program in Bosnia-Herzegovina, and a similar project is planned for Ukraine. Throughout the region, targeted exchange programs have familiarized key decision-makers and opinion-molders with the workings of American democracy.

The independence, sovereignty, territorial integrity, and democratic and economic reform of the NIS are important to American interests. To advance these goals, we are utilizing our bilateral relationships and our leadership of international institutions to mobilize governmental and private resources. But the circumstances affecting the smaller countries depend in significant measure on the fate of reform in the largest and most powerful—Russia. The United States will continue to promote Russian reform and international integration, and to build on the progress that already has been made. Our economic and political support for the Russian government depends on its commitment to internal reform and a responsible foreign policy.

East Asia and the Pacific

President Clinton's vision of a new Pacific community links security interests with economic growth and our commitment to democracy and human rights. We continue to build on that vision, cementing America's role as a stabilizing force in a more integrated Asia Pacific region.

Enhancing Security

Our military presence has been essential to maintaining the peace and security that have enabled most nations in the Asia-Pacific region to build thriving economies for the benefit of all. To deter aggression and secure our own interests, we maintain about 100,000 military personnel in the region. The U.S.-Japan security alliance anchors the U.S. presence in the Asia-Pacific region. Our continuing security role is further reinforced by our bilateral treaty alliances with the Republic of Korea, Australia, Thailand and the Philippines. We are maintaining healthy relations with the Association of Southeast Asian Nations (ASEAN) and supporting regional dialogue – such as in the ASEAN Regional Forum (ARF) – on the full range of common security challenges.

Japan: The United States and Japan reaffirmed our bilateral security relationship in the April 1996 Joint Security Declaration. The alliance remains the cornerstone for achieving common security objectives and for maintaining a peaceful and prosperous environment for the Asia Pacific region as we enter the twenty-first century. The 1997 revised Guidelines for U.S.-Japan Defense Cooperation create a solid basis for more effective and credible U.S.-Japan cooperation in peacetime, in the event of an armed attack on Japan, and in situations in areas surrounding Japan. They provide a general framework and policy direction for the roles and missions of the two countries, and ways of coordinating our efforts in peacetime and

contingencies. The revised Guidelines, like the U.S.-Japan security relationship itself, are not directed against any other country; rather, they enable the U.S.-Japan alliance to continue fostering peace and security throughout the region. In April 1998, in order to support the new Guidelines, both governments agreed to a revised Acquisition and Cross-Servicing Agreement (ACSA) which expands the provision of supplies and services to include reciprocal provision of logistics support during situations surrounding Japan that have an important influence on Japan's peace and security. Japan approved implementing legislation for the Guidelines in the spring of 1999. Japan's generous host nation support for the U.S. overseas presence also serves as a critical strategic contribution to the alliance and to regional security.

Our bilateral security cooperation has broadened as a result of recent agreements to undertake joint research and development on theater missile defense and to cooperate on Japan's indigenous satellite program. Moreover, we work closely with Japan to promote regional peace and stability, seek universal adherence to the Nuclear Non-Proliferation Treaty, and address the dangers posed by transfers of destabilizing conventional arms and sensitive dual-use technologies. Japan is providing $1 billion to the Korean Peninsula Energy Development Organization (KEDO), and consults closely with the United States and ROK on issues relating to North Korea.

Korean Peninsula: Tensions on the Korean Peninsula remain the leading threat to peace and stability in East Asia. The Democratic People's Republic of Korea (DPRK) has publicly stated a preference for peaceful reunification, but continues to dedicate a large portion of its dwindling resources to its huge military forces. Renewed conflict has been prevented since 1953 by a combination of the Armistice Agreement, which brought an end to open hostilities; the United Nations Command, which has visibly represented the will of the UN Security Council to secure peace; and the physical presence of U.S. and ROK troops in the Combined Forces Command, which has demonstrated the alliance's resolve.

President Kim Dae-jung continues to pursue a course toward peace and stability on the Korean peninsula, seeking new channels of dialogue with North Korea and developing areas of cooperation between South and North. During their July 1999 meeting in Washington, President Clinton and President Kim reaffirmed the need for direct dialogue between South and North to build a more permanent peace, and the indispensability of the strong U.S.-ROK defense alliance as a stabilizing pillar for the region. President Clinton strongly restated his support for President Kim's vision of engagement and efforts toward reconciliation with the North. The United States is working to create conditions of stability by maintaining solidarity with our South Korean ally, emphasizing America's commitment to shaping a peaceful and prosperous Korean Peninsula, and ensuring that an isolated and struggling North Korea does not opt for a military solution to its political and economic problems.

Peaceful resolution of the Korean conflict with a democratic, non-nuclear, reunified peninsula will enhance peace and security in the East Asian region and is clearly in our strategic interest. We are willing to improve bilateral political and economic ties with North Korea – consistent with the objectives of our alliance with the ROK – to draw the North into more normal relations with the region and the rest of the world. But our willingness to improve bilateral relations will continue to be commensurate with the North's cooperation in efforts to reduce tensions on the peninsula.

South Korea has set an example for nonproliferation by forswearing nuclear weapons, accepting IAEA safeguards, and developing a peaceful nuclear program that brings benefits to the region. We are firm that North Korea must maintain the freeze on production and reprocessing of fissile material, dismantle its graphite-moderated reactors and related facilities, and fully comply with its NPT obligations under the Agreed Framework. The United States, too, must fulfill its obligations under the Agreed Framework and the Administration will work with the Congress to ensure the success of our efforts to address the North Korean nuclear threat.

Beyond fully implementing the Agreed Framework, we seek to eliminate North Korea's development and export of long-range missiles and weapons of mass destruction through a step-by-step process. Based on U.S.-North Korean discussions in September 1999, it is our understanding that North Korea will continue to refrain from testing long-range missiles of any kind as we move toward more normal relations. Working closely with our ROK and Japanese allies, we will improve relations with North Korea on the basis of their moving forward on the missile and WMD agendas, and

we will take necessary measures in the other direction if the North chooses to go down a different path. The North also needs to engage in a productive dialogue with South Korea; continue the United Nations Command-Korean People's Army General Officer Dialogue at Panmunjom; participate constructively in the Four Party Talks among the United States, China, and North and South Korea to reduce tensions and negotiate a peace agreement; and support our efforts to recover the remains of American servicemen missing since the Korean War.

China: A stable, open, prosperous People's Republic of China (PRC) that respects international norms and assumes its responsibilities for building a more peaceful world is clearly and profoundly in our interests. The prospects for peace and prosperity in Asia depend heavily on China's role as a responsible member of the international community. Our policy toward China is both principled and pragmatic, expanding our areas of cooperation while dealing forthrightly with our differences. Despite strains in the relationship resulting from the tragic accidental bombing of the PRC embassy in Belgrade, we have continued to engage China on these issues.

The United States and China have taken a number of additional steps to strengthen cooperation in international affairs: presidential visits to each other's capitals; establishing the Vice President-Premier Forum on environment and development; regular exchanges of visits by cabinet and sub-cabinet officials to consult on political, military, security, arms control and human rights issues; establishing a consultation mechanism to strengthen military maritime safety; holding discussions on humanitarian assistance and disaster relief, and environmental security; and establishing working groups on law enforcement cooperation. China is also a major partner in science, technology and health research.

U.S. interests have been advanced in discussions with China on arms control and nonproliferation issues. In 1998, the United States and China announced that they will not target their strategic nuclear weapons at each other and confirmed their common goal of halting the spread of WMD. Both our nations have signed the Comprehensive Test Ban Treaty. We have consulted on the Missile Technology Control Regime and missile nonproliferation, and we continue to press China to avoid destabilizing missile technology sales to other countries. Both our nations have signed the Chemical Weapons Convention, and we have agreed to further strengthen controls on the export of dual-use chemicals and related production equipment and technology to assure they are not used for production of chemical weapons. China also has expanded the list of chemical precursors that it controls. Both nations have called for strengthening of the Biological Weapons Convention and early conclusion of a protocol establishing a practical and effective mechanism to enhance compliance and improve transparency. We also reached agreement with China on practices for end-use visits on U.S. high technology exports to China and continue a dialogue on implementation of this agreement.

China is working with the United States on important regional security issues. In South Asia, China has condemned India and Pakistan for conducting nuclear tests and joined us in urging them to conduct no more tests, to sign the Comprehensive Test Ban Treaty, to avoid deploying or testing missiles, and to work to resolve their differences through dialogue. On the Korean Peninsula, the United States and China share an interest in peace and stability. We have both worked to convince North Korea to freeze its dangerous nuclear program, and believe the four-party peace talks are an important tool in working toward establishment of peace and stability in Northeast Asia. To help maintain peace, security, and stability in the Western Pacific and to promote our broad foreign policy objectives we are implementing fully the terms of the Taiwan Relations Act by maintaining robust unofficial relations between the American people and the people of Taiwan.

Our key security objectives for the future include: sustaining the strategic dialogue begun by the recent summits and other high-level exchanges; enhancing stability in the Taiwan Strait through maintenance of our "one China" policy, peaceful resolution of cross-Strait issues and encouraging dialogue between Beijing and Taipei; strengthening China's adherence to international nonproliferation norms, particularly in export controls on ballistic missile and dual-use technologies; restarting our bilateral discussions on arms control ; achieving greater openness and transparency in China's military; encouraging a constructive PRC role in international affairs through active cooperation in multilateral fora such as the ASEAN Regional Forum (ARF) and the Asia Pacific Economic Cooperation Forum (APEC); and

improving law enforcement cooperation in such areas as counterterrorism and counternarcotics.

Southeast Asia: Our strategic interest in Southeast Asia centers on developing regional and bilateral security and economic relationships that assist in conflict prevention and resolution and expand U.S. participation in the region's economies. U.S. security objectives in the region are: to maintain our security alliances with Australia, Thailand and the Philippines; to sustain security access arrangements with Singapore and other ASEAN countries; and to encourage the emergence of a strong, cohesive ASEAN capable of enhancing regional security and prosperity. The Philippine Senate's ratification of the Visiting Forces Agreement (VFA) in May 1999 is one example of how our continuing engagement enhances both bilateral defense cooperation as well as regional security interests.

Our policy combines two approaches. First, we must maintain our increasingly productive relationship with ASEAN and enhancing our security dialogue under the ARF. Second, we must pursue bilateral initiatives with individual Southeast Asian nations to promote democracy, human rights and political stability; foster market-oriented economic reforms; and reduce the effects of organized crime, particularly the flow of heroin from Burma and other countries in the region.

In 1999, the United States, in partnership with the member nations of ASEAN, opened the International Law Enforcement Academy in Bangkok, Thailand. Officials of the U.S. Drug Enforcement Administration, U.S. Customs Service, FBI and other agencies provide high-caliber training in areas such as drug trafficking, alien smuggling, cyber crime, and other transnational threats. The International Law Enforcement Academy also promotes cooperation and information sharing, as well as significantly improving regional counterdrug capabilities.

Promoting Prosperity

A prosperous and open Asia Pacific is key to the economic health of the United States. On the eve of the recent financial problems in Asia, the 21 members of APEC – which includes the United States, Canada, Mexico, Peru, Chile and Russia, along with East Asian nations – contributed about one-half of total global gross domestic product and exports. Thirty percent of U.S. exports go to Asia, supporting millions of U.S. jobs, and we export more to Asia than Europe. Our economic objectives in East Asia include: continued recovery from the recent financial crisis; further progress within APEC toward liberalizing trade and investment; increased U.S. exports to Asian countries through market-opening measures and leveling the playing field for U.S. business; and WTO accession for the PRC and Taiwan on satisfactory commercial terms. Opportunities for economic growth abound in Asia and underlie our strong commitment to economic cooperation, such as via the annual APEC leaders meetings.

Our economic strategy in Asia has four key elements: support for economic reforms and market opening; working with international financial institutions to provide well-targeted economic and technical assistance in support of economic reforms; providing bilateral humanitarian aid and contingency bilateral financial assistance if needed; and urging strong policy actions by Japan and the other major economic powers to promote global growth.

The United States will continue to work with the IMF, the World Bank, other international financial institutions, the governments in East Asia and the private sector to help stabilize financial markets, restore investor confidence and deepen on-going reforms in the troubled East Asian economies. In doing so, we will remain mindful of the need to promote protection of worker rights. We will continue to support South Korea, Thailand and Indonesia as they implement economic reforms designed to foster financial stability and investor confidence in order to attract the capital flows required to restore economic growth. U.S. initiatives in APEC will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. We will continue our efforts to encourage all Asia Pacific nations to pursue open markets.

China: Bringing the PRC more fully into the global trading system is manifestly in our national interest. China is a major potential market for our goods and services. As we look into the next century, our exports to China will support hundreds of thousands of jobs across our country. For this reason, we must continue our normal trade relationship with China, as every President has done since 1980, to strengthen our economic relationship.

An important part of integrating China into the market-based world economic system is opening China's highly protected market through elimination of trade barriers and removal of distorting restraints on economic activity. We have negotiated and vigorously enforced landmark agreements to combat piracy of intellectual property and advance the interests of our creative industries. We have also negotiated – and vigorously enforced – agreements on textile trade. We will continue to press China to open its markets as it engages in sweeping economic reform and to respect and adhere to core labor standards as codified by the ILO. Most recently, we reached agreement to bring China into the World Trade Organization on fair commercial terms – a landmark accord that will create jobs and opportunities for Americans through opening of Chinese markets, promote economic reform in China, and help spread the message and the tools of freedom to the Chinese people.

Japan: The Administration continues to make progress on increasing market access in Asia's largest economy. Since the beginning of the first Clinton Administration, the United States and Japan have reached 38 trade agreements designed to open Japanese markets in key sectors, including autos and auto parts, telecommunications, civil aviation, insurance and glass. The Administration also has intensified efforts to monitor and enforce trade agreements with Japan to ensure that they are fully implemented. The United States also uses multilateral venues, such as WTO dispute settlement and negotiation of new multilateral agreements, to further open markets and accomplish our trade objectives with Japan. The US-Japan Common Agenda advances our bilateral cooperation with a major donor ally on global and regional environmental, scientific, and health issues.

Japan has a crucial role to play in Asia's economic recovery: generating substantial growth to help maintain a growing world economy and absorb a growing share of imports from emerging markets. We have encouraged Japan to reform its financial sector, stimulate domestic demand, deregulate its economy, and further open its markets to foreign goods and services.

Republic of Korea: The United States will continue its strong support for South Korean efforts to reform its economy, liberalize trade and investment, strengthen the banking system and implement the IMF program. We have committed to providing bilateral finance under appropriate conditions and will continue to explore concrete steps to promote growth in both our countries, to more fully open our markets, and to further integrate the Republic of Korea into the global economy.

ASEAN: The United States strongly supports efforts to sustain and strengthen economic recovery in the ten nations of ASEAN through maintaining our open market for Southeast Asian goods and services, as well as our support for IMF-led recovery programs for several ASEAN nations. Thailand has completed its IMF-mandated structural reform program and has turned the corner towards renewed growth. Indonesia's economy has basically stabilized and the newly elected democratic government is working on new lending agreements with the IMF and World Bank, linked to progress on economic and financial reform. We applaud ASEAN's 1998 Hanoi Action Plan, which calls for accelerated regional economic integration. We are working toward completion of a broad commercial agreement with Vietnam that will open markets and promote economic reform while allowing us to endorse Normal Trade Relations for Vietnam, which we also seek for Laos. Working with ASEAN members to address environmental degradation in Southeast Asia is a major priority, from forest fires and haze, to fisheries depletion, deforestation, and sustainable growth during the recovery from the Asian financial crisis.

Australia and New Zealand: We are building on our already close working relationship with Australia and New Zealand to strengthen our bilateral trade and economic relationships, build consensus for regional liberalization, and cooperate in opening the new round of international trade negotiations at the WTO.

Promoting Democracy

We will continue to support the democratic aspirations of Asians and to promote respect for human rights. Our strategy includes: a constructive approach toward achieving progress on human rights, religious freedom and rule of law issues with China; fostering meaningful political dialogue between the ruling authorities in Burma and the democratic opposition; promoting democracy and encouraging greater respect for human rights in Cambodia; and, in Vietnam, achieving the fullest

possible accounting of missing U.S. service members and promoting greater respect for human rights.

Indonesia: The October 1999 election in which Abdurrahman Wahid was elected President and Megawati Sukarnoputri as Vice President was a historic moment for Indonesia, putting it on course toward becoming the world's third largest democracy. The United States strongly supports a united, prosperous and democratic Indonesia that plays a positive role in regional security. We look forward to working with Indonesia's new leaders to meet the challenges of national reconciliation, democratic reform and economic recovery that lie ahead.

The referendum in East Timor on August 30, 1999 was conducted fairly by the United Nations with the agreement of the Indonesian Government. It produced a clear mandate for independence, but armed groups opposed to independence attempted to overturn the results through violence. To stop the violence, restore order and resume the transition process, the UN Security Council unanimously approved creation of a Multi-National Force (INTERFET) led by Australia. INTERFET accomplished its mission of establishing secure conditions throughout East Timor and an international peacekeeping force under UN command (UNTAET) will take over in early 2000.

The U.S. contribution to INTERFET is relatively small, but performs highly important functions, including communications and logistical aid, intelligence, and airlift of personnel, equipment and humanitarian materiel. Additionally, elements of the U.S. Pacific Fleet have been providing support for the operation. This mission supports our interests by helping to restore stability to a region of strategic importance to the United States.

East Timor is now under a UN-administered transition authority (UNTAET) and in two to three years will gain full independence. A UNTAET peacekeeping force will replace INTERFET to prevent further instability and violence as East Timor becomes an independent nation.

The Western Hemisphere

Our hemisphere enters the twenty-first century with an unprecedented opportunity to secure a future of stability and prosperity – building on the fact that every nation in the hemisphere except Cuba is democratic and committed to free market economies. The end of armed conflict in Central America and other improvements in regional security have coincided with remarkable political and economic progress throughout the Americas. The people of the Americas are taking advantage of the vast opportunities being created as emerging markets are connected through electronic commerce and as robust democracies allow individuals to more fully express their preferences. Sub-regional political, economic and security cooperation in North America, the Caribbean, Central America, the Andean region and the Southern Cone have contributed positively to peace and prosperity throughout the hemisphere. Equally important, the people of the Americas have reaffirmed their commitment to combat together the difficult threats posed by drug trafficking and corruption. The United States seeks to secure the benefits of this new climate in the hemisphere, while safeguarding our citizens against these threats.

Enhancing Security

The principal security concerns in the hemisphere are transnational in nature, such as drug trafficking, organized crime, money laundering, illegal immigration, firearms trafficking, and terrorism. In addition, our hemisphere is leading the way in recognizing the dangers to national and regional stability produced by corruption and ineffective legal systems. All of these threats, especially drug trafficking, produce adverse social effects that undermine the sovereignty, democracy and national security of nations in the hemisphere.

Working through the Organization of American States (OAS) and other organizations, we are seeking to eliminate the scourge of drug trafficking in our hemisphere. The Multilateral Counterdrug Alliance is striving to better organize and coordinate efforts to extradite and prosecute individuals charged with drug trafficking and related crimes; combat money laundering; seize assets used in criminal activity; halt illicit traffic in chemical precursors; strike at the financial support networks; enhance national drug abuse awareness and treatment programs; and eliminate illicit crops through alternative development and eradication programs. We are also pursuing a number of bilateral and regional counterdrug initiatives. In the Caribbean, and bilaterally with Mexico and

Colombia, we are working to increase counterdrug and law enforcement cooperation.

We are advancing regional security cooperation through: bilateral security dialogues; multilateral efforts in the OAS and Summit of the Americas on transparency and regional confidence and security building measures, exercises and exchanges with key militaries (principally focused on peacekeeping); and regular Defense Ministerials. Last year, the guarantor nations of the Peru-Ecuador peace process – Argentina, Brazil, Chile and the United States – brought the parties to a permanent solution to this decades-old border dispute, the resolution of which was important to regional stability. The Military Observer Mission, Ecuador-Peru (MOMEP), composed of the four guarantor nations, successfully separated the warring factions, creating the mutual confidence and security necessary to resolve the dispute. Our efforts to encourage multilateral cooperation are enhancing confidence and security within the region and will help expand our cooperative efforts to combat the transnational threats to the Western Hemisphere.

Colombia is of particular importance because its problems extend beyond its borders and have implications for regional peace and security. Insurgency, drug trafficking and a growing paramilitary movement are testing democracy in Colombia. To turn the tide, President Pastrana needs U.S. assistance to wage a comprehensive effort to promote the mutually reinforcing goals of peace, combating drug trafficking, economic development, and respect for human rights. Working closely with us, the Government of Colombia has developed an aggressive three-year strategy, *Plan Colombia,* to revive their economy, strengthen the democratic pillars of society, promote the peace process and eliminate sanctuaries for narcotics producers and traffickers. We will significantly increase assistance for *Plan Colombia* in a manner that will concurrently promote U.S. and Colombian interests, and we will encourage our allies and international institutions to do the same.

Promoting Prosperity

Economic growth and integration in the Americas will profoundly affect the prosperity of the United States in the twenty-first century. This begins with our immediate neighbors, Canada and Mexico. Canada is our largest merchandise export market and trade partner in the world, and our exports to Canada have grown rapidly as the U.S.-Canada Free Trade Agreement phased in. U.S. merchandise exports to Mexico have nearly doubled since the conclusion of the North American Free Trade Agreement (NAFTA), making Mexico our second largest goods export market and trading partner. In the hemisphere as a whole, our trade initiatives offer a historic opportunity to capitalize on and strengthen the unprecedented trend toward democracy and free market economics.

We seek to advance the goal of an integrated hemisphere of free market democracies by building on NAFTA and obtaining Congressional Fast Track trade agreement approval procedures. Formal negotiations are in progress to initiate the Free Trade Area of the Americas (FTAA) by 2005. The negotiations cover a broad range of important issues, including market access, investment, services, government procurement, dispute settlement, agriculture, intellectual property rights, competition policy, subsidies, anti-dumping and countervailing duties. We will seek to ensure that the agreement also supports workers rights, environmental protection and sustainable development. We are also committed to delivering on the President's promise to pursue a comprehensive free trade agreement with Chile because of its economic performance and its active role in promoting hemispheric economic integration. To address the concerns of smaller economies during the period of transition to the global economy of the twenty-first century, and in light of the increased competition NAFTA presents to Caribbean trade, we are seeking Congressional approval to provide enhanced trade benefits under the Caribbean Basin Initiative to help prepare that region for participation in the FTAA.

The United States will continue its effective partnership with the IMF, the World Bank, the Inter-American Development Bank, the governments of Latin America, and the private sector to help the region's countries in their transition to integrated, mature market economies. A key target of this partnership is assisting the reform and recovery of banking sectors hurt by financial market turmoil over the past several years. We will continue to support financial and economic reform efforts in Brazil and Argentina to reduce their vulnerability to external shocks, as well as helping Ecuador on its difficult road to economic recovery and sustainable levels of debt service.

We also view it as essential that economic prosperity in our hemisphere be pursued in an environmentally sustainable manner. From our shared seas and freshwater resources to migratory bird species and transboundary air pollution, the environmental policies of our neighbors can have a direct impact on quality of life at home. U.S. Government assistance to the region recognizes the vital link between sustainable use of natural resources and long-term prosperity, a key to developing prosperous trading partners in this hemisphere.

Promoting Democracy

Many Latin American nations have made tremendous advances in democracy and economic progress over the last several years. But our ability to sustain the hemispheric agenda crafted at the Summit of the Americas depends in part on meeting the challenges posed by weak democratic institutions, persistently high unemployment and crime rates, and serious income disparities. In some Latin American countries, citizens will not fully realize the benefits of political liberalization and economic growth without regulatory, judicial, law enforcement and educational reforms, as well as increased efforts to integrate all members of society into the formal economy.
The hemisphere's leaders are committed to strengthening democracy, justice and human rights. They have pledged to intensify efforts to promote democratic reforms at the regional and local level, protect the rights of migrant workers and their families, improve the capabilities and competence of civil and criminal justice systems, and encourage a strong and active civil society. Specific initiatives include: ratification of the Inter-American Convention Against Corruption to strengthen the integrity of governmental institutions; creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights; and establishment of an Inter-American Justice Studies Center to facilitate training of personnel and the exchange of information and other forms of technical cooperation to improve judicial systems.

Education is at the centerpiece of reforms aimed at making democracy work for all the people of the Americas. The Summit Action Plan adopted at Santiago in 1998 seeks to ensure by the year 2010 primary education for 100% of children and access to quality secondary education for at least 75% of young people.

We are also seeking to strengthen norms for defense establishments that are supportive of democracy, transparency, respect for human rights and civilian control in defense matters. Through continued engagement with regional armed forces, facilitated by our own modest military activities and presence in the region, we are helping to increase civilian expertise in defense affairs and reinforce the positive trend in civilian control.

In Haiti we continue to support the consolidation of democratic institutions, respect for human rights and economic growth by a Haitian government capable of managing its own security. In cooperation with the United Nations and Organization of American States, we are working with Haiti's Provisional Electoral Council to pave the way for free, fair, and transparent local, legislative and presidential elections in 2000. We are committed to working with our partners in the region and in the international community to meet the challenges of institutionalizing Haiti’s economic and political development, and building an effective and fair police force and judicial system.

The United States remains committed to promoting a peaceful transition to democracy in Cuba and forestalling a mass exodus that would endanger the lives of migrants and the security of our borders. While maintaining pressure on the regime to make political and economic reforms, we continue to encourage the emergence of a civil society to assist the transition to democracy when the change comes. As the Cuban people feel greater incentive to take charge of their own future, they are more likely to stay at home and build the informal and formal structures that will make transition easier. Meanwhile, we remain firmly committed to bilateral migration accords that ensure migration in safe, legal and orderly channels.

The Middle East, North Africa, Southwest and South Asia

Developments in these regions will profoundly affect America’s future. They will determine whether a just and lasting peace can be established between Israel

and the Arab countries; whether nations of the region will fully join our fight against terrorism and drug trafficking; whether they will agree to stop the spread of weapons of mass destruction; whether the oil and gas fields of the Caucasus and Central Asia become reliable energy sources; and whether respect for basic human rights and democracy can be institutionalized.

Enhancing Security

The United States has enduring interests in pursuing a just, lasting and comprehensive Middle East peace, ensuring the security and well-being of Israel, helping our Arab friends provide for their security, and maintaining the free flow of oil. Our strategy reflects those interests and the unique characteristics of the region as we work to strengthen peace and stability.

The Middle East Peace Process

A historic transformation is taking place in the political landscape of the Middle East. Peace agreements are taking hold, requiring concerted implementation efforts, and new agreements are being negotiated, which hold out the hope of ending the conflict between Israel and its Arab neighbors. The United States - a key architect and sponsor of the peace process - has a clear national interest in seeing the process deepen and widen. We will continue our steady, determined leadership - standing with those who take risks for peace, standing against those who would destroy it, lending our good offices where we can make a difference and helping bring the concrete benefits of peace to people's daily lives.

A significant breakthrough in the Middle East Peace Process took place in December 1999 when Prime Minister Barak and President Assad agreed to resume the Israel-Syrian peace negotiations where they left off. These negotiations will be high level, intensive, and conducted with the aim of reaching an agreement as soon as possible in order to bring a just and lasting peace between Israel and Syria. With the resumption of Israeli-Syrian talks, we will continue working to begin negotiations between Israel and Lebanon.

On the Palestinian front, Israelis and Palestinians are turning to the core issues that have defined their conflict for the past fifty years, seeking to build a lasting peace based on partnership and cooperation. They have agreed to seek to reach a permanent status agreement by September 2000 and the United States will do everything within its power to help them achieve that goal. At the same time, both sides will continue to implement the remaining issues in the Interim Agreement, the Wye River Memorandum, and the Sharm el-Sheikh agreement. Our goal remains the normalization of relations between Israel and all Arab states. Through the multilateral working groups on security, refugees, water and the environment, we are seeking to promote regional cooperation to address transboundary environmental issues that affect all parties.

North Africa

The United States has an interest in the stability and prosperity of North Africa, a region that is undergoing important changes. In particular, we are seeking to strengthen our relations with Morocco, Tunisia and Algeria and to encourage political and economic reform. Libya continues to be a country of concern for the national security and foreign policy interests of the United States. Although the government of Libya has taken an important positive step away from its support of terrorism by surrendering the Lockerbie suspects, our policy toward Libya is designed to encourage Libya to completely cease its support of terrorism and block its efforts to obtain weapons of mass destruction.

Southwest Asia

In Southwest Asia, the United States remains focused on deterring threats to regional stability and energy security, countering threats posed by WMD, and protecting the security of our regional partners, particularly from the threats posed by Iraq and Iran. We will continue to encourage members of the Gulf Cooperation Council (GCC) to work closely on collective defense and security arrangements, help individual GCC states meet their defense requirements, and maintain our bilateral defense relationships.

We will maintain an appropriate military presence in Southwest Asia using a combination of ground, air and naval forces. We maintain a continuous military presence in the Gulf to enhance regional stability and support our on-going efforts to bring Iraq into

compliance with UN Security Council resolutions. Our forces in the Gulf are backed by our ability to rapidly reinforce the region in time of crisis, which we have demonstrated convincingly. We remain committed to enforcing the no-fly zones over northern and southern Iraq, which are essential for implementing the UN Security Council resolutions and preventing Saddam Hussein from taking large-scale military action against Kuwait or the Kurd and Shia minorities in Iraq.

Our policy toward Iraq is comprised of three central elements: containment and economic sanctions, to prevent Saddam from again threatening the stability of the vital Gulf region; relief for the Iraqi people from humanitarian suffering via the UN oil-for-food program; and support to those Iraqis seeking to replace Saddam's regime with a government that can live at peace with its neighbors and its people. Operation Desert Fox in December 1998 successfully degraded the threat posed by Iraqi WMD in the wake of Baghdad's decision to cease cooperation with UN weapons inspectors.

In December 1999, the United Nations Security Council passed UNSCR 1284, a new omnibus resolution on Iraq. The United States supports Resolution 1284 because it buttresses the containment of Iraq. This resolution reflects the consensus view of the Security Council that Iraq has still not met its obligations to the international community and, in particular, has failed to disband fully its proscribed WMD programs. The resolution expands the humanitarian aspects of the oil-for-food program to ensure the well-being of the Iraqi people. It provides for a robust new disarmament program that would finish the work begun by UNSCOM. It would allow for a suspension of the economic sanctions in return for Iraqi fulfillment of key disarmament tasks, and would lock in the Security Council's control over Iraqi finances to ensure that Saddam Hussein is never again able to disburse Iraq's resources as he would like.

We have consistently maintained that the Iraqi regime can only have sanctions lifted when it has met its obligations to the international community. Saddam's actions over the past decade make clear that his regime will not comply with its obligations under the UN Security Council resolutions designed to rid Iraq of WMD and their delivery systems. Because of that and because the Iraqi people will never be free under the brutal dictatorship of Saddam Hussein, we actively support those who seek to bring a new democratic government to power in Baghdad. We recognize that this may be a slow and difficult process, but we believe it is the only solution to the problem of Saddam's regime.

Our policy toward Iran is aimed at changing the practices of the Iranian government in several key areas, including its efforts to obtain WMD and long-range missiles, its support for terrorism and groups that violently oppose the Middle East peace process, its attempts to undermine friendly governments in the region, and its development of offensive military capabilities that threaten our GCC partners and the flow of oil. We view signs of change in Iranian policies with interest, both with regard to the possibility of Iran assuming its rightful place in the world community and the chance for better bilateral ties. We welcome statements by President Khatemi that advocate a people-to-people dialogue with the United States.

These positive signs must be balanced against the reality that Iran's support for terrorism has not yet ceased and serious violations of human rights persist. Iran is continuing its efforts to acquire WMD and develop long range missiles (including the 1,300 kilometer-range Shahab-3 it flight-tested in July 1998). The United States will continue to oppose Iranian efforts to sponsor terror and to oppose transfers from any country to Iran of materials and technologies that could be used to develop long-range missiles or WMD.

We are ready to explore further ways to build mutual confidence and avoid misunderstandings with Iran. We will strengthen our cooperation with allies and friends to encourage positive changes in Iranian practices that threaten our shared interests. If a government-to-government dialogue can be initiated and sustained in a way that addresses the concerns of both sides, then the United States would be willing to develop with the Islamic Republic a road map leading to normal relations.

South Asia

Our strategy for South Asia is designed to help the peoples of that region enjoy the fruits of democracy by helping resolve long-standing conflicts, implementing

confidence-building measures, and assisting economic development. Regional stability and improved bilateral ties are also important for U.S. economic interests in a region that contains a fifth of the world's population and one of its most important emerging markets. In addition, we seek to work closely with regional countries to stem the flow of illegal drugs from South Asia, most notably from Afghanistan. We seek to establish relationships with India and Pakistan that are defined in terms of their own individual merits and reflect the full weight and range of U.S. strategic, political and economic interests in each country. The October 1999 coup in Pakistan was a clear setback for democracy in that region, and we have urged Pakistan's leaders to quickly restore civilian rule and the democratic process.

We seek, as part of our dialogue with India and Pakistan, to encourage both countries to take steps to prevent proliferation, reduce the risk of conflict, and exercise restraint in their nuclear and missile programs. The Indian and Pakistani nuclear and long-range missile tests were dangerously destabilizing and threaten to spark a dangerous arms race in South Asia. Recent fighting along the Line of Control is a reminder of the tensions in that part of the world and of the risk that relatively minor conventional confrontations could spin out of control, with the most serious consequences.

In concert with the other permanent members of the UN Security Council, the G-8 nations, and many others in the international community, the United States has called on both nations to sign and ratify the Comprehensive Nuclear Test Ban Treaty, to take steps to prevent an arms race in nuclear weapons and long-range missiles, to resume their direct dialogue, and take decisive steps to reduce tensions in South Asia. We also strongly urge these states to refrain from any actions that would further undermine regional and global stability, and urge them to join the clear international consensus in support of nonproliferation and a cut off of fissile material production.

Promoting Prosperity

The United States has two principal economic objectives in the region: to promote regional economic cooperation and development and to ensure an unrestricted flow of oil from the region. We seek to promote regional trade and cooperation on infrastructure through the peace process, revitalization of the Middle East and North Africa (MENA) economic summits, and our Qualifying Industrial Zone program, which provides economic benefits for certain countries that enter into business arrangements with Israel. In South Asia, we will continue to work with the region's democracies in their efforts to implement market reforms, strengthen educational systems, and end the use of child and sweatshop labor.

Although the United States imports less than 15% of the oil exported from the Persian Gulf, the region will remain of vital strategic importance to U.S. national security due to the global nature of the international oil market. Previous oil shocks and the Gulf War underscore that any blockage of Gulf supplies or a substantial increase in price would immediately affect the international market, driving up energy costs everywhere -- ultimately harming the U.S. economy as well as the economies of our key economic partners in Europe and Japan. Appropriate responses to events such as Iraq's invasion of Kuwait can limit the magnitude of a crisis in the Gulf and its impact on world oil markets. Over the longer term, U.S. dependence on access to these and other foreign oil sources will remain important as our reserves are depleted. That is one of many important reasons why the United States must continue to demonstrate commitment and resolve in the Persian Gulf.

Promoting Democracy

We encourage the spread of democratic values throughout the Middle East, North Africa and Southwest and South Asia and will pursue this objective aided by constructive dialogue with countries in the region. In Iran, for example, we hope the nation's leaders will carry out the people's mandate for a government that respects and protects the rule of law, both in its internal and external affairs. We will promote responsible indigenous moves toward increasing political participation and enhancing the quality of governance, and we will continue to challenge governments in the region to improve their human rights records. Respect for human rights also requires rejection of terrorism. If the nations in the region are to safeguard their own citizens from the threat of terror, they cannot tolerate acts of indiscriminate violence against civilians, nor can they offer refuge to those who commit such acts.

Our policies are guided by our profound respect for Islam. The Muslim religion is the fastest-growing faith in the United States. We recognize and honor Islam's role as a source of inspiration, instruction and moral guidance for hundreds of millions of people around the world. U.S. policy in the region is directed at the actions of governments and terrorist groups, not peoples or faiths.

Sub-Saharan Africa

In recent years, the United States has engaged in a concerted effort to transform our relationship with Africa. We have supported efforts by many African nations to move toward multi-party democracy, hold free and fair elections, promote human rights, allow freedom of the press and association, and reform their economies. A new, post-colonial political order is emerging in Africa, with emphasis on democratic and pragmatic approaches to solving political, economic and environmental problems, and developing human and natural resources. U.S.-Africa ties are deepening, and U.S.-Africa trade is expanding.

Sustaining these recent successes will require that we identify those issues that most directly affect our interests, and on which we can make a difference through efficient and effective targeting of our resources. We will promote regional stability through engagement with sub-regional organizations and key African states using carefully harmonized U.S. programs and initiatives. Our immediate objective is to increase the number of capable states in Africa; that is, nations that are able to define the challenges they face, manage their resources to effectively address those challenges, and build stability and peace within their borders and their sub-regions.

Enhancing Security

Serious transnational security threats emanate from pockets of Africa, including state-sponsored terrorism, drug trafficking, international crime, environmental degradation and infectious diseases, especially HIV/AIDS. Since these threats transcend state borders, they are best addressed through effective, sustained sub-regional engagement in Africa. We have already made significant progress in countering some of these threats – such as by investing in efforts to combat environmental degradation and infectious disease, and leading international efforts to remove mines planted in previous conflict areas and halt the proliferation of land mines. We continue efforts to reduce the flow of illegal drugs through Africa and to curtail international organized criminal activity based in Africa. We will improve international intelligence sharing, and train and assist African law enforcement, intelligence and border control agencies to detect and prevent planned terrorist attacks against U.S. targets in Africa.

We seek to keep Africa free of weapons of mass destruction by supporting South Africa's nuclear disarmament and accession to the NPT as a non-nuclear weapon state, supporting the African Nuclear Weapons Free Zone, and encouraging African nations to join the BWC and CWC.

Nigeria's rapid change from an autocratic, military regime to a civilian, democratically elected government affords us an opportunity to build productive security, political and economic relations with the most populous country in Africa. With nearly one in six Africans living in Nigeria, the impact of serious cooperative efforts to tackle mushrooming crime, drug trafficking and corruption problems could be enormously beneficial to the United States and a large proportion of Africans.

The Sierra Leone peace accord signed in July 1999 illustrates that cooperative efforts can resolve long-standing African conflicts. Nigeria played a leadership role in this effort, working in concert with the Economic Community of West African States and supported by the international community. The July 1999 Organization for African Unity (OAU) initiative, under Algeria's energetic leadership, for peace between Eritrea and Ethiopia is another such example of cooperative peace efforts which we have actively supported. We believe the Lusaka cease-fire agreement of July 1999 can bring an end to the war in the Democratic Republic of the Congo, and its Joint Military Commission supports the evolution of a regional collective security arrangement in Central Africa. Additionally, we are working with the Angolan government through a Bilateral Consultative Commission (BCC) on key areas of mutual interest such as regional security, humanitarian and social issues, and economic reform.

Sudan continues to pose a threat to regional stability and the national security interests of the United States. We have moved to counter Sudan's support for international terrorism and regional destabilization by imposing sanctions on the Khartoum regime, continuing to press for the regime's isolation through the UN Security Council, and enhancing the ability of Sudan's neighbors to resist Khartoum-backed insurgencies in their countries through our Frontline States initiative. We support regional efforts for a just and fair peace and national reconciliation in Sudan based on the Inter-Governmental Authority on Development's Declaration of Principles.

Persistent conflict and continuing political instability in some African countries remain obstacles to Africa's development and to our national security, political and economic interests there, including unhampered access to oil reserves and other important natural resources. To foster regional stability and peace in Africa, the United States in 1996 launched the African Crisis Response Initiative (ACRI) to work with Africans to enhance their capacity to conduct effective peacekeeping and humanitarian operations. We are coordinating with the French, British, other donor countries and African governments in developing a regional exercise program to promote common doctrines and command and control capability, and interoperability for peacekeeping missions. We are consulting closely on ACRI activity with the UN Department of Peacekeeping Operations, the OAU and its Crisis Management Center, and African sub-regional organizations already pursuing similar capability enhancements.

The United States has established the African Center for Strategic Studies (ACSS) to promote the exchange of ideas and information tailored specifically for African security concerns. The goal is for ACSS to be a source of academic, yet practical, instruction in promoting civil-military relations and the skills necessary to make effective national security decisions in democratic governments. The curriculum will engage African military and civilian defense leaders in a substantive dialogue about defense policy planning, civil-military relations, and defense resource management in democracies. Our long-term goal is to support the development of regional security arrangements and institutions to prevent and manage armed conflicts and curtail transnational threats to our collective security.

Promoting Prosperity

A stable, democratic, economically growing Africa will be a better economic partner, a better partner for security and peace, and a better partner in the fights against drug trafficking, crime, terrorism, infectious diseases and environmental degradation. Lasting prosperity for Africa will be possible only when Africa is fully integrated into the global economy.

Further integrating Africa into the global economy will also directly serve U.S. interests by continuing to expand an already important new market for U.S. exports. The more than 700 million people of sub-Saharan Africa represent one of the world's largest basically untapped markets. Although the United States enjoys only a seven-percent market share in Africa, already 100,000 American jobs depend on our exports there. Increasing both the U.S. market share and the size of the African market will bring tangible benefits to U.S. workers and increase prosperity and economic opportunity in Africa. Our aim, therefore, is to assist African nations to implement economic reforms, improve public governance and combat corruption, create favorable climates for trade and investment, and achieve sustainable development.

To support the economic transformation underway in Africa, the President in June 1997 launched the Partnership for Economic Growth and Opportunity in Africa Initiative. The Administration has implemented many of the Initiative's objectives and continues to work closely with Congress to implement remaining key elements of this initiative through passage of the African Growth and Opportunity Act. By significantly broadening market access, spurring growth and helping the poorest nations eliminate or reduce their bilateral debt, the Initiative and the legislation will better enable us to help African nations undertake difficult economic reforms and build better lives for their people through sustainable development.
We are working with African governments on shared interests in the world trading system, such as developing electronic commerce, improving WTO capacity-building functions, and eliminating agricultural export subsidies. We also are pursuing initiatives to encourage U.S. trade with and investment in Africa, including targeted technical assistance, enhanced debt forgiveness, and increased bilateral trade ties. We have led the

international community in efforts to address Africa's crippling debt, through the Cologne Initiative which substantially deepens relief available under the Heavily Indebted Poor Countries (HIPC) initiative. We will continue to work with African countries to manage and reduce the debt burden in order to unleash the continent's economic potential.

To further our trade objectives in Africa, the Ron Brown Commercial Center was established in Johannesburg, South Africa in 1998. The Center provides support for American companies looking to enter or expand into the sub-Saharan African market, promotes U.S. exports through a range of support programs, and facilitates business contacts and partnerships between African and American businesses. The President's historic March 1998 trip to Africa and the unprecedented March 1999 U.S.-Africa Ministerial further solidified our partnership with African nations across a range of security, economic and political issues.

Helping Africans generate the food and income necessary to feed themselves is critical for promoting sustainable growth and development. Despite some recent progress, the percentage of malnourished people and lack of diversified sustainable agricultural production in Africa is the highest of any region in the world, and more help is greatly needed. In 1998 we launched the Africa Food Security Initiative, a 10-year U.S. Agency for International Development-led effort to help improve agricultural productivity, support research, expand income-generating projects, and address nutritional needs for the rural poor.

African nations are also engaged in battle with diseases, such as malaria and tuberculosis, which sap economic productivity and development. Worse, the epidemic of HIV/AIDS continues to attack the continent, threatening progress on development, reducing life expectancy, and decreasing GDPs in the hardest-hit nations. The Administration has made the battle against AIDS and other diseases a priority for international action and investment in Africa. Our global AIDS Initiative has focused special attention and earmarked resources for Africa.

Promoting Democracy

In Africa as elsewhere, democracies have proved stronger partners for peace, stability and sustained prosperity. We will continue to support the important progress African nations have achieved and to broaden the growing circle of African democracies. The restoration of civilian democratic government in Nigeria can help return that country to its place as a leader in Africa. Over the past year, the government and people of Nigeria have succeeded in restoring democratic civilian government, freed political prisoners, lifted onerous restrictions on labor unions, and worked to restore the authority of the judicial system. Nigeria's new civilian government has taken sweeping steps to ensure that the military remains in the barracks and that fighting corruption will be a top priority. The peaceful elections in February 1999 and inauguration of the new civilian government in May 1999 were important steps in this transformation.

As in any democratic transition, Nigeria's new government is facing enormous challenges: creating accountable government, building support within the military for civilian rule, protecting human rights, and rebuilding the economy so it benefits all citizens. President Clinton met with President Obasanjo at the White House in October 1999 and reaffirmed our commitment to work with him on the challenges and security, economic, political and social issues.

Through the Great Lakes Justice Initiative, the United States is working to help end the cycle of violence and impunity in the Democratic Republic of Congo, Rwanda and Burundi, and to support judicial systems that are impartial, credible, effective and inclusive. In addition, we will work with our allies to find an effective formula for promoting stability, democracy and respect for human rights in the Democratic Republic of Congo so that it and a democratic Nigeria can become the regional centers for economic growth, and democratic empowerment that they can and should be. In order to help post-apartheid South Africa achieve its economic, political, democratic and security goals for all its citizens, we will continue to provide substantial bilateral assistance, vigorously promote U.S. trade and investment, and pursue close cooperation and support for our mutual interests.

Ultimately, the prosperity and security of Africa depend on African leadership, strong national institutions, and extensive political and economic reform. The United States will continue to support and promote such national reforms and the evolution of regional arrangements that build cooperation among African states.

IV. Conclusions

Today, as we reach the twenty-first century, we are building new frameworks, partnerships and institutions – and adapting existing ones – to strengthen America's security and prosperity. We are working to construct new cooperative security arrangements and build peace, contain weapons of mass destruction, fight terrorism and international crime, rid the world of ethnic cleansing and genocide, build a truly global economy, and promote democratic values and economic reform. This is a moment of historic opportunity to create a safer, more democratic, and more prosperous tomorrow -- a better future for our children and grandchildren.

This promising state of affairs did not just happen, and there is no guarantee that it will endure. The contemporary era was forged by steadfast American leadership over the last half century – through efforts such as the Marshall Plan, NATO, our security ties in the Pacific, the United Nations, the International Monetary Fund and the World Bank. The clear dangers of the past made the need for national security commitments and expenditures obvious to the American people. Today, the task of mobilizing public support for national security priorities is more complicated. The complex array of unique dangers, opportunities and responsibilities outlined in this strategy are not always readily apparent as we go about our daily lives focused on immediate concerns. Yet, in a more integrated and interdependent world, we must remain actively engaged in world affairs to successfully advance our national interests.

To be secure and prosperous, America must continue to lead. Our international leadership focuses on President Clinton's strategic priorities: efforts to promote peace and security in key regions of the world; to create more jobs and opportunities for Americans through a more open and competitive trading system that also benefits others around the world; to increase cooperation in confronting security threats that threaten our critical infrastructures and our citizens at home and abroad, yet often defy borders and unilateral solutions; to strengthen international arms control and nonproliferation regimes; to protect the environment and the health of our citizens; and to strengthen the intelligence, military, diplomatic and law enforcement tools necessary to meet these challenges.

Our international leadership is ultimately founded upon the power of our democratic ideals and values. The spread of democracy supports American values and enhances our security and prosperity. The United States will continue to support the trend toward democracy and free markets, peace and security by remaining actively engaged in the world.

Our engagement abroad requires the active, sustained support of the American people and the bipartisan support of the U.S. Congress. This Administration remains committed to explaining our security interests, objectives and priorities to the nation and seeking the broadest possible public and congressional support for our security programs and investments. We will continue to exercise global leadership in a manner that reflects our national values, promotes prosperity and protects the security of this great nation.