A NATIONAL SECURITY STRATEGY FOR A NEW CENTURY

THE WHITE HOUSE
OCTOBER 1998

Contents

Preface ... iii

I. Introduction... 1

Challenges and Opportunities... 1

The Imperative of Engagement... 1

Implementing the Strategy... 2

II. Advancing U.S. National Interests... 5

Enhancing Security at Home and Abroad... 6

Threats to U.S. Interests... 6

The Need for Integrated Approaches... 7

Shaping the International Environment... 8

Diplomacy... 8

International Assistance... 8

Arms Control... 9

Nonproliferation Initiatives... 11

Military Activities... 12

International Law Enforcement Cooperation… 13

Environmental Initiatives… 13

Responding to Threats and Crises... 14

Transnational Threats… 15

Terrorism… 15

International Crime… 16

Drug Trafficking… 17

Emerging Threats at Home … 19

Managing the Consequences of WMD Incidents … 19

Protecting Critical Infrastructures… 21

Smaller-Scale Contingencies... 21

Major Theater Warfare... 22

Preparing Now for an Uncertain Future... 23

Overarching Capabilities... 24

Quality People… 24

Intelligence, Surveillance and Reconnaissance... 24

Space... 25

Missile Defense... 26

National Security Emergency Preparedness… 26

Overseas Presence and Power Projection… 26

Promoting Prosperity... 27

Strengthening Macroeconomic Coordination... 27

Enhancing American Competitiveness... 29

Enhancing Access to Foreign Markets... 29

Promoting an Open Trading System… 29

Export Strategy and Advocacy Program... 31

Enhanced Export Control... 31

Providing for Energy Security... 32

Promoting Sustainable Development Abroad... 33

Promoting Democracy... 33

Emerging Democracies... 33

Adherence to Universal Human Rights and Democratic Principles... 34

Humanitarian Activities... 35

III. Integrated Regional Approaches... 36

Europe and Eurasia... 36

East Asia and the Pacific... 41

The Western Hemisphere... 48

The Middle East, Southwest and South Asia... 51

Africa... 54

IV. Conclusions... 59

Preface

As we approach the beginning of the 21st century, the United States remains the world's most powerful force for peace, prosperity and the universal values of democracy and freedom. Our nation's challenge—and our responsibility—is to sustain that role by harnessing the forces of global integration for the benefit of our own people and people around the world.

These forces of integration offer us an unprecedented opportunity to build new bonds among individuals and nations, to tap the world's vast human potential in support of shared aspirations, and to create a brighter future for our children. But they also present new, complex challenges. The same forces that bring us closer increase our interdependence, and make us more vulnerable to forces like extreme nationalism, terrorism, crime, environmental damage and the complex flows of trade and investment that know no borders.

To seize these opportunities, and move against the threats of this new global era, we are pursuing a forward-looking national security strategy attuned to the realities of our new era. 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 our security.
- To bolster America's economic prosperity.
- To promote democracy abroad.

Over the past five years, we have been putting this strategy in place through a network of institutions and arrangements with distinct missions, but a common purpose—to secure and strengthen the gains of democracy and free markets while turning back their enemies. Through this web of institutions and arrangements, the United States and its partners in the international community are laying a foundation for security and prosperity in the 21st century.

This strategy encompasses a wide range of initiatives: expanded military alliances like NATO, its Partnership for Peace, and its partnerships with Russia and Ukraine; promoting free trade through the World Trade Organization and the move toward free trade areas by nations in the Americas and elsewhere around the world; strong arms control regimes like the Chemical Weapons Convention and the Comprehensive Nuclear Test Ban Treaty; multinational coalitions combating terrorism, corruption, crime and drug trafficking; and binding international commitments to protect the environment and safeguard human rights.

The United States must have the tools necessary to carry out this strategy. We have worked diligently within the parameters of the Balanced Budget Agreement to preserve and provide for the readiness of our armed forces while meeting priority military challenges identified in the 1997 Quadrennial Defense Review (QDR). The QDR struck a careful balance between near-term readiness, long-term modernization and quality of life improvements for our men and women in uniform. It ensured that the high readiness levels of our forward-deployed and "first-to-fight" forces would be maintained. The priority we attach to maintaining a high-quality force is reflected in our budget actions. This fiscal year, with Congress' support for the Bosnia and Southwest Asia non-offset emergency supplemental funds, we were able to protect our high payoff readiness accounts. Next year's Defense Budget increases funding for readiness and preserves quality of life for military personnel.

Although we have accomplished much on the readiness front, much more needs to be done. Our military leadership and I are constantly reevaluating the readiness of our forces and addressing problems in individual readiness areas as they arise. I have

instructed the Office of Management and Budget and the National Security Council to work with the Department of Defense to formulate a multi-year plan with the necessary resources to preserve military readiness, support our troops, and modernize the equipment needed for the next century. 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.

We must also renew our commitment to America's diplomacy—to ensure that we have the superb diplomatic representation that our people deserve and our interests demand. Every dollar we devote to preventing conflicts, promoting democracy, and stopping the spread of disease and starvation brings a sure return in security and savings. Yet international affairs spending today totals just one percent of the federal budget—a small fraction of what America invested at the start of the Cold War when we chose engagement over isolation. If America is to continue to lead the world by its own example, we must demonstrate our own commitment to these priority tasks. This is also why we must pay our dues to the United Nations.

Protecting our citizens and critical infrastructures at home is an essential element of our strategy. Potential adversaries—whether nations, terrorist groups or criminal organizations—will be tempted to disrupt our critical infrastructures, impede government operations, use weapons of mass destruction against civilians, and prey on our citizens overseas. These challenges demand close cooperation across all levels of government—federal, state and local—and across a wide range of agencies, including the Departments of Defense and State, the Intelligence Community, law enforcement, emergency services, medical care providers and others. Protecting our critical infrastructure requires new partnerships between government and industry. Forging these new structures will be challenging, but must be done if we are to ensure our safety at home and avoid vulnerabilities that those wishing us ill might try to exploit in order to erode our resolve to protect our interests abroad.

The United States has profound interests at stake in the health of the global economy. Our future prosperity depends upon a stable international financial system and robust global growth. Economic stability and growth are essential for the spread of free markets and their integration into the global economy. The forces necessary for a healthy global economy are also those that deepen democratic liberties: the free flow of ideas and information, open borders and easy travel, the rule of law, fair and even-handed enforcement, protection for consumers, a skilled and educated work force. If citizens tire of waiting for democracy and free markets to deliver a better life for them, there is a real risk that they will lose confidence in democracy and free markets. This would pose great risks not only for our economic interests but for our national security.

We are taking a number of steps to help contain the current financial turmoil in Asia and other parts of the world. We are working with other industrialized nations, the International Monetary Fund and the World Bank to spur growth, stop the financial crisis from spreading, and help the victims of financial turmoil. We have also intensified our efforts to reform international trade and financial institutions: building a stronger and more accountable global trading system, pressing forward with market-opening initiatives, advancing the protection of labor and the environment and doing more to ensure that trade helps the lives of ordinary citizens across the globe.

At this moment in history, the United States is called upon to lead—to organize the forces of freedom and progress; to channel the unruly energies of the global economy into positive avenues; and to advance our prosperity, reinforce our democratic ideals and values, and enhance our security.

I. Introduction

We must judge our national security strategy by its success in meeting 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 for the well being and prosperity of the nation and its people.

Challenges and Opportunities

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, but also offering unprecedented opportunities to avert those threats and advance our interests.

Globalization—the process of accelerating economic, technological, cultural and political integration—means that more and more we as a nation are affected by events beyond our borders. Outlaw states and ethnic conflicts threaten regional stability and economic progress in many important areas of the world. Weapons of mass destruction (WMD), terrorism, drug trafficking and organized crime are global concerns that transcend national borders. Other problems that once seemed quite distant—such as resource depletion, rapid population growth, environmental damage, new infectious diseases and uncontrolled refugee migration—have important implications for American security. Our workers and businesses will suffer if foreign markets collapse or lock us out, and the highest domestic environmental standards will not protect us if we cannot get others to achieve similar standards. In short, our citizens have a direct 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.

Yet, this is also a period of great promise. Globalization is bringing citizens from all continents closer together, allowing them to share ideas, goods and information at the tap of a keyboard. Many nations around the world have embraced America's core values of representative governance, free market economics and respect for fundamental human rights and the rule of law, creating new opportunities to promote peace, prosperity and greater cooperation among nations. Former adversaries now cooperate with us. The dynamism of the global economy is transforming commerce, culture, communications and global relations, creating new jobs and economic opportunity for millions of Americans.

The Imperative of Engagement

Our strategic approach recognizes that we must lead abroad if we are to be secure at home, but we cannot lead abroad unless we are strong at home. 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. Today's complex security environment demands that all our instruments of national power be effectively integrated to achieve our security objectives. We must have the demonstrated will and capabilities to continue to exert global leadership and remain the preferred security partner for the community of states that share our interests. We have seen in the past that the international community is often reluctant to act forcefully without American leadership. In many instances, the United States is the only nation capable of providing the necessary leadership and capabilities for an international response to shared challenges. American leadership and engagement

in the world are vital for our security, and our nation and the world are safer and more prosperous as a result.

The alternative to engagement is not withdrawal from the world; it is passive submission to powerful forces of change—all the more ironic at a time when our capacity to shape them is as great as it has ever been. Three-quarters of a century ago, the United States helped to squander Allied victory in World War I by embracing isolationism. After World War II, and in the face of a new totalitarian threat, America accepted the challenge to lead. We remained engaged overseas and worked with our allies to create international structures—from the Marshall Plan, the United Nations, NATO and other defense arrangements, to the International Monetary Fund and the World Bank—that enabled us to strengthen our security and prosperity and win the Cold War. By exerting our leadership abroad we have deterred aggression, fostered the resolution of conflicts, strengthened democracies, opened foreign markets and tackled global problems such as protecting the environment. U.S. leadership has been crucial to the success of negotiations that produced a wide range of treaties that have made the world safer and more secure by limiting, reducing, preventing the spread of, or eliminating weapons of mass destruction and other dangerous weapons. Without our leadership and engagement, threats would multiply and our opportunities would narrow.

Underpinning our international leadership is the power of our democratic ideals and values. In designing our strategy, we recognize that the spread of democracy supports American values and enhances both our security and prosperity. Democratic governments are more likely to cooperate with each other against common threats, encourage free trade, and promote sustainable economic development. They are less likely to wage war or abuse 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. This is the strategy to take us into the next century.

Implementing the Strategy

Our global leadership efforts will continue to be guided by President Clinton's strategic priorities: to foster regional efforts led by the community of democratic nations to promote peace and prosperity in key regions of the world, to increase cooperation in confronting new security threats that defy borders and unilateral solutions, to strengthen the military, diplomatic and law enforcement tools necessary to meet these challenges and to create more jobs and opportunities for Americans through a more open and competitive economic system that also benefits others around the world. Our strategy is tempered by recognition that there are limits to America's involvement in the world. We must be selective in the use of our capabilities and the choices we make always must be guided by advancing our objectives of a more secure, prosperous and free America.

We must always be prepared to act alone when that is our most advantageous course. But many of our security objectives are best achieved—or can only be achieved—through our alliances and other formal security structures, or as a leader of an ad hoc coalition formed around a specific objective. Durable relationships with allies and friendly nations are vital to our security. A central thrust of our strategy is to strengthen and adapt the security relationships we have with key nations around the world and create new relationships and structures when necessary. Examples include NATO enlargement, the Partnership for Peace, the NATO-Russia Permanent Joint Council, the African Crisis Response Initiative, the regional security dialogue in the ASEAN Regional Forum and the hemispheric security initiatives adopted at the Summit of the Americas. At other times we harness our diplomatic, economic, military and information strengths to shape a favorable international environment outside of formal structures. This approach has borne fruit in areas as diverse as the elimination of nuclear weapons from Ukraine, Kazakhstan and Belarus, our comprehensive assistance package for Russia and other Newly Independent States (NIS), the advancement of peace in Northern Ireland, and support for the transformation of South Africa.

Protecting our citizens and critical infrastructures at home is an intrinsic and essential element of our security strategy. The dividing line between domestic and foreign policy is increasingly blurred. Globalization enables other states, terrorists, criminals, drug traffickers and others to challenge the safety of our citizens and the security of our borders in new ways. The security challenges wrought by globalization demand close cooperation across all levels of

government—federal, state and local—and across a wide range of agencies, including the Departments of Defense and State, the Intelligence Community, law enforcement, emergency services, medical care providers and others. Protecting our critical infrastructure requires new partnerships between government and industry. Forging these new structures and relationships will be challenging, but must be done if we are to ensure our safety at home and avoid vulnerabilities that those wishing us ill might try to exploit in order to erode our resolve to protect our interests abroad.

Engagement abroad rightly depends on the willingness of the American people and the Congress to bear the costs of defending U.S. interests—in dollars, energy and, when there is no alternative, the risk of losing American lives. We must, therefore, foster the broad public understanding and bipartisan congressional support necessary to sustain our international engagement, always recognizing that some decisions that face popular opposition must ultimately be judged by whether they advance the interests of the American people in the long run.

II. Advancing U.S. National Interests

The goal of the national security strategy is to ensure the protection of our nation's fundamental and enduring needs: protect the lives and safety of Americans, maintain the sovereignty of the United States with its values, institutions and territory intact, and promote the prosperity and well-being of the nation and its people. 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 influence the policies and actions of those who can affect our national well-being.

We seek to create a stable, peaceful international security environment in which our nation, citizens and interests are not threatened. The United States will not allow a hostile power to dominate any region of critical importance to our interests. We will work to prevent the spread of nuclear, biological and chemical weapons and the materials for producing them, and to control other potentially destabilizing technologies, such as long-range missiles. We will continue to ensure that we have effective means for countering and responding to the threats we cannot deter or otherwise prevent from arising. This includes protecting our citizens from terrorism, international crime and drug trafficking.

We seek a world in which democratic values and respect for human rights and the rule of law are increasingly accepted. This will be achieved through broadening the community of free-market democracies, promoting an international community that is willing and able to prevent or respond effectively to humanitarian problems, and strengthening international non-governmental movements committed to human rights and democratization. These efforts help prevent humanitarian disasters, promote reconciliation in states experiencing civil conflict and address migration and refugee crises.

We seek continued American prosperity through increasingly open international trade and sustainable growth in the global economy. The health of the international economy directly affects our security, just as stability enhances the prospects for prosperity. Prosperity ensures that we are able to sustain our military forces, foreign initiatives and global influence. In turn, our engagement and influence helps ensure that the world remains stable so the international economic system can flourish.

We seek a cleaner global environment to protect the health and well-being of our citizens. A deteriorating environment not only threatens public health, it impedes economic growth and can generate tensions that threaten international stability. To the extent that other nations believe they must engage in non-sustainable exploitation of natural resources, our long-term prosperity and security are at risk.

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, our economic well-being and the protection of our critical infrastructures. We will do what we must to defend these interests, including—when necessary—using our military might unilaterally and decisively.

The second category includes situations in which ***important national interests*** are at stake. 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. In such cases, we will use our resources to advance these interests insofar as the costs and risks are commensurate with the interests at stake. Our efforts to halt the flow of refugees from Haiti and restore democracy in that state, our participation in NATO operations in Bosnia and our efforts to protect the global environment are relevant 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 or violations of human rights, supporting democratization and civil control of the military, assisting humanitarian demining, and promoting sustainable development. Often in such cases, the force of our example bolsters support for our leadership in the world. 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 the drain on resources caused by intervention in crises.

Our strategy is based on three national objectives: enhancing our security, bolstering our economic prosperity and promoting democracy abroad.

Enhancing Security at Home and Abroad

Our strategy for enhancing U.S. security recognizes that we face diverse threats requiring integrated approaches to defend the nation, shape the international environment, respond to crises and prepare for an uncertain future.

Threats to U.S. Interests

The current international security environment presents a diverse set of threats to our enduring goals and hence to our security:

- **Regional or State-Centered Threats:** A number of states still have the capabilities and the desire to threaten our vital interests through coercion or aggression. They continue to threaten the sovereignty of their neighbors 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, in some cases, long-range delivery systems. In Southwest Asia, both Iraq and Iran have the potential to threaten their neighbors and the free flow of oil from the region. In East Asia, North Korea maintains its forward positioning of offensive military capabilities on its border with South Korea.

- **Transnational threats:** Terrorism, international crime, drug trafficking, illicit arms trafficking, uncontrolled refugee migrations and environmental damage threaten U.S. interests, citizens and the U.S. homeland itself. The possibility of terrorists and other criminals using WMD—nuclear, biological and chemical weapons—is of special concern. Threats to the national information infrastructure, ranging from cyber-crime to a strategic information attack on the United States via the global information network, present a dangerous new threat to our national security. We must also guard against threats to our other critical national infrastructures—such as electrical power and transportation—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. International drug trafficking organizations have become the most powerful and dangerous organized crime groups the United States has ever confronted due to their sophisticated production, shipment, distribution and financial systems, and the violence and corruption they promote everywhere they operate.

- **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 the means to inflict terrible damage on the United States, its allies and U.S. citizens and troops abroad. We must continue to deter and be prepared to counter the use or threatened use of WMD, reduce the threat posed by existing arsenals of such weaponry and halt the smuggling of nuclear materials. We must identify the technical information, technologies and materials that cannot be allowed to fall into the hands of those seeking to develop and produce WMD. And we must stop the proliferation of non-safeguarded dual-use technologies that place these destructive capabilities in the hands of parties hostile to U.S. and global security interests.

- **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 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. These new methods compound the already serious threat posed by traditional human, technical and signals intelligence activities.

- **Failed states:** We can expect that, despite international prevention efforts, some states will be unable to provide basic governance, services and opportunities for their populations, potentially generating internal conflict, humanitarian crises or regional instability. As governments lose their ability to provide for the welfare of their citizens, mass migration, civil unrest, famine, mass killings, environmental disasters and aggression against neighboring states or ethnic groups can threaten U.S. interests and citizens.

The Need for Integrated Approaches

Success in countering these varied threats requires an integrated approach that brings to bear all the capabilities and assets needed to achieve our security objectives—particularly in this era when domestic and foreign policies are increasingly blurred.

To effectively shape the international environment and respond to the full spectrum of potential threats and crises, diplomacy, military force, our other foreign policy tools and our domestic preparedness efforts must be closely coordinated. We must retain a strong foreign assistance program and an effective diplomatic corps if we are to maintain American leadership. We must maintain superior military forces at the level of readiness necessary to effectively deter aggression, conduct a wide range of peacetime activities and smaller-scale contingencies, and, preferably in concert with regional friends and allies, win two overlapping major theater wars. The success of all our foreign policy tools is critically dependent on timely and effective intelligence collection and analysis capabilities.

International cooperation will be vital for building security in the next century because many of the threats we face cannot be addressed by a single nation. Globalization of transportation and communications has allowed international terrorists and criminals to operate without geographic constraints, while individual governments and their law enforcement agencies remain limited by national boundaries. Unlike terrorists and criminals, governments must respect the sovereignty of other nations. Accordingly, a central thrust of our strategy is to enhance relationships with key nations around the world to combat transnational threats to common interests. We seek to address these threats by increasing intelligence and law enforcement cooperation, denying terrorists safe havens, preventing arms traders from fueling regional conflicts and subverting international embargoes, and cracking down on drug trafficking, money laundering and international crime.

Building effective coalitions of like-minded nations is not enough. We are continuing to strengthen and integrate our own diplomatic, military, intelligence and law enforcement capabilities so we can act on our own when we must as well as more effectively lead the international community in responding to these threats.

Potential enemies, whether nations, terrorist groups or criminal organizations, are increasingly likely to attack U.S. territory and the American people in unconventional ways. Adversaries will be tempted to disrupt our critical infrastructures, impede continuity of government operations, use weapons of mass destruction against civilians in our cities, attack us when we gather at special events and prey on our citizens overseas. The United States must act to deter or prevent such attacks and, if attacks occurs despite those efforts, must be prepared to limit the damage they cause and respond decisively against the perpetrators. We will spare no effort to bring attackers to justice, ever adhering to our policy toward terrorists that "You can run, but you cannot hide," and where appropriate to defend ourselves by striking at terrorist bases and states that support terrorist acts.

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 cannot be limited exclusively to any one agency within the U.S.

Government. The threats and their consequences cross agency lines, requiring 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.

Shaping the International Environment

The United States has a range of tools at its disposal with which to shape the international environment in ways favorable to U.S. interests and global security. Shaping activities enhance U.S. security by promoting regional security and preventing or reducing the wide range of diverse threats outlined above. These measures adapt and strengthen alliances and friendships, maintain U.S. influence in key regions and encourage adherence to international norms. When signs of potential conflict emerge, or potential threats appear, we undertake initiatives to prevent or reduce these threats. Our shaping efforts also aim to discourage arms races, halt the proliferation of weapons of mass destruction, reduce tensions in critical regions and combat the spread of international criminal organizations.

Many of our international shaping activities, often undertaken with the cooperation of our allies and friends, also help to prevent threats from arising that place at risk American lives and property at home. Examples include countering terrorism, drug and firearms trafficking, illegal immigration, the spread of WMD and other threats. Increasingly, shaping the security environment involves a wide range of Federal agencies, some of which in the past have not been thought of as having such an international role.

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 a 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, creating trade and investment opportunities for U.S. companies, and projecting U.S. influence worldwide.

One of the lessons that has been repeatedly 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 far less taxing 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 obviously far preferable.

Credible military force and the demonstrated will to use it are essential to defend our vital interests and keep America safe. But force alone cannot solve all our problems. To be most effective, force, diplomacy and our other policy tools must complement and reinforce each other—for there will be many occasions and many places where we must rely on diplomatic shaping activities to protect and advance our interests.

International Assistance

From the U.S.-led mobilization to rebuild post-war Europe to the more recent creation of export opportunities across Asia, Latin America and Africa, U.S. foreign assistance has assisted emerging democracies, helped expand 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 voluntary family planning, basic education, environmental protection, democratic governance and rule of law, and the economic empowerment of private citizens.

When combined effectively with other bilateral and multilateral activities, such as through our cooperative scientific and technological programs, U.S. initiatives reduce the need for costly military and humanitarian interventions. Where foreign aid succeeds in

consolidating free market policies, substantial growth of American exports has frequently followed. Where crises have occurred, actions such as the Greater Horn of Africa Initiative have helped stanch mass human suffering and created a path out of conflict and dislocation through targeted relief. Other foreign aid programs have worked to help restore elementary security and civic institutions.

Arms Control

Arms control efforts are an essential element of our national security strategy. Effective arms control is really defense by other means. We pursue verifiable arms control agreements that support our efforts to prevent the spread and use of weapons of mass destruction, halt the use of conventional weapons that cause unnecessary suffering, and contribute to regional stability at lower levels of armaments. By increasing transparency in the size, structure and operations of military forces, arms control agreements and confidence-building measures reduce incentives and opportunities to initiate an attack, and reduce the mutual suspicions that arise from and spur on armaments competition. They help provide the assurance of security necessary to strengthen cooperative relationships and direct resources to safer, more productive endeavors. Agreements that preserve our crisis response capability shape the global and regional security environments, and simultaneously reinforce our commitment to allies and partners. Our arms control initiatives are an essential prevention measure for enhancing U.S. and allied security.

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 the Former Soviet Union (FSU). START I has accomplished much to reduce the risk of nuclear war and strengthen international security. On the third anniversary of START I entry into force, the United States and Russia announced that both were two years ahead of schedule in meeting the treaty's mandated reductions.

Once the START II Treaty enters into force, the United States and Russia will each be limited to between 3,000-3,500 total deployed strategic nuclear warheads. START II also will eliminate destabilizing land-based multiple warhead missiles, a truly historic achievement. Russian ratification of START II will open the door to the next round of strategic arms control.

At the Helsinki Summit in March 1997, Presidents Clinton and Yeltsin agreed that once START II enters into force, our two nations would immediately begin negotiations on a START III agreement. They 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 START III will, for the first time, require the U.S. and Russia to destroy nuclear warheads, not just the missiles, aircraft and submarines that carry them, and opened the door to possible reductions in non-strategic nuclear weapons. On September 26, 1997, the U.S. and Russia signed a START II Protocol codifying the agreement at Helsinki to extend 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 Helsinki, the two Presidents recognized the Nunn-Lugar Cooperative Threat Reduction (CTR) Program as the vehicle through which the United States would facilitate the deactivation of strategic nuclear delivery systems in the FSU nations. The CTR Program has assisted Ukraine, Kazakhstan and Belarus in becoming non-nuclear weapons states and will continue to assist Russia in meeting its START obligations. The program has effectively supported enhanced safety, security, accounting and centralized control measures for nuclear weapons and fissile materials in the FSU. CTR is also assisting FSU nations in measures to eliminate and prevent the proliferation of chemical weapons and biological weapon-related capabilities. It has supported many ongoing military reductions and reform measures in the FSU, and has contributed to a climate conducive for further progress on non-proliferation.

Also at Helsinki, the Presidents reaffirmed their commitment to the Anti-Ballistic Missile (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, the U.S. Secretary of State and Russian Foreign Minister, along with

their counterparts from Belarus, Kazakhstan and Ukraine, signed or initialed five agreements relating to the ABM Treaty. The agreements on demarcation and succession will be provided to the Senate for its advice and consent following Russian ratification of START II.

By banning all nuclear test explosions for all time, the Comprehensive Test Ban Treaty (CTBT) constrains the development of dangerous nuclear weapons, contributes to preventing nuclear proliferation and to the process of nuclear disarmament, and enhances the ability of the United States to monitor suspicious nuclear activities in other countries through a worldwide sensor network and on-site inspections. Nuclear tests in India and Pakistan in May 1998 make it more important than ever to move quickly to bring the CTBT into force and continue establishment of the substantial verification mechanisms called for in the treaty. The President has submitted the treaty, which 150 nations have signed, to the Senate and has urged the Senate to provide its advice and consent this year. Prompt 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. Multilateral and regional arms control efforts also increase U.S. and global security. We seek to strengthen the Biological Weapons Convention (BWC) with a new international regime to ensure compliance. At present, 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 deter and detect cheating. We are also working hard to implement and enforce the Chemical Weapons Convention (CWC). The United States Senate underscored the importance of these efforts with its April 24, 1997 decision, by a vote of 74-26, to give its advice and consent to ratification of the CWC. The next key step is legislation to implement full compliance with the commercial declarations and inspections that are required by the CWC.

In Europe, we are pursuing the adaptation of the 1990 Conventional Armed Forces in Europe (CFE) Treaty, consistent with the Decision on Certain Basic Elements adopted in Vienna on July 23, 1997 by all 30 CFE states. Success in this negotiation will ensure that this landmark agreement remains a cornerstone of European security into the 21st century and beyond. We continue to seek Russian, Ukrainian and Belarusian ratification of the 1992 Open Skies Treaty to increase transparency of military forces in Eurasia and North America. We also promote, through international organizations such as the Organization for Security and Cooperation in Europe (OSCE), implementation of confidence and security-building measures, including the 1994 Vienna Document, throughout Europe and in specific regions of tension and instability—even where we are not formal parties to such agreements. The agreements mandated by the Dayton Accords demonstrate how innovative regional efforts can strengthen stability and reduce conflicts that could adversely affect U.S. interests abroad.

President Clinton is committed to ending the tragic damage to innocent civilians due to anti-personnel landmines (APLs). The United States has already taken major steps in the spirit that motivated the Ottawa Convention, while ensuring our ability to meet international obligations and provide for the safety and security of our men and women in uniform. On June 30, 1998, we met—one year ahead of schedule—the President's May 1996 commitment to destroy all of our non-self-destructing APLs by 1999, except those we need for Korea and demining training. To expand and strengthen the Administration policy on APLs that he announced on September 17, 1997, President Clinton signed Presidential Decision Directive 64 in June 1998. It directs the Defense Department to end the use of all APLs, even of 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 we succeed in identifying and fielding suitable alternatives to our self-destructing APLs and mixed anti-tank systems by then. Furthermore, in 1997 the Administration submitted for Senate advice and consent the Amended Landmine Protocol to the Convention on Conventional Weapons, which bans the unmarked, long-duration APLs that caused the worldwide humanitarian problem. We have established a permanent ban on APL exports and are seeking to universalize an export ban through the Conference on Disarmament in Geneva. In 1998 we are spending $80 million on humanitarian demining programs, more than double that of the previous year, and through our "Demining 2010" initiative have challenged the world to increase the effectiveness

and efficiency of removing landmines that threaten civilians.

Nonproliferation Initiatives

Nonproliferation initiatives enhance global security by preventing the spread of WMD, materials for producing them and means of delivering them. That is why the Administration is promoting universal adherence to the international treaty regimes that prohibit the acquisition of weapons of mass destruction, including the Nuclear Non-Proliferation Treaty (NPT), the CWC and the BWC. The NPT was an indispensable precondition for the denuclearization of Ukraine, Kazakhstan, Belarus and South Africa. We also seek to strengthen the International Atomic Energy Agency (IAEA) safeguards system and achieve a Fissile Material Cutoff Treaty to cap the nuclear materials available for weapons. A coordinated effort by the intelligence community and law enforcement agencies to detect, prevent and deter illegal trafficking in fissile materials is also essential to our counter-proliferation efforts. The Administration also seeks to prevent destabilizing buildups of conventional arms and limit access to sensitive technical information, equipment and technologies by strengthening multilateral 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 (MTCR) and the Nuclear Suppliers Group. We are working to harmonize national export control policies, increase information sharing, refine control lists and expand cooperation against illicit transfers.

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 nonproliferation obligations. In the Middle East and Southwest Asia, we encourage regional arms control agreements that address the legitimate security concerns of all parties and continue efforts to thwart and roll back Iran's development of weapons of mass destruction and Iraq's efforts to reconstitute its programs. In South Asia, we seek to persuade India and Pakistan to bring their nuclear and missile programs into conformity with international nonproliferation standards and to sign and ratify the CTBT.

Through programs such as the Nunn-Lugar Cooperative Threat Reduction 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. 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. We are purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel, and working with Russia to redirect former Soviet facilities and scientists from military to peaceful purposes.

To expand and improve U.S. efforts aimed at deterring proliferation of WMD by organized crime groups and individuals in the NIS and Eastern Europe, the Defense Department and FBI are

implementing a joint counter proliferation assistance program that provides appropriate training, material and services to law enforcement agencies in these areas. The program's objectives are to assist in establishing a professional cadre of law enforcement personnel in these nations trained to prevent, deter and investigate crimes related to the proliferation and diversion of WMD or their delivery systems; to assist these countries in developing laws and regulations designed to prevent the illicit acquisition or trafficking of WMD, and in establishing appropriate enforcement mechanisms; and to build a solid legal and organization framework that will enable these governments to attack the proliferation problem at home and participate effectively in international efforts.

Military Activities

The U.S. military plays an essential role in building coalitions and shaping the international environment in ways that protect and promote U.S. interests. 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, promote regional stability, prevent and reduce conflicts and threats, and serve as role models for militaries in emerging democracies. These important efforts engage every component of the Total Force: Active, Reserve, National Guard and civilian.

Deterrence of aggression and coercion on a daily basis is crucial. 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 and go into action 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.

Our nuclear deterrent posture is one of the most visible and important examples of how U.S. military capabilities can be used effectively to deter aggression and coercion, as reaffirmed in a Presidential Decision Directive signed by President Clinton in November 1997. Nuclear weapons serve as a hedge against an uncertain future, 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. nuclear weapons is focused on deterring a nuclear war rather than attempting to fight and win a protracted nuclear exchange. We continue to emphasize the survivability of the nuclear systems and infrastructure necessary to endure a preemptive attack and still respond at overwhelming levels. The United States must continue to maintain a robust triad of strategic forces sufficient to deter any hostile foreign leadership with access to nuclear forces and to convince it that seeking a nuclear advantage would be futile. We must also ensure the continued viability of the infrastructure that supports U.S. nuclear forces and weapons. The Stockpile Stewardship Program will guarantee the safety and reliability of our nuclear weapons under the Comprehensive Test Ban Treaty.

While our overall deterrence posture—nuclear and conventional—has been effective against most potential adversaries, a range of terrorist and criminal organizations may not be deterred by traditional deterrent threats. For these actors to be deterred, they must believe that any type of attack against the United States or its citizens will be attributed to them and that we will respond effectively and decisively to protect our national interests and ensure that justice is done.

Our military promotes regional stability in numerous ways. In Europe, East Asia and Southwest Asia, where the U.S. has clear, vital interests, the American military helps assure the security of our allies and friends. The reinforcement of U.S. forces in the Gulf from Fall 1997 to Spring 1998 clearly illustrates the importance of military power in achieving U.S. national security objectives and stabilizing a potentially volatile situation. The U.S. buildup made it clear to Saddam Hussein that he must comply with UN sanctions and cease hindering UNSCOM inspections or face dire consequences. It

also denied him the option of moving to threaten his neighbors, as he had done in past confrontations with the international community. Saddam's agreement to open the so-called "presidential sites" to UN inspection was a significant step toward ensuring that Iraq's WMD have been eradicated. It would not have been achieved without American diplomacy backed by force. Our decision maintain a higher continuous force level in the Gulf than we had before this most recent confrontation with Iraq will help deter Saddam from making further provocations and strengthen the resolve of our coalition partners in the Gulf.

We are continuing to adapt and strengthen our alliances and coalitions to meet the challenges of an evolving security environment. U.S. military forces prevent and reduce a wide range of potential conflicts in key regions. An example of such an activity is our deployment to the Former Yugoslav Republic of Macedonia to help prevent the spread of violence to that country. We assist other countries in improving their pertinent military capabilities, including peacekeeping and humanitarian response. With countries that are neither staunch friends nor known foes, military cooperation often serves as a positive means of engagement, building security relationships today that will contribute to improved relations tomorrow.

Our armed forces also serve as a role model for militaries in emerging democracies around the world. Our 200-year history of strong civilian control of the military serves as an example to those countries with histories of non-democratic governments. Through military-to-military activities and increasing links between the U.S. military and the military establishments of Partnership for Peace nations, for instance, we are helping to transform military institutions in Central and Eastern Europe, as well as in the Newly Independent States of the former Soviet Union.

International Law Enforcement Cooperation

As threats to our national security from drug trafficking, terrorism and international crime increase, development of working relations U.S. and foreign law enforcement and judicial agencies will play a vital role in shaping law enforcement priorities in those countries. Law enforcement agencies must continue to find innovative ways to develop a concerted, global attack on the spread of international crime.

Overseas law enforcement presence leverages resources and fosters the establishment of effective working relationships with foreign law enforcement agencies. U.S. investigators and prosecutors draw upon their experience and background 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 develops substantive international links by creating personal networks of law enforcement professionals dedicated to bringing international criminals to justice.

In addition, training foreign law enforcement officers is critical to combating international crime. Such training helps create professional law enforcement organizations and builds citizen confidence in law enforcement officers, who understand and operate under the rule of law. Training also builds a common perspective and understanding of investigative techniques that helps shape international law enforcement priorities. The FBI and other federal law enforcement agencies have provided extensive law enforcement training at the International Law Enforcement Academy in Budapest, Hungary and elsewhere around the world. This training has proved to be enormously effective in developing professional law enforcement and security services in emerging democracies.

Environmental Initiatives

Decisions today regarding the environment and natural resources can affect our security for generations. Environmental threats do not heed national borders and can pose long-term dangers to our security and well-being. Natural resource scarcities can trigger and exacerbate conflict. Environmental threats such as climate change, ozone depletion and the transnational movement of hazardous chemicals and waste directly threaten the health of U.S. citizens.

We have a full diplomatic agenda, working bilaterally and multilaterally to respond aggressively to environmental threats. The Global Environmental Facility (GEF) is an important instrument for this cooperation. With 161 member nations, the GEF is specifically focused on reducing cross-border environmental damage. Our Environmental Security

Initiative joins U.S. agencies with foreign partners to address regional environmental concerns and thereby reduce the risk to U.S. interests abroad. We have also undertaken development of an environmental forecasting system to provide U.S. policymakers advance warning of environmental stress situations which have the potential for significant impact on U.S. interests.

At Kyoto in December 1997, the industrialized nations of the world agreed for the first time to binding limits on greenhouse gases. The agreement is strong and comprehensive, covering the six greenhouse gases whose concentrations are increasing due to human activity. It reflects the commitment of the United States to use the tools of the free market to tackle this problem. It will enhance growth and create new incentives for the rapid development of technologies through a system of joint implementation and emissions trading. The Kyoto agreement was a vital turning point, but we still have a lot of hard work ahead. We must press for meaningful participation by key developing nations. Multilateral negotiations are underway and we will pursue bilateral talks with key developing nations. We will not submit the Kyoto agreement for ratifica-tion until key developing nations have agreed to participate meaningfully in efforts to address global warming.

Additionally, we seek to accomplish the following:

- achieve increased compliance with the Montreal Protocol through domestic and multilateral efforts aimed at curbing illegal trade in ozone depleting substances;

- ratify the Law of the Sea Convention, implement the UN Straddling Stocks Agreement and help to promote sustainable management of fisheries worldwide;

- implement the Program of Action on population growth developed at the 1994 Cairo Conference, lead a renewed global effort to address population problems and promote international consensus for stabilizing world population growth;
- expand bilateral forest assistance programs and promote sustainable management of tropical forests;

- achieve Senate ratification of the Convention to Combat Desertification;

- negotiate an international agreement to ban twelve persistent organic pollutants, including such hazardous chemicals as DDT;

- promote environment-related scientific research in other countries so they can better identify environmental problems and develop indigenous solutions for them;

- increase international cooperation in fighting transboundary environmental crime, including trafficking in protected flora and fauna, hazard-ous waste and ozone-depleting chemicals;

- ratify the Biodiversity Convention and take steps to prevent biodiversity loss, including support for agricultural research to relieve pressures on forests, working with multilateral development banks and others to prevent biodiversity loss in key regions, and use of the Convention on International Trade in Endangered Species to protect threatened species; and

- continue to work with the Nordic countries and Russia to mitigate nuclear and non-nuclear pollution in the Arctic, and continue to encourage Russia to develop sound management practices for nuclear materials and radioactive waste.

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. Our response might be diplomatic, economic, law enforcement, or military in nature—or, more likely, some combination of the above. We must use the most appropriate tool or combination of tools—acting in alliance or partnership when our interests are shared by others, but unilaterally when compelling national interests so demand. At home, we must forge an effective partnership of Federal, state and local government agencies, industry and other private sector organizations.

When efforts to deter an adversary—be it a rogue nation, terrorist group or criminal organization—occur in the context of a crisis, they 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. Forces in or near the theater may be moved closer to the crisis and other forces rapidly deployed to the area. The U.S. 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.

The American people rightfully play a central role in how the United States wields its power abroad. The United States cannot long sustain a commitment without the support of the public, and close consultations with Congress are important in this effort. When it is judged in America's interest to intervene, we must remain clear in purpose and resolute in execution.

Transnational Threats

Today, American diplomats, law enforcement officials, military personnel, members of the intelligence community and others are increasingly called upon to respond to growing transnational threats, particularly terrorism, drug trafficking and international organized crime.

Terrorism

To meet the growing challenge of terrorism, President Clinton signed Presidential Decision Directive 62 in May 1998. This Directive creates a new and more systematic approach to fighting the terrorist threat of the next century. It reinforces the mission of the many U.S. agencies charged with roles in defeating terrorism; it also codifies and clarifies their activities in the wide range of U.S. counter-terrorism programs, including apprehension and prosecution of terrorists, increasing transportation security, and enhancing incident response capabilities. The Directive will help achieve the President's goal of ensuring that we meet the threat of terrorism in the 21st century.

Our policy to counter international terrorists rests on the following principles: (1) make no concessions to terrorists; (2) bring all pressure to bear on all state sponsors of terrorism; (3) fully exploit all available legal mechanisms to punish international terrorists; and (4) help other governments improve their capabilities to combat terrorism. Following these principles, we seek to uncover and eliminate foreign terrorists and their support networks in our country; eliminate terrorist sanctuaries; and counter state-supported terrorism and subversion of moderate regimes through a comprehensive program of diplomatic, law enforcement, economic, military and intelligence activities. We are working to improve aviation security at airports in the United States and worldwide, to ensure better security for all U.S. transportation systems, and to improve protection for our personnel assigned overseas.

Countering terrorism effectively requires day-to-day coordination within the U.S. Government and close cooperation with other governments and international organizations. Foreign terrorists will not be allowed to enter the United States, and the full force of legal authorities will be used to remove foreign terrorists from the United States and prevent fundraising within the United States to support foreign terrorist activity. We have seen positive results from the increasing integration of intelligence, diplomatic, military and law enforcement activities among the Departments of State, Justice, Defense, Treasury, Energy, Transportation, the CIA and other intelligence agencies. The Administration is working with Congress to increase the ability of these agencies to combat terrorism through augmented funding and manpower.

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. In January 1998, the United States signed the International Convention for the Suppression of Terrorist Bombings. The Convention fills an important gap in international law by expanding the legal framework for international cooperation in the investigation, prosecution and extradition of persons who engage in such bombings. Whenever possible, we use law enforcement and diplomatic tools to wage the fight against terrorism. But there have been, and will be, times when law enforcement and diplomatic tools are simply not enough, when our very national security is challenged, and when we must take extraordinary

steps to protect the safety of our citizens. 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. We exercised that right in 1993 with the attack against Iraqi intelligence headquarters in response to Baghdad's assassination attempt against former President Bush. We exercised that right again in August 1998.

On August 7, 1998, 12 Americans and nearly 300 Kenyans and Tanzanians lost their lives, and another 5,000 were wounded when our embassies in Nairobi and Dar es Salaam were bombed. Soon afterward, our intelligence community acquired convincing information from a variety of reliable sources that the network of radical groups affiliated with Osama bin Laden, perhaps the preeminent organizer and financier of international terrorism in the world today, planned, financed and carried out the bombings. The groups associated with bin Laden come from diverse places, but share a hatred for democracy, a fanatical glorification of violence and a horrible distortion of their religion to justify the murder of innocents. They have made the United States their adversary precisely because of what we stand for and what we stand against.

On August 20, 1998, our Armed Forces carried out strikes against terrorist facilities and infrastructure in Afghanistan. Our forces targeted one of the most active terrorist bases in the world. 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. Our forces also attacked a factory in Sudan associated with the bin Laden network that was involved in the production of materials for chemical weapons. The strikes were a necessary and proportionate response to the imminent threat of further terrorist attacks against U.S. personnel and facilities. Afghanistan and Sudan had been warned for years to stop harboring and supporting these terrorist groups. Countries that persistently host terrorists have no right to be safe havens.

Placing terrorism at the top of the diplomatic agenda has increased international information sharing and law enforcement efforts. At the June 1997 Denver Summit of the Eight, the leaders of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States reaffirmed their determination to combat terrorism in all forms, their opposition to concessions to terrorist demands and their determination to deny hostage-takers any benefits from their acts. They agreed to intensify diplomatic efforts to ensure that by the year 2000 all States have joined the international counterterrorism conventions specified in the 1996 UN resolution on measures to counter terrorism. The eight leaders also agreed to strengthen the capability of hostage negotiation experts and counterterrorism response units, to exchange information on technologies to detect and deter the use of weapons of mass destruction in terrorist attacks, to develop means to deter terrorist attacks on electronic and computer infrastructure, to strengthen maritime security, to exchange information on security practices for international special events, and to strengthen and expand international cooperation and consultation on terrorism.

International Crime

International crime is a serious and potent threat to the American people at home and abroad. Drug trafficking, illegal trade in firearms, financial crimes—such as money laundering, counterfeiting, advanced fee and credit card fraud, and income tax evasion—illegal alien smuggling, trafficking in women and children, economic espionage, intellectual property theft, computer hacking and public corruption are all linked to international criminal activity and all have a direct impact on the security and prosperity of the American people.

Efforts to combat international crime can have a much broader impact than simply halting individual criminal acts. The efficiency of the market place depends on transparency and effective law enforcement, which limit distorting factors such as extortion and corruption. A free and efficient market implies not only the absence of state control but also limits on unlawful activities that impede rational business decisions and fair competition. 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.

To address the increasing threat from these diverse criminal activities, we have formulated an International Crime Control Strategy that provides a framework for integrating the federal government

response to international crime. The strategy's major goals and initiatives are to:

- Extend our crime control efforts beyond U.S. borders by intensifying activities of law enforcement and diplomatic personnel abroad to prevent criminal acts and prosecute select criminal acts committed abroad.

- Protect U.S. borders by enhancing our inspection, detection, monitoring and interdiction efforts, seeking stiffer criminal penalties for smuggling, and targeting law enforcement resources more effectively against smugglers.

- Deny safe haven to international criminals by negotiating new international agreements for evidence sharing and prompt arrest and extradition of fugitives (including nationals of the requested country), implementing strengthened immigration laws to prevent criminals from entering the United States and provide for their prompt expulsion when appropriate, and promoting increased cooperation with foreign law enforcement authorities.

- Counter international financial crime by combating money laundering and reducing movement of criminal proceeds, seizing the assets of international criminals, enhancing bilateral and multilateral cooperation against financial crime, and targeting offshore sources of international fraud, counterfeiting, electronic access device schemes, income tax evasion and other financial crimes.

- Prevent criminal exploitation of international trade by interdicting illegal technology exports, preventing unfair and predatory trade practices, protecting intellectual property rights, countering industrial theft and economic espionage, and enforcing import restrictions on harmful substances, dangerous organisms and protected species. In fiscal year 1997, the Customs Service seized $59 million in goods and $55 million in currency being taken out of the country illegally.

- Respond to emerging international crime threats by disrupting new activities of international organized crime groups, enhancing intelligence efforts, reducing trafficking in human beings (involuntary servitude, alien smuggling, document fraud and denial of human rights), crimes against children, and increasing enforcement efforts against high technology and computer-related crime.

- Foster international cooperation and the rule of law by establishing international standards, goals and objectives to combat international crime and by actively encouraging compliance, improving bilateral cooperation with foreign governments and law enforcement authorities, expanding U.S. training and assistance programs in law enforcement and administration of justice, and strengthening the rule of law as the foundation for democratic government and free markets.

The growing threat to our security from transnational crime makes international law enforcement cooperation vital. We are negotiating and implementing updated extradition and mutual legal assistance treaties that reflect the changing nature of international crime and prevent terrorists and criminals from exploiting national borders to escape prosecution. Moreover, since the primary motivation of most international criminals is greed, powerful asset seizure, forfeiture and money laundering laws are key tools for taking action against the financial underpinnings of international crime. Increasing our enforcement powers through bilateral and multilateral agreements and efforts makes it harder for criminals to enjoy their ill-gotten gains.

At the Birmingham Summit in May 1998, the leaders of the G-8 adopted a wide range of measures to strengthen the cooperative efforts against international crime that they launched at their summit in Lyon two years ago. They agreed to increase cooperation on transnational high technology crime, money laundering and financial crime, corruption, environmental crimes, and trafficking in drugs, firearms and women and children. They also agreed to fully support negotiations on a UN Convention on Transnational Organized Crime, which will broaden many of the efforts underway among the G-8 to the rest of the international community.

No area of criminal activity has greater international implications than high technology crime because of the global nature of information networks. 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. Law enforcement faces difficult challenges in this area, many of which are impossible

to address without international consensus and cooperation. We seek to develop and implement new agreements with other nations to address high technology crime, particularly cyber-crime.

We are making a concerted effort at home and abroad to shut down the illicit trade in firearms, ammunition and explosives that fuels the violence associated with terrorism, drug trafficking and international crime. The President has signed legislation amending the Arms Export Control Act to expand our authority to monitor and regulate the activities of arms brokers and we have intensified reviews of applications for licenses to export firearms from the United States to ensure that they are not diverted to illicit purposes. The Bureau of Alcohol, Tobacco and Firearms (ATF) has tightened up proof of residency requirements for aliens purchasing firearms from dealers in the United States, and ATF and the Customs Service have intensified their interdiction and investigative efforts at U.S. borders.

In the international arena, the United States is working with its partners in the G-8 and through the UN Crime Commission to expand cooperation on combating illicit arms trafficking. In November 1997, the United States and its partners in the Organization of American States (OAS) signed the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms—the first international agreement designed to prevent, combat and eradicate illegal trafficking in firearms, ammunition and explosives. We are now negotiating an international agreement that would globalize the OAS convention. Additionally, the ATF and Customs Service have provided training and assistance to other nations on tracing firearms, combating internal smuggling and related law enforcement topics.

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. In the United States, drug use has dropped 49 percent since 1979. Recent studies show that drug use by our young people is stabilizing, and in some categories, declining. Overall, cocaine use has dropped 70 percent since 1985 and the crack epidemic has begun to recede. Today, Americans spend 37 percent less on drugs than a decade ago. That means over $34 billion reinvested in our society, rather than squandered on drugs.

The aim of the *U.S. National Drug Control Strategy* is to cut drug availability in the United States by half over the next 10 years—and reduce the 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. Its ultimate success will require concerted efforts by the public, all levels of government and the private sector together with other governments, private groups and international organizations.

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, and shield America's air, land and sea frontiers from the drug threat. Working with Congress and the private sector, the Administration has launched a major antidrug youth media campaign and will seek to extend this program through 2002. With congressional support and matching dollars from the private sector, we will commit to a five-year, $2 billion public-private partnership to educate our children to reject drugs.

In concert with our allies abroad, we seek to stop drug trafficking by reducing cultivation of drug-producing crops, interdicting the flow of drugs at the source and in transit (particularly in Central and South America, the Caribbean, Mexico and Southeast Asia), and stopping drugs from entering our country. The Strategy includes efforts to strengthen democratic institutions and root out corruption in source nations, prosecute major international drug traffickers and destroy trafficking organizations, prevent money laundering and use of commercial air and maritime transportation for drug smuggling, and eradicate illegal drug crops and encourage alternate crop development or alternative employment in source nations. We seek to achieve a counterdrug alliance in this hemisphere, one that could serve as a model for enhanced cooperation in other regions.

The United States is aggressively engaging international organizations, financial institutions and non-governmental organizations in counternarcotics cooperation. At the Birmingham Summit in May 1998, the leaders of the G-8 endorsed the principle of shared responsibility for combating drugs, including cooperative efforts focused on both eradication and demand reduction. They agreed to reinforce cooperation on reducing demand and curbing trafficking in drugs and chemical precursors. They also agreed on the need for a global strategy to eradicate illicit drugs. The United States supports the UN International Drug Control Program's goal of dramatically reducing coca and opium poppy cultivation by 2008 and the program's efforts to combat drug production, trafficking and abuse in some of the most remote regions of the world. At the UN General Assembly Special Session on drug trafficking and abuse in June 1998, President Clinton and other world leaders strengthened existing international counterdrug institutions, reconfirmed the global partnership against drug abuse and stressed the need for a coordinated international approach to combating drug trafficking.

Emerging Threats at Home

Due to our military superiority, potential enemies, whether nations or terrorist groups, may be more likely in the future to resort to terrorist acts or other attacks against vulnerable civilian targets in the United States instead of conventional military operations. At the same time, easier access to sophisticated technology means that the destructive power available to terrorists is greater than ever. Adversaries may thus be tempted to use unconventional tools, such as WMD or information attacks, to threaten our citizens, and critical national infrastructures.

Managing the Consequences of WMD Incidents

Presidential Decision Directive 62, signed in May 1998, established an overarching policy and assignment of responsibilities for responding to terrorist acts involving WMD. The Federal Government will respond rapidly and decisively to any terrorist incident in the United States, working with state and local governments to restore order and deliver emergency assistance. The Department of Justice, acting through the FBI, has the overall lead in operational response to a WMD incident. The Federal Emergency Management Agency (FEMA) supports the FBI in preparing for and responding to the consequences of a WMD incident.

The Domestic Terrorism Program is integrating the capabilities and assets of a number of Federal agencies to support the FBI, FEMA and state and local governments in consequence management. The program's goal is to build a capability in 120 major U.S. cities for first responders to be able to deal with WMD incidents by 2002. In fiscal year 1997, the Defense Department provided training to nearly 1,500 metropolitan emergency responders—firefighters, law enforcement officials and medical personnel—in four cities. In fiscal year 1998, the program will reach 31 cities. Eventually, this training will reach all cities via the Internet, video and CD ROM.

Under the Domestic Terrorism Program, the Defense Department will maintain military units to serve as augmentation forces for weapons of mass destruction consequence management and to help maintain proficiency of local emergency responders through periodic training and exercises. The National Guard, with its mission and long tradition of responding to national emergencies, has an important role to play in this effort. The President announced in May 1998 that the Defense Department will train Army National Guard and reserve elements to assist state and local authorities to manage the consequences of a WMD attack. This training will be given to units in Massachusetts, New York, Pennsylvania, Georgia, Illinois, Texas, Missouri, Colorado, California and Washington.

The Domestic Terrorism Program enlists the support of other agencies as well. The Department of Energy plans for and provides emergency responder training for nuclear and radiological incidents. The Environmental Protection Agency plans for and provides emergency responder training for hazardous materials and environmental incidents. The Department of Health and Human Services, through the Public Health Service and with the support of the Department of Veterans Affairs and other Federal agencies, plans and prepares for a national response to medical emergencies arising from the terrorist use of weapons of mass destruction.

The threat of biological weapons is particularly troubling. In his May 1998 commencement speech at Annapolis, the President announced a

comprehensive strategy to protect our civilian population from the scourge of biological weapons. There are four critical areas of focus:

- First, if a hostile nation or terrorists release bacteria or viruses to harm Americans, we must be able to identify the pathogens with speed and certainty. We will upgrade our public health and medical surveillance systems. These improvements will benefit not only our preparedness for a biological weapons attack—they will enhance our ability to respond quickly and effectively to outbreaks of emerging infectious diseases.

- Second, our emergency response personnel must have the training and equipment to do their jobs right. As described above, we will help ensure that federal, state and local authorities have the resources and knowledge they need to deal with a crisis.

- Third, we must have the medicines and vaccines needed to treat those who fall sick or prevent those at risk from falling ill because of a biological weapons attack. The President will propose the creation of a civilian stockpile of medicines and vaccines to counter the pathogens most likely to be in the hands of terrorists or hostile powers.

- Fourth, the revolution in biotechnology offers enormous possibilities for combating biological weapons. We will coordinate research and development efforts to use the advances in genetic engineering and biotechnology to create the next generation of medicines, vaccines and diagnostic tools for use against these weapons. At the same time, we must continue our efforts to prevent biotechnology innovations from being applied to development of ever more difficult to counter biological weapons.

Protecting Critical Infrastructures

Our military power and national economy are increasingly reliant upon interdependent critical infrastructures—the physical and information systems essential to the operations of the economy and government. They include telecommunications, energy, banking and finance, transportation, water systems and emergency services. It has long been the policy of the United States to assure the continuity and viability of these critical infrastructures. But advances in information technology and competitive pressure to improve efficiency and productivity have created new vulnerabilities to both physical and information attacks as these infrastructures have become increasingly automated and interlinked. If we do not implement adequate protective measures, attacks on our critical infrastructures and information systems by nations, groups or individuals might be capable of significantly harming our military power and economy.

To enhance our ability to protect these critical infrastructures, the President signed Presidential Decision Directive 63 in May 1998. This directive makes it U.S. policy to take all necessary measures to swiftly eliminate any significant vulnerability to physical or information attacks on our critical infrastructures, especially our information systems. We will achieve and maintain the ability to protect them from intentional acts that would significantly diminish the abilities of the Federal Government to perform essential national security missions and to ensure the general public health and safety. We will protect the ability of state and local governments to maintain order and to deliver minimum essential public services. And we will work with the private sector to ensure the orderly functioning of the economy and the delivery of essential telecommunications, energy, financial and transportation services. Any interruption or manipulation of these critical functions must be brief, infrequent, manageable, isolated and minimally detrimental to the welfare of the United States.

The National Infrastructure Protection Center (NIPC) integrates relevant federal, state, and local government entities as well as the private sector, and provides the national focal point for gathering information on threats to the infrastructures. It serves as a national resource for identifying and assessing threats, warning about vulnerabilities, and conducting criminal investigations. The NIPC will also coordinate the federal government's response to an incident, including mitigation, investigation and monitoring reconstruction efforts.

Smaller-Scale Contingencies

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, reinforcing key allies, and limited strikes and intervention. These operations will likely pose the most frequent challenge for U.S. 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.

Under certain circumstances the U.S. military may provide appropriate and necessary humanitarian assistance. Those circumstances are when a natural or manmade disaster dwarfs the ability of the normal relief agencies to respond or the need for relief is urgent, and the military has a unique ability to respond quickly with minimal risk to American lives. In these cases, the United States may intervene when the costs and risks are commensurate with the stakes involved and when there is reason to believe that our action can make a real difference. Such efforts by the United States and the international community will be limited in duration, have a clearly defined end state and be designed to give the affected country the opportunity to restore its own basic services. This policy recognizes that the U.S. military normally is not the best tool for addressing long-term humanitarian concerns and that, ultimately, responsibility for the fate of a nation rests with its own people.

At times it will be in our national interest to proceed in partnership with others to preserve, maintain and restore peace. American participation in peace operations takes many forms, such as the NATO-led coalition in Bosnia, the American-led UN force in Haiti, the Military Observer Mission Ecuador and Peru (MOMEP), and our participation in the multilateral coalition operation in the Sinai. The question of command and control in multinational contingency operations is particularly critical. Under no circumstances will the President ever relinquish his constitutionally mandated command authority over U.S. forces, but there may be times 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 weapons of mass destruction. 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 multi-mission capable.

Major Theater Warfare

Fighting and winning major theater wars is the ultimate test of our Total Force—a test at which it must always succeed. For the foreseeable future, the United States, preferably in concert with allies, must remain able to deter and defeat large-scale, cross-border aggression in two distant theaters in overlapping time frames. Maintaining such a capability deters opportunism elsewhere while we are heavily committed to 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 we expected. A strategy for deterring 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 at least three particularly challenging requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of enemy objectives in two theaters, in close succession. The United States 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. To meet this challenge, the forces that would be first to respond to an act of aggression are kept at full readiness, and the forces that follow them are kept at a level that supports their being ready to deploy and go into action when called for in the operations plan for the contingency.
Second, the United States must plan and prepare 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. This is of particular importance and a significant challenge. Because of our dominance in the conventional military arena, adversaries who challenge the United States are likely to use asymmetric means, such as WMD, information operations or terrorism.

The WMD threat to our forces is receiving the special attention it deserves. We are enhancing the preparedness of our Armed Forces to effectively conduct sustained operations despite the presence, threat or use of WMD. Such preparedness requires the capability to deter, detect, protect against and respond to the use of WMD when necessary. The Administration has significantly increased funding to enhance biological and chemical defense capabilities and has begun the vaccination of military personnel against the anthrax bacteria, the most feared biological weapon threat today. These efforts reinforce our deterrent posture and complement our nonproliferation efforts by reducing the political and military value of WMD and their means of delivery.

We are 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. As other countries develop their capability to conduct offensive information operations, we must ensure that our national and defense information infrastructures are well protected and that we can quickly recognize, defend against and respond decisively to an information attack.

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 contingencies. 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.

Our priority is to shape effectively the international environment so as to deter the onset of major theater wars. Should deterrence fail, however, the United States will defend itself, its allies and partners with all means necessary.

Preparing Now for an Uncertain Future

We must prepare for an uncertain future even as we address today's security problems. This requires that we keep our forces ready for shaping and responding requirements in the near term, *while at the same time* evolving our unparalleled capabilities to ensure we can effectively shape and respond in the future.

The 1997 Quadrennial Defense Review (QDR) struck a fine balance between near-term readiness, long-term modernization and quality of life improvements for our men and women in uniform. A key element of this balance was our decision to increase funding for modernization to protect long-term readiness. In this context we decided to make modest reductions in personnel, primarily in support positions, across the force structure. But in all these decisions we ensured that the high readiness levels of our forward-deployed and "first-to-fight" forces were maintained. While preparing for the challenges of the next century, the readiness of today's force remains one of our highest priorities. That is why 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 21st Century.

Government-wide, we will continue to foster innovative approaches, capabilities, technologies and organizational structures to better protect American lives, property and interests at home and abroad. In our defense efforts, we will continue to explore new approaches for integrating the Active and Reserve components into a Total Force optimum for future missions, modernize our forces, ensure the quality of military personnel, and take prudent steps to position ourselves to effectively counter unlikely but significant future threats. We will also continue our rapidly growing efforts to integrate and improve the capability of Federal, state and local agencies—and our private sector partners—to protect against and respond to transnational threats at home.

The military challenges of the 21st century, coupled with the aging of key elements of the U.S. force structure, require a fundamental transformation of our military forces. Although future threats are fluid and unpredictable, U.S. forces are likely to confront a variety of challenges across the spectrum of conflict, including efforts to deny our forces access to critical regions, urban warfare, information warfare, and attacks from chemical and biological weapons. To meet these challenges, we must transform our forces by exploiting the Revolution in Military Affairs. Improved intelligence collection and assessment coupled with modern information processing, navigation and command and control capabilities are at the heart of the transformation of our warfighting capabilities. Through a carefully planned and focused modernization program, we can maintain our technological superiority and replace Cold War-era equipment with new systems capable of taking full advantage of emerging technologies. With these advanced systems, the U.S. military will be able to respond rapidly to any contingency, dominate the battlespace and conduct day-to-day operations much more efficiently and effectively.

To support this transformation of our military forces, we will work cooperatively with the Congress to enact legislation to implement the Defense Reform Initiative, which will free up resources through a Revolution in Business Affairs. This revolution includes privatization, acquisition reform and elimination of excess infrastructure through two additional base realignment and closure (BRAC) rounds in 2001 and 2005. The Revolution in Military Affairs and the Revolution in Business Affairs are interlocking revolutions: With both, and only with both, we will ensure that U.S. forces continue to have unchallenged superiority in the 21st century.

It is critical that we renew our commitment to America's diplomacy—to ensure we have the diplomatic representation required to support our global interests. This is central to our ability to remain an influential voice on international issues that affect our well-being. We will preserve that influence so long as we retain the diplomatic capabilities, military wherewithal and economic base to underwrite our commitments credibly.

We must continue aggressive efforts to construct appropriate twenty-first century national security programs and structures. The Defense Department, State Department and other international affairs agencies are similarly reorganizing to confront the

pressing challenges of tomorrow as well as those we face today. Federal, state and local law enforcement and emergency response agencies are enhancing their ability to deal with terrorist threats. Government and industry are exploring ways to protect critical national infrastructures. We will continue looking across our government to see if during this time of transition we are adequately preparing to meet the national security challenges of the next century.

Without preparing today to face the pressing challenges of tomorrow, our ability to exert global leadership and to create international conditions conducive to achieving our national goals would be in doubt. Thus, we must strive to strike the right balance between the near-term readiness requirements of shaping and responding and the longer-term transformation requirements associated with preparing now for national security challenges in the twenty-first century.

Overarching Capabilities

Certain capabilities and technologies are critical to protecting the United States itself and to the worldwide application of U.S. national power for shaping the international environment and responding to the full spectrum of threats and crises.

Quality People

Quality people—military and civilian—are our most critical asset. The quality of our men and women in uniform will be the deciding factor in all future military operations. In order to fully realize the benefits of the transformation of our military forces, we must ensure that we remain the most fully prepared and best trained fighting force in the world. Our people will continue to remain the linchpin to successfully exploiting our military capabilities across the spectrum of conflict. To ensure the quality of our military personnel, we will continue to place the highest priority on initiatives and programs that support recruiting, quality of life, and the training and education of our men and women in uniform.

We must also have quality civilian personnel in the government agencies that support our national security, from our diplomatic corps, to the intelligence community and law enforcement. Effectively countering transnational threats requires personnel with a variety of highly specialized skills that either are not readily available in the private sector, or are in high demand in the private sector. Persons with advanced training in information technology are a prominent example. Recruiting and retaining quality people with requisite skills is a significant challenge, and we are exploring innovative approaches for ensuring that government personnel needs are met.

Intelligence, Surveillance and Reconnaissance

Our intelligence, surveillance, and reconnaissance (ISR) capabilities are critical instruments for implementing our national security strategy. The U.S. intelligence community provides critical support to the full range of our activities abroad—diplomatic, military, law enforcement, and environmental. 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 in times of crisis while retaining global perspective, identify opportunities for advancing our national interests, and maintain our information advantage in the international arena.

ISR operations must cover a wider range of threats and policy needs than ever before. We place the highest priority on preserving and enhancing intelligence capabilities that provide information on states and groups that pose the most serious threats to U.S. security. Current intelligence priorities include states whose policies and actions are 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, international crime and drug trafficking; potential regional conflicts that might affect U.S. national security interests; intensified counterintelligence against foreign intelligence collection inimical to U.S. interests, including economic and industrial espionage; information warfare threats; and threats to U.S. forces and citizens abroad. Intelligence support is also required to develop and implement U.S. policies to promote democracy abroad, identify threats to our information and space systems, monitor arms control agreements, support humanitarian efforts and protect the environment.

Our ISR capabilities include world-wide collection of news and media broadcasts, reporting from informants close to important events abroad, space-based and airborne collection of imagery and signals intelligence, and integrated, in-depth analysis of all these sources by highly skilled analysts. Exploiting our tremendous advantage in continuous, non-intrusive, space-based imaging and information processing, the ISR system provides the ability to monitor treaty compliance, military movements and the development, testing and deployment of weapons of mass destruction. Using ISR products to support diplomatic and military action contributes to global security by demonstrating that the United States is an invaluable ally, or would be a formidable foe.

U.S. intelligence capabilities were reviewed twice by independent panels in 1998. In the wake of the May 1998 Indian nuclear tests, retired Admiral David E. Jeremiah led a panel that examined the Intelligence Community's ability to detect and monitor foreign nuclear weapons programs. In July 1998, the Commission to Assess the Ballistic Missile Threat to the United States issued a report on the challenges we face in attempting to monitor the progress of foreign ballistic missile programs. Both reviews identified specific areas of intelligence collection and analysis that need improvement. The Intelligence Community is taking aggressive action to improve its capabilities in those areas and we will work closely with the Congress to address the recommendations in the two reports.

While our ISR capabilities are increasingly enhanced by and dependent upon advanced technologies, there remains no substitute for informed, subjective human judgment. We must continue to attract and retain enough highly qualified people to provide human intelligence collection, translation and analysis in those many emerging areas where there simply is no technological substitute, and we must forge strong links to the private enterprises and public institutions whose expertise is especially critical. Increased cooperation among the agencies in the Intelligence Community and the fusion of all intelligence disciplines provide the most effective collection and analysis of data on high priority intelligence issues.

We must also be mindful of the continuing need for effective security and counterintelligence programs. To protect sensitive national security information, we must be able to effectively counter the collection efforts of foreign intelligence services through vigorous counterintelligence efforts, comprehensive security programs and constant evaluation of the intentions and targets of foreign intelligence services. Counterintelligence remains integral to and underlies the entire intelligence mission, whether the threat comes from traditional espionage or the theft of our vital economic information. Countering foreign efforts to gather technological, industrial and commercial information requires close cooperation between government and the private sector. Awareness of the threat and adherence to prescribed personnel, information and physical security standards and procedures, based on risk management principles, are critical.

Space

We are committed to maintaining our leadership in space. Unimpeded access to and use of space is essential for protecting U.S. national security, promoting our prosperity and ensuring our well-being in countless ways.

Space has emerged in this decade as a new global information utility with extensive political, diplomatic, military and economic implications for the United States. We are experiencing an ever-increasing migration of capabilities to space as the world seeks to exploit the explosion in information technology. Telecommunications, telemedicine, international financial transactions and global entertainment, news, education, weather and navigation all contribute directly to the strength of our economy—and all are dependent upon space capabilities. Over 500 US companies are directly involved in the space industry, with 1996 revenues of $77 billion projected to reach $122 billion by 2000.

Our policy is to promote development of the full range of space-based capabilities in a manner that protects our vital security interests. We will deter

threats to our interests in space and, if deterrence fails, defeat hostile efforts against U.S. access to and use of space. We will also maintain the ability to counter space systems and services that could be used for hostile purposes against our ground, air and naval forces, our command and control system, or other capabilities critical to our national security. We are carefully regulating U.S. commercial space-based remote sensing to ensure that space imagery is not used to the detriment of U.S. security interests. At the same time, we will continue efforts to prevent the spread of weapons of mass destruction to space, and continue to form global partnerships with other space-faring nations across the spectrum of economic, political, environmental and security issues. These efforts require a balanced approach across all types of U.S. space assets—national security, military, and commercial. We will remain vigilant to ensure that we do not compromise our technological superiority while promoting partnerships in space.

Missile Defense

We have robust missile defense development and deployment programs focused on systems to protect deployed U.S. forces and our friends and allies against theater ballistic missiles armed with conventional weapons or WMD. These systems will complement and strengthen our deterrence and nonproliferation efforts by reducing incentives to develop or use WMD. Significantly, Presidents Clinton and Yeltsin agreed at the Helsinki Summit to maintain the ABM Treaty as a cornerstone of strategic stability, yet adapt it to meet the threat posed by shorter-range missiles—a threat we seek to counter with U.S. theater missile defense (TMD) systems. The ABM-TMD demarcation agreement signed in New York on September 26, 1997 helps clarify the distinction between ABM systems, which the ABM Treaty limits, and TMD systems, which the ABM Treaty does not limit. The demarcation agreement does not limit any current U.S. core TMD programs, all of which have been certified by the United States as compliant with the ABM Treaty.

Although it remains the view of the intelligence community that it is unlikely that countries other than Russia, China and perhaps North Korea will deploy an ICBM capable of reaching any part of the U.S. before 2010, we are developing, consistent with our obligations under the ABM Treaty, a limited national missile defense capability that would position the U.S. to make a decision as early as the year 2000 to deploy within three years a credible national missile defense system.

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, natural disasters and regional or state-centered threats from endangering our citizens. But if an emergency occurs, we must also 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 national infrastructures. National security emergency preparedness is imperative, and comprehensive, all-hazard emergency planning by Federal departments, agencies and the military continues to be a crucial national security requirement.

Overseas Presence and Power Projection

Due to our alliance commitments and other vital interests overseas, we must have a force structure and deployment posture that enable us to success-fully conduct military operations across the spectrum of conflict, often in theaters distant from the United States. Maintaining a substantial overseas presence promotes regional stability by giving form and substance to our bilateral and multilateral security commitments and helps prevent the development of power vacuums and instability. It contributes to deterrence by demonstrating our determination to defend U.S., allied, and friendly interests in critical regions and better positions the United States to respond rapidly to crises. Equally essential is effective and efficient global power projection, which is the key to the flexibility demanded or our forces and ultimately provides our national leaders with more options in responding to potential crises and conflicts. Being able to project power allows us to shape, deter, and respond even when we have no permanent presence or a limited infrastructure in the region.

Extensive transportation, logistics and command, control, communications and intelligence (C3I) capabilities are unique U.S. strengths that enhance our conventional deterrent and helps to shape the international environment. Strategic mobility allows the United States to be first on the scene with assistance in many national or international crises and is a key to successful American leadership and engagement. The deployment of US and multinational forces requires maintaining and ensuring access to sufficient fleets of aircraft, ships, vehicles and trains, as well as bases, ports, prepositioned equipment and other infrastructure. The United States must have a robust Defense Transportation System, including both military assets and U.S. flag commercial sealift and airlift, to remain actively engaged in world affairs.

Our need for strategic mobility to deploy our forces overseas is one of the primary reasons we are committed to gaining Senate advice and consent to ratification of the Law of the Sea Convention. Need for this treaty arose from the breakdown of customary international law as more and more nations unilaterally declared ever larger territorial seas and other claims over the oceans that threatened the global access and freedom of navigation that the United States must have to protect its vital national interests. In addition to lending the certainty of the rule of law to an area critical to our national security, the treaty protects our economic interests and preserves our leadership in global ocean policy. The Law of the Sea Convention thus buttresses the strategic advantages that the United States gains from being a global power.

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 Macroeconomic Coordination

As national economies become more integrated internationally, the United States cannot thrive in isolation from developments abroad. Our economic health is vulnerable to disturbances that originate outside our borders. As such, cooperation with other states and international organizations is vital to protecting the health of the global economic system and responding to financial crises.

The recent financial troubles in Asia have demonstrated that global financial markets dominated by private capital flows provide both immense opportunities and great challenges. Developing ways to strengthen the international financial architecture is an urgent and compelling challenge. At the November 1997 Asia Pacific Economic Cooperation Forum (APEC) meeting, President Clinton and the other APEC leaders agreed to hold a series of meetings of finance ministers and central bank governors to address the Asian financial crisis and international financial reform. The meetings began in February 1998 with representatives from 22 countries and observers from the major international financial institutions. The on-going efforts of this group, commonly referred to as the Willard Group or G-22, has helped to identify measures to prevent and better manage financial crises and reform the international financial system.

The ultimate objective of our reform efforts is a stable, resilient global financial system that promotes strong global economic growth providing benefits broadly to workers and investors in all countries. International financial institutions, particularly the International Monetary Fund (IMF), have a critical role to play in this effort by promoting greater openness and transparency, by building strong national financial systems, and by creating mechanisms so that the private sector shares more fully in the responsibility for preventing and resolving crises.

Openness and Transparency: For capital to flow freely and safely to where it can be used most efficiently to promote growth, high quality information about each economy and investment opportunity must also be freely available. The IMF introduced the Special Data Dissemination Standard (SDDS) in 1996 to improve the information collection and publication practices of countries accessing international capital

markets. At present, 45 countries subscribe to the SDDS, but we need to encourage those IMF members who do not subscribe but seek access to international capital markets—particularly emerging market economies—to participate in the SDDS. International financial institutions also have a responsibility to make their activities open and transparent as a means of enhancing their credibility and accountability. The IMF recently has shown leadership in promoting openness and transparency; however, more needs be done in this area.

Financial Sector Reform: The IMF's recent review of the Asian crisis experience highlighted the key role played by the domestic financial sector as the flash point and transmission mechanism for the crisis and contagion. Rapid growth and expanding access to international capital had run ahead of the development in countries in trouble of a genuine credit culture to assess risk and channel investment efficiently and of an effective financial sector regulatory and supervisory mechanism. The situation was further exacerbated by inconsistent macroeconomic policies, generous explicit and implicit government guarantees, significant injections of public funds to provide liquidity support to weak institutions, and to some extent capital controls that distorted the composition of capital flows.

Crisis Resolution: Our efforts to reduce the risks of crises caused by poor policy or investor decisions need to be complemented by measures to equip investors, governments and the international financial system with the means to deal with those crises that do occur. The IMF plays the central role in the system by providing conditional international assistance to give countries the breathing room to stabilize their economies and restore market confidence. Two U.S.-inspired initiatives have enhanced the IMF's role: the Emergency Financing Mechanism, which provides for rapid agreement to extraordinary financing requests in return for more intense regular scrutiny, and the Supplemental Reserve Facility, which enables the IMF to lend at premium rates in short-term liquidity crises and improve borrower incentives. To fulfill its crisis resolution responsibility, the IMF must have adequate resources. We are concerned that IMF liquidity has fallen to dangerously low levels that could impair the Fund's capacity to respond to renewed pressures and meet normal demands. The Administration is making an intensive effort to obtain the necessary Congressional approval to meet our obligations to the IMF.

Recent crises have brought home that in a global financial market we need to find more effective mechanisms for sharing with the private sector the burden of managing such problems. In a world in which trillions of dollars flow through international markets every day, there is simply not going to be enough official financing to meet the crises that could take place. Moreover, official financing should not absolve private investors from the consequences of excessive risk-taking and thus create the "moral hazard" that could plant the seeds of future crises.

Broadening the Financial Reform Agenda: In recent years, the IMF has broadened its perspective to take account of a wider range of issues necessary for economic growth and financial stability. It is seeking to create a more level playing field in which private sector competition can thrive; reduce unproductive government spending, including excessive military expenditures and subsidies and guarantees to favored sectors and firms; protect the most vulnerable segments of society from bearing the brunt of the burden of adjustment; and encourage more effective participation by labor and the rest of civil society in the formulation and implementation of economic policies, including protection of labor rights.

The United States and the other leading industrialized nations are also promoting a range of World Bank and regional development bank reforms that the United States has been urging for a number of years. Key elements include substantially increasing the share of resources devoted to basic social programs that reduce poverty; safeguarding the environment; supporting development of the private sector and open markets; promotion of good governance, including measures to fight corruption and improve the administration of justice; and internal reforms of the multilateral development banks (MDBs) to make them more efficient. Furthermore, international financial institutions such as the IMF and MDBs have played a strong role in recent years in countries and regions of key interest to the United States, such as Russia, the Middle East, Haiti and Bosnia.

Enhancing American Competitiveness

We seek to ensure a business environment in which the innovative and competitive efforts of the private sector can flourish. To this end, we will continue to encourage the development, commercialization and use of civilian technology. We will invest in a world-class infrastructure for the twenty-first century, including the national information and space infrastructure essential for our knowledge-based economy. We will invest in education and training to develop a workforce capable of participating in our rapidly changing economy. And we will continue our efforts to open foreign markets to U.S. goods and services.

Enhancing Access to Foreign Markets

In a world where over 95 percent of the world's consumers live outside the United States, we must expand our international trade to sustain economic growth at home. Our prosperity as a nation in the twenty-first century will depend upon our ability to compete effectively in international markets. The rapidly expanding global economy presents enormous opportunities for American companies and workers. Over the next decade the global economy is expected to grow at three times the rate of the U.S. economy. Growth will be particularly powerful in many emerging markets. If we do not seize these opportunities, our competitors surely will. We must continue working hard to secure and enforce agreements that protect intellectual property rights and enable Americans to compete fairly in foreign markets.

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 work with Congress to fashion an appropriate grant of fast track authority.

The Administration will continue to press our trading partners—multilaterally, regionally and bilaterally—to expand export opportunities for U.S. workers, farmers and companies. We will position ourselves at the center of a constellation of trade relationships—such as the World Trade Organization, APEC, the Transatlantic Marketplace and the Free Trade Area of the Americas (FTAA). We will seek to negotiate agreements, especially in sectors where the U.S. is most competitive—as we did in the Information Technology Agreement and the World Trade Organization (WTO) Financial Services and Telecommunications Services Agreements. As we look ahead to the next WTO Ministerial meeting, to be held in the United States in late 1999, we will aggressively pursue an agenda that addresses U.S. trade objectives. We will also remain vigilant in enforcing the trade agreements reached with our trading partners. That is why the U.S. Trade Representative and the Department of Commerce created offices in 1996 dedicated to ensuring foreign governments are fully implementing their commitments under these agreements.

Promoting an Open Trading System

The successful conclusion of the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade significantly strengthened the world trading system. The U.S. economy is expected to gain over $100 billion per year in GDP once the Uruguay Round is fully implemented. The Administration remains committed to carrying forward the success of the Uruguay Round and to the success of the WTO as a forum for openly resolving disputes.

We have completed the Information Technology Agreement (ITA) which goes far toward eliminating tariffs on high technology products and amounts to a

global annual tax cut of $5 billion. We look to complete the first agreement expanding products covered by the ITA in 1998. We also concluded a landmark WTO agreement that will dramatically liberalize world trade in telecommunications services. Under this agreement, covering over 99 percent of WTO member telecommunications revenues, a decades old tradition of telecommunications monopolies and closed markets will give way to market opening deregulation and competition—principles championed by the United States.

The WTO agenda includes further negotiations to reform agricultural trade, liberalize service sector markets, and strengthen protection for intellectual property rights. At the May 1998 WTO Ministerial, members agreed to initiate preparations for these negotiations and to consider other possible negotiating topics, including issues not currently covered by WTO rules. These preparatory talks will continue over the course of the next year so that the next round of negotiations can be launched at the 1999 WTO ministerial meeting in the United States.

We also have a full agenda of accession negotiations with countries seeking to join the WTO. As always, 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. This is why we will take an active role in the accession process dealing with the 32 applicants currently seeking WTO membership.

Through Organization for Economic Cooperation and Development (OECD) negotiations of a Multilateral Agreement on Investment, we are seeking to establish clear legal standards on expropriation, access to binding international arbitration for disputes and unrestricted investment-related transfers across borders. Also in the OECD, the United States is taking on issues such as corruption and labor practices that can distort trade and inhibit U.S. competitiveness. We seeking to have OECD members outlaw bribery of foreign officials, eliminate the tax deductibility of foreign bribes, and promote greater transparency in government procurement. To date, our efforts on procurement have been concentrated in the World Bank and the regional development banks, but our initiative to pursue an agreement on transparency in WTO member procurement regimes should make an additional important contribution. We have also made important strides on labor issues. The WTO has endorsed the importance of core labor standards sought by the United States since the Eisenhower Administration—the right to organize and bargain collectively, and prohibitions against 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 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, where governments continue to pursue the goal of ensuring that trade and environment policies are mutually supportive. In addition, with U.S. leadership, countries participating in the Summit of the Americas are engaged in sustainable development initiatives to ensure that economic growth does not come at the cost of environmental protection.

In May 1998, President Clinton presented to the WTO a set of proposals to further U.S. international trade objectives:

- First, that the WTO make further efforts to eliminate trade barriers and pursue a more open global trading system in order to spur economic growth, better jobs, higher incomes, and the free flow of ideas, information and people.

- Second, that the WTO provide a forum where business, labor, environmental and consumer groups can provide regular input to help guide further evolution of the WTO. The trading system we build for the 21st century must ensure that economic competition does not threaten the livelihood, health and safety of ordinary families by eroding environmental and consumer protection or labor standards.

- Third, that a high-level meeting of trade and environmental officials be convened to provide direction for WTO environmental efforts, and that

the WTO and the International Labor Organization commit to work together to ensure that open trade raises the standard of living for workers and respects core labor standards.

- Fourth, that the WTO open its doors to the scrutiny and participation of the public by taking every feasible step to bring openness and accountability to its operations, such as by opening its dispute settlement hearings to the public and making the briefs for those hearings publicly available.

- Fifth, that the nations of the world join the United States in not imposing any tariffs on electronic commercial transmissions sent across national borders. The revolution in information technology represented by the Internet is the greatest force for prosperity in our lifetimes; we cannot allow discriminatory barriers to stunt the development of this promising new economic opportunity. An electronic commerce work program was agreed to at the May 1998 WTO Ministerial. It will be reviewed at the 1999 ministerial meeting.

- Sixth, that all WTO members make government purchases through open and fair bidding and adopt the OECD antibribery convention. Prosperity depends upon government practices that are based upon the rule of law rather than bureaucratic caprice, cronyism or corruption.

- Seventh, that the WTO explore a faster trade negotiating process and develop an open trading system that can change as fast as the global marketplace. Positive steps include annual tariff and subsidy reductions in agriculture, greater openness and competition in the services sector, further tariff reductions in the industrial sector, and stronger intellectual property protection.

Export Strategy and Advocacy Program

The Administration created America's first national export strategy, reforming the way government works with the private sector to expand exports. The new Trade Promotion Coordination Committee (TPCC) 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. Our objective remains to expand U.S. exports to over $1.2 trillion by the year 2000, which will mean over 2.5 million new American jobs and a total of over 14.6 million jobs supported by exports.

Enhanced Export Control

The United States is a world leader in high technology exports, including satellites, cellular phones, computers and commercial aircraft. Some of this technology has direct or indirect military applications. For that reason, the United States government carefully controls high technology exports through a licensing process involving the Department of Defense, the Department of State, the Commerce Department and other agencies. Changes to U.S. export controls over the last decade have allowed America's most important growth industries to compete effectively overseas and create good jobs at home while ensuring that proper safeguards are in place to protect important national security interests.

The cornerstone of our export control policy is protection of our national security; but imposing the tightest possible restrictions on high technology exports is not always the best way to protect our security. In an increasingly competitive global economy, the United States retains a monopoly over very few technologies. As a result, rigid export controls increasingly would not protect our national security because the same products can be obtained readily from foreign sources. Rigid controls would make U.S. high technology companies less competitive globally, thus losing market share and becoming less able to produce the innovative, cutting-edge products for the U.S. military and our allies.

Our current policy—developed in the Reagan and Bush Administrations and continued by President Clinton—recognizes that we must balance a variety of factors. In the wake of the Cold War, the Bush Administration accelerated the process of moving the

licensing of essentially commercial items from the State Department's Munitions List to the Commerce-administered Commodity Control List in order to promote high technology exports by making license decisions more predictable and timely. In 1995, by Executive Order, President Clinton expanded the right of the Departments of Defense, State and Energy and the Arms Control and Disarmament Agency to fully participate in the decision-making process. Previously, these agencies reviewed only certain dual-use applications; as a result of the Executive Order, they have the right to review every dual-use application. If any of these agencies disagree with a proposed export, it can block the license and 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 and broadly based than ever before.

While our export controls and the regulations that implement them have become easier for American exporters to follow, we have also enhanced our ability to identify, stop and prosecute those who attempt to evade them. For example, in fiscal year 1997 efforts of the Commerce Department's criminal investigators led to over $1 million in criminal fines and over $16 million in civil penalties. We have significant enforcement weapons to use against those who would evade our export controls, and we are using them vigorously.

Finally, U.S. efforts to stem proliferation cannot be effective without the cooperation of other countries. To that end, we have strengthened multilateral cooperation through the Nuclear Suppliers Group, the Missile Technology Control Regime, the Australia Group (for the control of chemical and biological weapons-related related items), the Chemical Weapons Convention, and the Wassenaar Arrangement, which through U.S. leadership is shaping multilateral export controls for the next century. These multilateral 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. Although we import less than 10% of Persian Gulf exports, our allies in Europe and Japan account for about 85% of these exports, thus underscoring the continued strategic importance of the region. We are 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 more than 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. We have made it a priority to work with the countries of the region to develop multiple pipeline ventures that will ensure access to the oil. We are also working on several fronts to enhance the stability and safeguard the independence of these nations. While these developments are significant, we must remember that the vast majority of proven oil reserves lie in the Middle East and that the global oil market is largely interdependent.

Conservation measures and research leading to great-er energy efficiency and alternative fuels are a critical element of the U.S. strategy for energy security. The U.S. economy has grown roughly 75 percent since the first oil shock in 1973. During that time U.S. oil consumption remained virtually stable, reflecting conservation efforts and increased energy efficiency. Our research must continue to focus on developing highly efficient transportation systems and to shift them to alternative fuels, such as hydrogen, ethanol or methanol from biomass, and others. This research will also help address concerns about climate change by providing new approaches for meeting guidelines on emission of greenhouse gases. Over the longer term, U.S. dependence on access to foreign oil sources may be increasingly important as domestic resources are depleted. Although U.S. oil consumption has been essentially level since 1973, our reliance on imported oil has increased due to a decline in domestic production. Domestic oil production declined during that period because oil prices were not high enough to generate new oil exploration sufficient to sustain production levels from our depleted resource base. Conservation and energy research notwithstand-ing, 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 Abroad

Environmental and natural resource issues can impede sustainable development efforts and promote regional instability. Many nations are struggling to provide jobs, education and other services to their citizens. The continuing poverty of a quarter of the world's people 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 stop economic growth.

Sustainable development improves the prospects for democracy in developing countries and expands the demand for U.S. exports. 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 four key elements of sustainable development: broad-based economic growth, environmental security, population and health, and democracy.

We will continue to advocate environmentally sound private investment and responsible approaches by international lenders. The multilateral development banks are now placing increased emphasis upon sustainable development in their funding decisions, including assisting borrowing countries to better manage their economies. The U.S. Initiative on Joint Implementation, part of the Administration's Climate Change Action Plan, encourages U.S. businesses and non-governmental organizations to apply innovative technologies and practices to reduce greenhouse gas emissions and promote sustainable development abroad. The initiative, which includes 32 projects in 12 countries, has proven effective in transferring technology for environmentally sound, sustainable development. The Global Environmental Facility provides a source of financial assistance to the developing world for climate change, biodiversity and oceans initiatives that will benefit all the world's citizens. Environmental damage in countries of the NIS and Central and Eastern Europe continues to impede their ability to emerge as prosperous, independent countries. We are focusing technical assistance and encouraging non-governmental environmental groups to provide expertise to the NIS and Central and Eastern European nations that have suffered the most acute environmental crises.

Promoting Democracy

The third core objective of our national security strategy is to promote democracy and human rights. The number of states moving away from repressive governance toward democratic and publicly accountable institutions is impressive. Since the success of many of those changes is by no means assured, our strategy must focus on strengthening their commitment and institutional capacity to implement democratic reforms.

Emerging Democracies

We seek international support in helping strengthen democratic and free market institutions and norms in countries 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, for strengthened democratic institutions benefit the United States and the world.

The United States is helping consolidate democratic and market reforms in Central and Eastern Europe and the NIS. Integrating the Central and Eastern European nations into European security and economic organizations, such as NATO and the EU, will help lock in and preserve the impressive progress these nations have made in instituting democratic and market-economic reforms. Our intensified interaction with Ukraine has helped move that country onto the path of economic reform, which is critical to its long-term stability. In addition, our efforts in Russia, Ukraine and the other NIS facilitate our goal of achieving continued reductions in nuclear arms and compliance with international nonproliferation accords.

Continuing advances in democracy and free markets in our own hemisphere remain a priority, as reflected by the President's 1997 trips to Latin America and the Caribbean and the Summit of the Americas in Santiago this year. In the Asia Pacific region, economic

dynamism is increasingly associated with political modernization, democratic evolution and the widening of the rule of law—and it has global impacts. We are particularly attentive to states whose entry into the camp of market democracies may influence the future direction of an entire region; South Africa now holds that potential with regard to sub-Saharan Africa.

The methods for assisting emerging democracies are as varied as the nations involved. We must continue leading efforts to mobilize international economic and political resources, as we have with Russia, Ukraine and the other NIS. We must take firm action to help counter attempts to reverse democracy, as we have in Haiti and Paraguay. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of the reason NAFTA and the Uruguay Round of GATT ranked so high on our agenda and why we are now working to forge the FTAA. We must help these nations strengthen the pillars of civil society, supporting administration of justice and rule of law programs, assisting the development of democratic civil-military relations, 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.

Adherence to Universal Human Rights and Democratic Principles

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

We will also continue to work—bilaterally and with multilateral institutions—to ensure that international human rights principles protect the most vulnerable or traditionally oppressed groups in the world—women, children, workers, refugees and persons persecuted on the basis of their religious beliefs or ethnic descent. To this end, we will seek to strength-en and improve the UN Human Rights Commission and other international mechanisms that promote human rights and address violations of international humanitarian law, such as the international war crimes tribunals for the former Yugoslavia and Rwanda.

To focus additional attention on the more vulnerable or traditionally oppressed people, we seek to spearhead new international initiatives to combat the sexual exploitation of minors, child labor, homelessness among children, violence against women and children, and female genital mutilation. We will continue to work with individual nations, such as Russia and China, and with international institutions to combat religious persecution. We are encouraging governments to not return people to countries where they face persecution. We ask that they provide asylum or offer temporary protection to persons fleeing situations of conflict or generalized human rights abuses. We seek to ensure that such persons are not returned without due consideration of their need for permanent protection.

Violence against women and trafficking in women and girls is are international problem with national implications. We have seen cases of trafficking in the United States for purposes of forced prostitution, sweatshop labor and domestic servitude. The United States is committed to combating trafficking in women and girls with a focus on the areas of prevention, victim assistance and protection, and enforcement. On March 11, 1998, President Clinton directed a wide range of expanded efforts to combat violence against women in the United States and around the world, including efforts to increase national and international awareness of trafficking in women and girls. The President called for continued efforts to fully implement the 1994 Violence Against Women Act and restore its protection for immigrant victims of domestic violence in the United States so that they will not be forced to choose between deportation and abuse. He also called 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.

The United States will continue to speak out against human rights abuses and carry on human rights dialogues with countries willing to engage 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. Federal law enforcement agents can serve as role models for investigators in countries where the police have been instruments of oppression and at the same time reduce international crime and terrorism that affects U.S. interests. In appropriate circumstances, we must be prepared to take strong measures against human rights violators. These include economic sanctions, as have been maintained against Nigeria, Iraq, Burma, North Korea and Cuba, 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, help establish democratic regimes that respect human rights and pursue appropriate strategies for economic development. These efforts also enable the United States to help prevent humanitarian disasters with far more significant resource implications.

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. Finally, we will cooperate with other states to curb illegal immigration into this country.

Private firms and associations are natural allies in activities and efforts intended to bolster 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 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 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. This would complete the mission 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 support peace efforts in troubled regions, to counter global threats such as the spread of weapons of mass destruction and dual-use technology, and to build a more open world economy and without barriers to transatlantic trade and investment. We will continue to strengthen the OSCE's role in conflict prevention and crisis management and seek closer cooperation with our European partners in dealing with non-military security threats through our New Transatlantic Agenda with the European Union (EU).

Enhancing Security

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. As a 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 enlargement is a crucial element of the U.S. and Allied strategy to build an undivided, peaceful Europe. The end of the Cold War changed the nature of the threats to this region, but not the fact that Europe's stability is vital to our own national security. The addition of well-qualified democracies, which have demonstrated their commitment to the values of freedom and the security of the broader region, will help deter potential threats to Europe, deepen the continent's stability, bolster its democratic advances, erase its artificial divisions, and strengthen an Alliance that has proven its effectiveness both during and since the Cold War.

In December 1997, the NATO foreign ministers signed the three protocols of accession for Poland, Hungary, and the Czech Republic, making them full members of the Alliance subject to ratification by all current and incoming NATO members. On May 21, 1998, the President signed the instruments of ratification for the three protocols following a strong, bipartisan 80-19 vote of approval in the U.S. Senate. Poland, Hungary, and the Czech Republic will make the Alliance stronger while helping to enlarge Europe's zone of democratic stability. They have been leaders in Central Europe's dramatic transformation over the past decade and have helped make Central Europe the continent's most robust zone of economic growth. They will strengthen NATO through the addition of military resources, strategic depth and the prospect of greater stability in Europe's central region. Our Alliance with them will improve our ability to protect and advance our interests in the transatlantic area and contribute to our security in the years to come.

At the same time, we have vigorously pursued efforts to help other countries that aspire to membership become the best possible candidates. Together with our Allies we are enhancing the Partnership for Peace and continuing political contacts with aspiring

states. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in helping the militaries of Central and Eastern Europe and Eurasia become more interoperable with NATO. Building on the increasing links between NATO and the Partnership for Peace nations, Partners will increasingly contribute to real-world NATO missions, as many are doing in the NATO-led operation in Bosnia.

Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal venue 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. For all these reasons, Partnership for Peace will remain a central and permanent part of the European security architecture.

NATO also 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 NATO-Ukraine Charter, which provides a framework for enhanced relations. As a result of the 1997 NATO-Russia Founding Act, NATO and Russia developed the Permanent Joint Council to enhance political consultation and practical cooperation, while retaining NATO's decision-making authority. Our shared goal remains constructive Russian participation in the European security system.

The North Atlantic Treaty Organization will hold its Fiftieth Anniversary summit meeting in Washington on April 24-25, 1999. This summit will mark NATO's extraordinary record of success over the past fifty years in protecting the security of the United States and our European allies. As agreed at the 1997 Madrid summit, we hope to use the upcoming summit meeting in Washington to welcome the entry of Poland, Hungary, and the Czech Republic as new members of the alliance. Looking to the future, the summit will advance the common work of NATO allies and partners to build an undivided Europe that is peaceful, prosperous, and democratic.

As we help build a comprehensive European security architecture, we must continue to focus on regional security challenges.

Southeastern Europe and the Balkans: There are significant security challenges in Southeastern Europe. Instability in this region could threaten the consolidation of reforms, disrupt commerce and undermine our efforts to bring peace to Bosnia and other parts of the former Yugoslavia.

The United States has an abiding interest in peace and stability in Bosnia because continued war in that region threatens all of Europe's stability. 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 the broader progress we are making in implementing the Dayton Accords. Further progress is necessary, however, to create conditions that will allow implementation to continue without a large military presence. We are committed to full implementation of the Dayton Accords and success in Bosnia. We support the efforts of the International Criminal Tribunal for the former Yugoslavia and broader efforts to promote justice and reconciliation in Bosnia.

We are deeply concerned about the ongoing bloodshed in Kosovo, which threatens security and stability throughout the Balkan region. We are firmly convinced that the problems in Kosovo can best be resolved through a process of open and unconditional dialogue between authorities in Belgrade and the Kosovar Albanian leadership. We seek a peaceful resolution of the crisis that guarantees restoration of human and political rights which have been systematically denied the Kosovar Albanian population since Belgrade withdrew autonomy in 1989. In support of that objective, NATO is reviewing options for deterring further violence against the civilian population in Kosovo and stabilizing the military situation in the region.

We are redoubling our efforts to advance the integration of several new democracies in Southeastern Europe (Bulgaria, Romania, Slovenia and the Former Yugoslavian Republic of Macedonia) 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, and to advance common interests, such as closer contact with NATO, and increased law enforcement training and exchanges to assist in the fight against organized crime.

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 NIS and the Middle East, as well as to contain Iran and Iraq.

The Baltic States: For over fifty years, the United States has recognized the sovereignty and independence of the republics of Estonia, Latvia and Lithuania. During this period, we never acknowledged their forced incorporation into the Soviet Union. The special nature of our relationship with the Baltic States is recognized in the Charter of Partnership signed on January 16, 1998, 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. The Charter also establishes mechanisms for high-level review and adjustment of this cooperation.

Northern Ireland: After a 30-year winter of sectarian violence, Northern Ireland has the promise of a springtime of peace. The agreement that emerged from the Northern Ireland peace talks on April 10, 1998 opened the way to build a society based on enduring peace, justice and equality. On May 22, 1998, the people of Ireland and Northern Ireland seized this opportunity to turn the common tragedy of Northern Ireland's past into a shared triumph for the future by strongly endorsing the peace accord. In so doing, they have written a new chapter in the rich history of their island by creating the best chance for peace in a generation.

The United States actively promoted this peace process and will continue to stand with those who seek to build lasting peace and enduring prosperity in Ireland and Northern Ireland. They can count on the continuing aid, support and encouragement of the United States. The task of making the peace endure will be difficult. Some may seek to undermine this agreement by returning to violence. Anyone who does so, from whatever side and whatever faction, will have no friends in America. We will work closely with British and Irish law enforcement and intelligence officials to prevent outrages before they happen by identifying terrorists and their sources of financial and material support.

We will continue to work with Northern Ireland's leaders as they seek to transform the promise of the Accord into a reality—with new democratic institutions and new economic opportunities for all of Northern Ireland's people. 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 to create new factories, workplaces and jobs, and establish new centers of learning to prepare for the 21st Century.

Newly Independent States (NIS): The United States is pursuing a wide range of security objectives in the NIS. We seek to bring Russia, Ukraine and the other NIS into a new, cooperative European security order, which includes strengthening their participation in NATO Partnership for Peace activities and building effective NATO-Russia and NATO-Ukraine partnerships. We seek to reduce the threat of nuclear war and the spread of nuclear weapons and materials, as well as other weapons of mass destruction and their delivery systems, especially to outlaw states.

The United States has vital security interests in the evolution of Russia, Ukraine and the other NIS into democratic market economies, peacefully and prosperously integrated into the world community. The governmental and financial sectors in this region appear especially susceptible to penetration by organized criminal groups, who have the ability to subvert and destroy these nascent institutions. Further democratic and economic reforms and integration into the WTO and other international economic institutions will strengthen the rule of law and respect for human rights, foster growth by expanding private sector activity, and encourage open and cooperative policies toward the global community.

Promoting Prosperity

Europe is a key element in America's global commercial engagement. Europe and the United States produce over 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 directly from transatlantic commerce. As part of the New Transatlantic Agenda launched at the 1995 U.S.-EU Summit in Madrid, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through the creation of an open New Transatlantic Marketplace. We have concluded Mutual Recognition Agreements eliminating redundant testing and certification requirements covering $50 billion in two-way trade. Our governments are also cooperating closely with the Transatlantic Business Dialogue, a U.S.-European business partnership, to address a wide range of trade barriers.

Building on the New Transatlantic Agenda, the United States and the EU launched the Transatlantic Economic Partnership on May 18, 1998. This is a major new initiative to deepen our economic relations, reinforce our political ties and reduce trade frictions that have plagued our bilateral relationship. The first element of the initiative is reducing barriers that affect manufacturing, agriculture and services. In the manufacturing area we will focus on standards and technical barriers that American businesses have identified as the most significant obstacle to expanding trade. In the agricultural area we will focus on regulatory barriers that have inhibited the expansion of agriculture trade, particularly in the biotechnology area. In the area of services we will seek to open our markets further and to create new opportunities for the number of service industries that are 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 agreed to maintain current practices, and 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. We will seek innovative ways to promote our shared labor and environmental values around the world. 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 are also encouraging bilateral trade and investment in non-EU countries and supporting enlargement of the EU. We recognize that EU nations face significant economic challenges with nearly 20 million people unemployed, and that economic stagnation has 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 both strengthen our own economy and help new democracies take root. Poland, economically troubled as recently as 1989, now symbolizes the new dynamism and rapid growth that extensive, free-market reforms make possible. Recent economic turbulence in Russia demonstrates that the transition to a more prosperous, market-based economy will be a long-term process characterized by promise and disappointment. In Ukraine, reinvigorating economic reform remains a key challenge to strengthening national security and independence. Much remains to be done throughout the region to assure sustainable economic recoveries and adequate social protection.

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 mobilize the international community to provide assistance to support reform. The United States is working closely with Russia and Ukraine in priority areas, including defense conversion, the environment, trade and investment, and scientific and technological cooperation. We are also encouraging investment, especially by U.S. companies, in NIS energy resources and their export to world markets, thereby expanding and diversifying world energy supplies and promoting prosperity in the NIS.

Ultimately, the success of economic and financial reforms in the countries recently emerged from communism will depend more on private investment than official aid. One of our priorities, therefore, is to help countries stimulate foreign and domestic investment. At the Helsinki Summit, Presidents Clinton and Yeltsin defined an ambitious reform agenda covering key tax, energy and commercial laws crucial for Russia to realize its potential for attracting foreign investment. Further, the Presidents outlined steps to accelerate Russian membership on commercial terms in key economic organizations such as the WTO. It is in both Russia's interest and ours that we work with Russian leaders on passage of key economic and commercial legislation. We are cooperating with Russia to facilitate oil and gas exports to and through Russia from neighboring Caspian countries. We also support development of new East-West oil and gas export routes across the Caspian Sea and through the Transcaucasus and Turkey.

Ukraine is at an important point in its economic transition—one that will affect its integration with Europe and domestic prosperity. The United States has mobilized the international community's support for Ukrainian economic reform, pushed to improve Ukraine's investment climate, and championed its integration into key European, transatlantic and global economic institutions. Two other challenges stand out: first, to instill respect for the rule of law so that a more transparent, level economic playing field is established and democratic governance prevails; and, second, to gain international support as it seeks to close down Chernobyl and reform its energy sector. The U.S.-Ukraine Binational Commission, chaired by Vice President Gore and President Kuchma, serves as a focal point to coordinate bilateral relations and to invigorate Ukrainian reform efforts.

A stable and prosperous Caucasus and Central Asia will help promote stability and security from the Mediterranean to China and facilitate rapid development and transport to international markets of the large Caspian oil and gas resources, with substantial U.S. commercial participation. While the new states in the region have made progress in their quest for sovereignty and a secure place in the international arena, much remains to be done in democratic and economic reform and in settling regional conflicts, such as Nagorno-Karabakh and Abkhazia.

Promoting Democracy

Thoroughgoing democratic and economic reforms in the NIS and Europe's former communist states are the best measures to avert conditions which could foster aggressive nationalism and ethnic hatreds. Already, the prospect of joining or rejoining the Western democratic family has dampened the forces of nationalism and strengthened the forces of democracy and reform in many countries of the region.

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, our leadership of international institutions, and billions of dollars in private and multilateral 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 vigorously to promote Russian reform and international integration, and discourage any reversal in the progress that 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 stability that has 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 will maintain approximately 100,000 U.S. military personnel in the region. Our commitment to maintaining an active military presence in the region and our treaty alliances with Japan, South Korea, Australia, Thailand and the Philippines serve as the foundation for America's continuing security role.

We are maintaining healthy relations with the Association of Southeast Asian Nations (ASEAN), which now includes Singapore, Malaysia, Thailand, Indonesia, the Philippines, Brunei, Vietnam, Laos and Burma. We are also supporting regional dialogue—such as in the ASEAN Regional Forum (ARF)—on the full range of common security challenges. By meeting on confidence-building measures such as search and rescue cooperation and peacekeeping, the ARF can help enhance regional security and understanding.

Japan

The United States and Japan reaffirmed our bilateral security relationship in the April 1996 Joint Security Declaration. The alliance continues to be the cornerstone for achieving common security objectives and for maintaining a stable and prosperous environment for the Asia Pacific region as we enter the twenty-first century. In September 1997, both Governments issued the revised Guidelines for U.S.-Japan Defense Cooperation which will result in greater bilateral cooperation in peacekeeping and humanitarian relief operations, in situations in areas surrounding Japan, and in the defense of Japan itself. The revised Guidelines, like the U.S.-Japan security relationship itself, are not directed against any other country.

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 exchange of 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. While the guidelines and its related efforts have specifically focused on regional security, both countries have continued to cooperate in the implementation of the Special Action Committee on Okinawa (SACO) Final report. This effort initiated plans and measures to realign, consolidate, and reduce U.S. facilities and areas in Okinawa in order to ease the impact of U.S. Forces' presence on the people of Okinawa. Implementation of SACO will ultimately aid in ensuring the maintenance of U.S. operational capabilities and force presence in the Asia-Pacific region.

U.S.-Japan security cooperation extends to promoting regional peace and stability, seeking universal adherence to the Nuclear Non-Proliferation Treaty, and addressing the dangers posed by transfers of destabilizing conventional arms and sensitive dual-use goods and technologies. Our continued progress in assisting open trade between our countries and our broad-ranging international cooperation, exemplified by the Common Agenda, provide a sound basis for our relations into the next century.

Korean Peninsula

Tensions on the Korean Peninsula remain the principal 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 dwindling resources to enhance the combat capability of 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.

The inauguration of Kim Dae-jung as President of the Republic of Korea on February 25, 1998 marked an important turning point on the Korean Peninsula. It marked the triumph of democracy in South Korea and the first peaceful transition of power from the ruling party to an opposition party. It was also a remarkable triumph for President Kim, who had been denied the Presidency in 1971 by voter intimidation and fraud, kidnapped and almost murdered by government agents, sentenced to death in 1991, imprisoned for six years and in exile or under house arrest for over ten years. President Kim personifies the victory of democracy over dictatorship in South Korea.

President Kim has set a new course toward peace and stability on the Korean Peninsula by opening new channels for dialogue and seeking areas for cooperation between North and South. During their summit meeting in June 1998, President Clinton and President Kim discussed the situation on the Korean Peninsula, reaffirming South Korea's role as lead interlocutor with the North Koreans and the importance of our strong defense alliance. President Clinton expressed strong 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 non-nuclear, reunified peninsula will enhance stability 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. 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 a shining example for nonproliferation by forswearing nuclear weapons, accepting safeguards, and developing a peaceful nuclear program that brings benefits to the region. We are firm that North Korea must freeze and dismantle its graphite-moderated reactors and related facilities and fully comply with its NPT obligations under the Agreed Framework. We also seek to cease North Korea's chemical and biological weapon programs and ballistic missile proliferation activities. 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. The North must also engage in a productive dialogue with South Korea; continue the recently revived United Nations Command-Korean People's Army General Officer Dialogue talks at Panmunjon; 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 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. China's integration into the international system of rules and norms will influence its own political and economic development, as well as its relations with the rest of the world. Our relationship with China will in large measure help to determine whether the 21st century is one of security, peace, and prosperity for the American people. Our success in working with China as a partner in building a stable international order depends on establishing a productive relationship that will build sustained domestic support.

Our policy toward China is both principled and pragmatic: expanding our areas of cooperation while dealing forthrightly with our differences. Seeking to isolate China is clearly unworkable. Even our friends and allies around the world would not support us; we would succeed only in isolating ourselves and our own policy. More importantly, choosing isolation over engagement would not make the world safer. It would make it more dangerous. It would undermine rather than strengthen our efforts to foster stability in Asia and halt the proliferation of weapons of mass destruction. It would hinder the cause of democracy and human rights in China, set back worldwide efforts to protect the environment, and cut off one of the world's most important markets.

President Jiang Zemin's visit to the United States in October 1997—the first state visit by the President of China to the United States in twelve years—marked significant progress in the development of U.S.-PRC relations. President Clinton's reciprocal visit to Beijing in June 1998—the first state visit by an American president to China in this decade—further expanded and strengthened our relations. The two summits were important milestones toward building a constructive U.S.-China strategic partnership.

In their 1997 summit, the two Presidents agreed on a number of steps to strengthen cooperation in international affairs: establishing a Washington-Beijing presidential communications link to facilitate direct contact, regular presidential visits to each other's capitals, and regular exchanges of visits by cabinet and sub-cabinet officials to consult on political, military, security and arms control issues. They agreed to establish a consultation mechanism to strengthen military maritime safety—which will enable their maritime and air forces to avoid accidents, misunderstandings or miscalculations—and to hold discussions on humanitarian assistance and disaster relief. In their June 1998 meeting, they

agreed to continue their regular summit meetings and to intensify the bilateral dialogue on security issues.

Arms control and non-proliferation issues were high on the agenda for 1998 summit, which expanded and strengthened the series of agreements that were reached at the 1997 summit. In Beijing, Presidents Clinton and Jiang announced that the United States and China will not target their strategic nuclear weapons at each other. They confirmed their common goal to halt the spread of weapons of mass destruction. We welcomed China's statement that it attaches importance to issues related to the Missile Technology Control Regime (MTCR) and missile nonproliferation and that it has begun to actively study joining the MTCR. Our two nations will continue consultations on MTCR issues in 1998. Both sides 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, and China announced that it has expanded the list of chemical precursors which it controls. The two Presidents issued a joint statement calling for strengthening of the Biological Weapons Convention and early conclusion of a protocol establishing a practical and effective compliance mechanism and improving transparency. They issued a joint statement affirming their commitment to ending the export and indiscriminate use of anti-personnel landmines and to accelerating global humanitarian demining. We also reached agreement with China on practices for end-use visits on U.S. high technology exports to China, which will establish a framework for such exports to China.

China is working with the United States on important regional security issues. In June 1998, China chaired a meeting of the permanent members of the UN Security Council to forge a common strategy for moving India and Pakistan away from a nuclear arms race. China condemned both countries 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. At the 1998 summit, Presidents Clinton and Jiang issued a joint statement on their shared interest in a peaceful and stable South Asia and agreed to continue to coordinate their efforts to strengthen peace and stability in that region. On the Korean Peninsula, China has become a force for peace and stability, helping us to convince North Korea to freeze its dangerous nuclear program, playing a constructive role in the four-party peace talks.

The United States and China are working to strengthen cooperation in the field of law enforcement and mutual legal assistance, including efforts to combat international organized crime, narcotics trafficking, alien smuggling, illegal immigration, counterfeiting and money laundering. We have established a joint liaison group for law enforcement cooperation and assigned counternarcotics officers to each other's embassies in 1998.

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 peaceful approaches to cross-Strait issues and encouraging dialogue between Beijing and Taipei;
- strengthening China's adherence to international nonproliferation norms, particularly in its export controls on ballistic missile and dual use technologies;
- achieving greater openness and transparency in China's military;
- encouraging a constructive PRC role in international affairs through active cooperation in ARF, the Asia Pacific Economic Cooperation Forum (APEC) and the Northeast Asia Security Dialogue; and
- improving law enforcement cooperation with PRC officials through increased liaison and training.

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 stability and prosperity.

Our policy combines two approaches: First, maintaining our increasingly productive relationship with ASEAN—especially our security dialogue under the ARF. Second, pursuing bilateral initiatives with individual Southeast Asian nations to promote political stability, foster market-oriented economic reforms, and reduce or contain the effects of Asian organized crime, particularly the flow of heroin from Burma and other countries in the region.

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 18 members of APEC 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. In states like California, Oregon and Washington, exports to Asia account for more than half of each state's total exports. U.S. direct investments in Asia represent about one-fifth of total U.S. direct foreign investment.

Our economic objectives in East Asia include recovery from the recent financial crisis, continued 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 China and Taiwan on satisfactory commercial terms. Opportunities for economic growth abound in Asia and underlie our strong commitment to multilateral economic cooperation, such as via the annual APEC leaders meetings.

Promoting sustainable development, protecting the environment and coping with the global problem of climate change are important for ensuring long-term prosperity in the Asia Pacific region. The Kyoto Agreement was a major step forward in controlling the greenhouse gases that are causing climate change, but its success depends on meaningful participation by key developing nations as well as the industrialized nations of the world. Rapid economic growth in China and India make their participation essential to the global effort to control greenhouse gases.

The Asian Financial Crisis

Over the last decade, the global economy has entered a new era—an era of interdependence and opportunity. Americans have benefited greatly from the worldwide increase of trade and capital flows. This development has contributed to steady GNP growth, improvements in standards of living, more high paying jobs (particularly in export-oriented industries), and low inflation.

The United States has enormously important economic and national security interests at stake in East Asia. Prolonged economic distress and financial instability will have an adverse effect on U.S. exports to the region, the competitiveness of American companies, and the well being of American workers. There also is a risk that if the current crisis is left unchecked its effects could spread beyond East Asia. Simply put, we cannot afford to stand back in hopes that the crisis will resolve itself. When we act to help resolve the Asian financial crisis, we act to protect the well-being of the American people.

In the face of this challenge, our primary objective is to help stabilize the current financial situation. Our strategy has four key elements: support for economic reforms; working with international financial institutions to provide structural and humanitarian assistance; 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.

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. These reform programs have at their core restructuring the financial sector, promoting greater transparency in trade and investment laws and regulations, and ending policy-directed lending practices. All three nations face a difficult road ahead that will test their political will. The international community can continue to help ameliorate adverse consequences of the crisis, but

only resolute action to keep to the agreed policy course will bring a resumption of sustained growth.

Although the Asian financial crisis is having a crippling effect, we believe the underlying fundamentals for economic recovery are good and are confident that full and vigorous implementation of economic reforms combined with the efforts of the international community will lead to the restoration of economic growth to the countries of the region. 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. While our progress in APEC has been gratifying, we will explore options to encourage all Asia Pacific nations to pursue open markets.

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 achieve much-needed reforms in the troubled East Asian economies. Our goal is to help the region recover quickly and to build a solid, resilient foundation for future economic growth in the region.

China

Bringing the PRC more fully into the global trading system is manifestly in our national interest. China is one of the fastest growing markets 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 treatment for China, as every President has done since 1980, strengthening instead of undermining our economic relationship.

An important part of integrating China into the market-based world economic system is opening China's highly protected market through lower border barriers and removal of distorting restraints on economic activity. We have negotiated 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. At their 1997 and 1998 summits, President Clinton and President Jiang agreed to take a number of positive measures to expand U.S.-China trade and economic ties. We will continue to press China to open its markets (in goods, services and agriculture) as it engages in sweeping economic reform.

It is in our interest that China become a member of the WTO; however, we have been steadfast in leading the effort to ensure that China's accession to the WTO occurs on a commercial basis. China maintains many barriers that must be eliminated, and we need to ensure that necessary reforms are agreed to before accession occurs. At the 1997 summit, the two leaders agreed that China's full participation in the multilateral trading system is in their mutual interest. They agreed to intensify negotiations on market access, including tariffs, non-tariff measures, services, standards and agriculture, and on implementation of WTO principles so that China can accede to the WTO on a commercial basis at the earliest possible date. They reiterated their commitment to this process in their 1998 summit.

China has been a helpful partner in international efforts to stabilize the Asian financial crisis. In resisting the temptation to devalue its currency, China has seen that its own interests lie in preventing another round of competitive devaluations that would have severely damaged prospects for regional recovery. It has also contributed to the rescue packages for affected economies.

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 35 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.

During the period from 1993 to 1996, U.S. exports to Japan increased from $47.9 billion to $67.6 billion, and the bilateral trade deficit fell from $59.4 billion to $47.6 billion. The recent economic downturn in Japan, however, has reversed this positive trend with

the bilateral trade deficit for the first four months 1998 already at $20.8 billion, up 32 percent from the same period in 1996. Sustained global expansion and recovery in Asia cannot be achieved when the second largest economy in the world, accounting for more than half of Asian output, is in recession and has a weakened financial system.

Japan has a crucial role to play in Asia's economic recovery. Japan must generate substantial growth to help maintain a growing world economy and absorb a growing share of imports from emerging markets. To do this Japan must reform its financial sector, stimulate domestic demand, deregulate its economy, and further open its markets to foreign goods and services. We look forward to substantial and effective actions to achieve a domestic demand-led recovery, to restore health to the financial sector and to make progress on deregulation and opening markets. Strong, immediate, tangible actions by the Japanese Government are vital to make Japan again an engine of growth and to help spur a broader economic recovery in Asia, as well as reinvigorate a critical market for U.S. goods and services.

South Korea

At their summit meeting in June 1998, President Clinton reaffirmed to President Kim that the United States will continue its strong support for his efforts to reform the Korean economy, liberalize trade and investment, strengthen the banking system and implement the IMF program. President Clinton reiterated our commitment to provide bilateral finance if needed under appropriate conditions. The two presidents discussed a number of concrete steps to promote growth in both our countries and explored ways to more fully open our markets and to further integrate the Republic of Korea into the global economy, including new discussions on a bilateral investment treaty. They also signed an Open Skies agreement which permits unrestricted air service between our two countries.

Thailand

Thailand, a key U.S. security partner in the region, also faces serious economic difficulties. The U.S. government continues to work with Thailand to ease the strain of the financial crisis. We are taking concrete steps to lessen the financial burden of military programs, including decreasing the scope of military contacts such as visits and exercises, and looking for ways to reduce the impact of the crisis on security assistance programs. The Royal Thai armed forces have earned high marks for their stabilizing influence.

Promoting Democracy

Some have argued that democracy is unsuited for Asia or at least for some Asian nations—that human rights are relative and that Western support for international human rights standards simply mask a form of cultural imperialism. The democratic aspirations and achievements of the Asian peoples prove these arguments incorrect. We will continue to support those aspirations and to promote respect for human rights in all nations. Each nation must find its own form of democracy, and we respect the variety of democratic institutions that have emerged in Asia. But there is no cultural justification for tyranny, torture or denial of fundamental freedoms. Our strategy includes efforts to:

- pursue a constructive, goal-oriented approach to achieving progress on human rights and rule of law issues with China;
- foster a meaningful political dialogue between the ruling authorities in Burma and the democratic opposition;
- work with the new government of Indonesia to promote improved respect for human rights, strengthened democratic processes and an internationally acceptable political solution in East Timor;
- work with ASEAN to restore democracy to Cambodia and encourage greater respect for human rights; and
- achieve the fullest possible accounting of missing U.S. service members, promote greater respect for human rights in Vietnam, and press for full Vietnamese implementation of the Resettlement Opportunity for Vietnamese Returnees (ROVR) program.

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 already 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 new threats of narcotics and corruption. U.S. strategy is to secure the benefits of the new climate in the hemisphere while safeguarding the United States and our friends against these threats.

The 1994 Summit of the Americas in Miami produced hemispheric agreement to negotiate the Free Trade Area of the Americas (FTAA) and agreements on measures that included continued economic reform and enhanced cooperation on issues such as the environment, counternarcotics, money laundering and corruption. Celebrating the region's embrace of democracy and free markets, that historic meeting committed the United States to a more cooperative relationship with the hemisphere. U.S. agencies have used the Miami Summit Action Plan to establish productive relationships and strengthen cooperation with their Latin American and Caribbean counterparts in a host of areas.

Our engagement with the hemisphere reached unprecedented levels in 1997 and 1998. In May 1997, President Clinton traveled to Mexico for a summit meeting with President Zedillo, then held summits with Central American leaders in Costa Rica and Caribbean leaders in Barbados, highlighting the importance of working with our neighbors to solve problems of great concern to Americans such as drugs, immigration and transnational crime. In October 1997, in Venezuela, Brazil and Argentina, the President underscored opportunities for cooperation with vibrant democracies and their fast growing markets.

This substantial engagement with the hemisphere at the beginning of the President's second term continued at the Second Summit of the Americas in Santiago, Chile in April 1998. At the Summit, the leaders of the hemisphere focused on the areas needed to prepare our citizens for the 21st century: education, democracy, economic integration and poverty relief.

Enhancing Security

The principal security concerns in the hemisphere are transnational in nature, such as drug trafficking, organized crime, money laundering, illegal immigration, and terrorism. In addition, our hemisphere is leading the way in recognizing the dangers to democracy produced by corruption and rule of law issues. These threats, especially narcotics, produce adverse social effects that undermine the sovereignty, democracy and national security of nations in the hemisphere.

We are striving to eliminate the scourge of drug trafficking in our hemisphere. At the Santiago Summit, the assembled leaders launched a Multilateral Counterdrug Alliance to better organize and coordinate efforts in the hemisphere to stem the production and distribution of drugs. The centerpiece of this alliance will be a mechanism to evaluate each member country's progress in achieving their agreed counternarcotics goals. Summit leaders also agreed to improve cooperation on extraditing and prosecuting individuals charged with narcotics trafficking and related crimes; strengthen efforts against money laundering and forfeiture of assets used in criminal activity; reinforce international and national mechanisms to halt illicit traffic and diversion of chemical precursors; enhance national programs for fostering greater awareness of the dangers of drug abuse, preventing illicit drug consumption and providing treatment, rehabilitation and reintegration; and eliminate illicit crops through national alternative development programs, eradication and interdiction.

We are also pursuing a number of bilateral and regional counternarcotics initiatives. As part of our partnership with Mexico, we are striving to increase counterdrug and law enforcement cooperation, while in

the Caribbean we are intensifying a coordinated effort on counternarcotics and law enforcement. The reduction in trade barriers resulting from the North American Free Trade Agreement (NAFTA) allows more inspection resources to be directed to thwarting attempts by organized crime to exploit the expanding volume of trade for increased drug smuggling.

The Santiago Summit addressed other transnational security concerns as well. Summit leaders called for the rapid ratification and entry into force of the 1997 Inter-American Convention to Combat the Illicit Manufacturing of and Trafficking in Firearms, Ammunition Explosives and Related Material. They also agreed to encourage states to accede to the international conventions related to terrorism and convene, under the auspices of the OAS, the Second Specialized Inter-American Conference to evaluate the progress attained and to define future courses of action for the prevention, combat and elimination of terrorism.

We are advancing regional security cooperation through bilateral security dialogues, multilateral efforts in the Organization of American States (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. Working with Argentina, Brazil and Chile, the other three guarantor nations of the Peru-Ecuador peace process, the United States has brought the parties closer to a permanent solution to this decades-old border dispute, the resolution of which is important to regional stability. The Military Observer Mission, Ecuador-Peru (MOMEP), composed of the four guarantor nations, successfully separated the warring factions, created the mutual confidence and security among the guarantor nations. The U.S. sponsored multilateral military exercise focused on combating drug trafficking, supporting disaster relief (particularly important because of the El Nino phenomenon) and participation in international peacekeeping. It has spurred unprecedented exercises among neighboring countries in Central America and the Southern Cone. Additionally, the Southern Cone has increasingly shared the burden of international peacekeeping operations. The Santiago Summit tasked the OAS to expand topics relating to confidence and security building measures with the goal of convening a Special Conference on Security by the beginning of the next decade. Several countries in the region have joined our call to promote transparency by publishing white papers on defense. 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, particularly in Columbia where social, political and criminal violence is spilling across borders. We are also working to ensure successful transfer of stewardship of the Panama Canal to the Panamanian people.

In light of the advances in democratic stability throughout Latin America and mindful of the need for restraint, the Administration has moved to case-by-case consideration of requests for advanced conventional arms transfers, on par with other areas of the world. Such requests will be reviewed in a way that will serve our objectives of promoting defense cooperation, restraint in arms acquisition and military budgets, and an increased focus on peacekeeping, counternarcotics efforts and disaster relief.

Promoting Prosperity

Economic growth and integration in the Americas will profoundly affect the prosperity of the United States in the 21st century. Latin America has become the fastest growing economic region in the world and our fastest growing export market. In 1998, our exports to Latin America and the Caribbean are expected to exceed those to the EU.

Building on the vision articulated at Miami in 1994 and the groundwork laid by trade ministers over the last four years, the Santiago Summit launched formal negotiations to initiate the FTAA by 2005. The negotiations will 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. A Committee on Electronic Commerce will explore the implications of electronic commerce for the design of the FTAA, and a Committee on Civil Society will provide a formal mechanism for labor, business, consumer, environmental and other non-government organizations to make recommendations on the negotiations so that all citizens can benefit from trade. Governments also will cooperate on promoting core labor standards recognized by the International Labor Organization.

We seek to advance the goal of an integrated hemisphere of free market democracies by consolidating NAFTA's gains and obtaining Congressional Fast Track trade agreement implementing authority. Since the creation of NAFTA, our exports to Mexico have risen significantly while the Agreement helped stabilize Mexico through its worst financial crisis in modern history. Considering that Mexico has now become our second-largest export market, it is imperative that its economy remain open to the United States and NAFTA helps to ensure that. We will continue working with Mexico and interested private parties to continue the mutually beneficial trade with our largest trading partner and neighbor to the north, Canada. We are also committed to delivering on the President's promise to negotiate a comprehensive free trade agreement with Chile because of its extraordinary economic performance and its active role in promoting hemispheric economic integration.

While we support the freer flow of goods and investment, there is also reason to be sensitive to the concerns of smaller economies during the period of transition to the global economy of the 21st century. To address this problem, and in light of the increased competition NAFTA presents to Caribbean trade, we will seek Congressional approval to provide enhanced trade benefits under the Caribbean Basin Initiative (CBI) to help prepare that region for participation in the FTAA. With the assistance of institutions such as OPIC, we will encourage the private sector to take the lead in developing small and medium-sized businesses in the Caribbean through the increased flow of investment capital. We must also encourage Caribbean countries and territories to implement programs to attract foreign and domestic investment.

At the Santiago Summit, the hemisphere's leaders reaffirmed that all citizens must participate in the opportunities and prosperity created by free market democracy. They pledged to ensure access to financial services for a significant number of the 50 million micro, small and medium size enterprises in the hemisphere by the year 2000, to work with multilateral institutions and regional organizations to invest about $400-500 million over the next three years, and to streamline and decentralize property registration and titling procedures and assure access to justice for the poor. Governments will enhance participation by promoting core labor standards recognized by the ILO, strengthening gender equity, working to eliminate exploitative child labor, negotiating a new Declaration of Principles on Fundamental Rights of Workers, and promoting education and training for indigenous populations. To improve quality of life, Summit leaders pledged to pursue elimination of measles by the year 2000 and reduce the incidence of diseases such as pneumonia and mumps by the year 2002, to strengthen regional networks of health information such as through telemedicine, to give highest priority to reducing infant malnutrition, and to strengthen cooperation to implement Santa Cruz Sustainable Development Plan of Action.

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 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.

At the Santiago Summit, the hemisphere's leaders reaffirmed their commitment to strengthening democracy, justice and human rights. They agreed 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. They pledged to promptly ratify the Inter-American Convention Against Corruption to strengthen the integrity of governmental institutions. They supported the creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights. The Rapporteur will help resolve human rights cases involving the press and focus international attention on attacks against the hemisphere's emerging Fourth Estate, as their investigative reporting provokes increasing threats from drug traffickers and other criminal elements. Summit leaders also agreed to establish an Inter-American Justice Studies Center to facilitate training of personnel, to exchange of information and other forms of technical cooperation to improve judicial systems, to end impunity, combat

corruption and provide protection from rising domestic and international crime, and to create a secure legal environment for trade and investment.

The hemisphere's leaders agreed at the Santiago Summit that education is the centerpiece of reforms aimed at making democracy work for all the people of the Americas. The Summit Action Plan adopted at Santiago will build on the achievements of the 1994 Miami Summit. It will advance numerous cooperative efforts based on the guiding principles of equity, quality, relevance and efficiency. The Santiago Plan's targets are 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. The plan also includes solid commitments to finance schools, textbooks, teacher training, technology for education, to create education partnerships between the public and private sectors, to use technology to link schools across national boundaries and to increase international exchanges of students.

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 transform civil-military relations. Through initiatives such as the Defense Ministerial of the Americas and the Center for Hemispheric Defense Studies, we are increasing civilian expertise in defense affairs and reinforcing the positive trend in civilian control.

Haiti and Cuba are of special concern to the United States. The restoration of democracy in Haiti remains a positive example for the hemisphere. In Haiti we continue to support respect for human rights and economic growth by a Haitian government capable of managing its own security and paving the way for a fair presidential election in 2000. Our efforts to train law enforcement officers in Haiti have transformed the police from a despised and feared instrument of repression to an accountable public safety agency. We are committed to working with our partners in the region and in the international community to meet the challenge of institutionalizing Haiti's economic and political development. Haiti will benefit from a Caribbean-wide acceleration of growth and investment, stimulated in part by enhancement of CBI benefits. 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. In March 1998, President Clinton announced a number of measures designed to build on the success of the Pope's January 1998 visit to Cuba, expand the role of the Catholic Church and other elements of civil society, and increase humanitarian assistance. 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, Southwest and South Asia

The May 1998 Indian and Pakistani nuclear tests clearly illustrate that a wide range of events in this region can have a significant impact on key U.S. security objectives. Choices made in the Middle East, Southwest and South Asia will determine whether terrorists operating in and from the region are denied the support they need to perpetrate their crimes, whether weapons of mass destruction will imperil the region and the world, whether the oil and gas fields of the Caucasus and Central Asia become reliable energy sources, whether the opium harvest in Afghanistan is eliminated, and whether a just and lasting peace can be established between Israel and the Arab countries.

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 at reasonable prices. Our strategy reflects those interests and the unique characteristics of the region as we work to extend the range of peace and stability.

The Middle East Peace Process

An historic transformation has taken place in the political landscape of the Middle East: peace agreements are taking hold, requiring concerted implementation efforts. The United States—as an architect and sponsor of the peace process—has a clear national interest in seeing the process deepen and widen to include all Israel's neighbors. 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. Future progress will require movement in the following areas:

- continued Israeli-Palestinian engagement on remaining issues in the Interim Agreement, and negotiation of permanent status issues;
- resuming Israeli-Syrian and Israeli-Lebanese negotiations with the objective of achieving peace treaties; and
- normalization of relations between Arab states and Israel.

Southwest Asia

In Southwest Asia, the United States remains focused on deterring threats to regional stability, countering threats posed by WMD and protecting the security of our regional partners, particularly from 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 appropriate defense requirements and maintain our bilateral defense agreements.

We will maintain an appropriate military presence in Southwest Asia using a combination of ground, air and naval forces. As a result of the confrontation with Iraq in late 1997 and early 1998 over to Iraqi interference with UN inspection teams, we increased our continuous military presence in the Gulf to back 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 demonstrated convincingly in late 1997 and early 1998. We remain committed to enforcing the no-fly zones over northern and southern Iraq, which are essential for implementing the UN resolutions and preventing Saddam from taking large scale military action against Kuwait or the Kurd and Shia minorities in Iraq.

We would like to see Iraq's reintegration into the international community; however, we have made clear that Iraq must comply with all relevant UN Security Council resolutions. Saddam Hussein must cease the cynical manipulation of UN humanitarian programs and cooperate with Security Council Resolution 1153, which authorizes increased humanitarian assistance to the people of Iraq. Iraq must also move from its posture of deny, delay and obscure to a posture of cooperation and compliance with the UN Security Council resolutions designed to rid Iraq of WMD and their delivery systems. Iraq must also comply with the memorandum of understanding reached with UN Secretary General Kofi Annan in February 1998. Our policy is directed not against the people of Iraq but against the aggressive behavior of the government. Until that behavior changes, our goal is containing the threat Saddam Hussein poses to Iraq's neighbors, the free flow of Gulf oil and broader U.S. interests in the Middle East.

Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including its efforts to obtain weapons of mass destruction and long-range missiles, its support for terrorism and groups that violently oppose the 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.

There are signs of change in Iranian policies. In December 1997, Iranian officials welcomed Chairman Arafat to the Islamic Summit in Tehran and said that, although they did not agree with the peace process, they would not seek to impose their views and would accept what the Palestinians could accept. In January 1998, President Khatemi publicly denounced terrorism and condemned the killing of innocent Israelis. Iran's record in the war against drugs has greatly improved and it has received high marks from the UN for its treatment of more than two million Iraqi and Afghan refugees. Iran is participating in diplomatic efforts to bring peace and stability to Afghanistan and is making a welcome effort to improve relations with its neighbors in the Gulf.

We view these developments 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 also welcome statements by President Khatemi that suggest a possibility of dialogue with the United States, and are taking concrete steps in that direction. This month, we implemented a new, more streamlined procedure for issuing visas to Iranians who travel to the United States frequently. We also revised our Consular Travel Warning for Iran so that it better reflects current attitudes in Iran towards American visitors. We have supported cultural and academic exchanges, and facilitated travel to the United States by many Iranians.

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

We are ready to explore further ways to build mutual confidence and avoid misunderstandings with Iran. We will strengthen our cooperation with allies to encourage positive changes in Iranian behavior. If a 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

South Asia has experienced an important expansion of democracy and economic reform. Our strategy is designed to help the peoples of that region enjoy the fruits of democracy and greater stability by helping resolve long-standing conflict and implementing confidence-building measures. 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. 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. In addition, we seek to work closely with regional countries to stem the flow of illegal drugs from South Asia, most notably from Afghanistan.

The United States has long urged India and Pakistan to take steps to reduce the risk of conflict and to bring their nuclear and missile programs into conformity with international standards. The Indian and Pakistani nuclear test explosions were unjustified and threaten to spark a dangerous nuclear arms race in Asia. As a result of those tests and in accordance with our laws the United States imposed sanctions against India and Pakistan. The sanctions include termination of assistance except for humanitarian assistance for food or other agricultural commodities; termination of sales of defense articles or services; termination of foreign military financing; denial of non-agricultural credit, credit guarantees or other financial assistance by any agency of the U.S. Government; prohibiting U.S. banks from making any loan or providing any credit to the governments of India and Pakistan except for the purpose of purchasing food or other agricultural commodities; and prohibiting export of specific goods and technology subject to export licensing by the Commerce Department.

India and Pakistan are contributing to a self-defeating cycle of escalation that does not add to the security of either country. They have put themselves at odds with the international community over these nuclear tests. In concert with the other permanent members of the UN Security Council and the G-8 nations, the United States has called on both nations to renounce further nuclear tests, to sign the Comprehensive Test Ban Treaty immediately and without conditions, and 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, such as testing, deployment or weaponization of ballistic missiles, that would further undermine regional and global stability. And we urge them to join the clear international consensus in support of nonproliferation and to join in negotiations in Geneva for a cut off of fissile material production.

Promoting Prosperity

The United States has two principle economic objectives in the region: to promote regional economic cooperation and development, and to ensure unrestricted flow of oil from the region. We seek to

promote regional trade and cooperation on infrastructure through the multilateral track of the peace process, including revitalization of the Middle East and North Africa (MENA) economic summits.

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. Although we import less than 10% of Persian Gulf exports, our allies in Europe and Japan account for about 85% of these exports. Previous oil shocks and the Gulf War underscore the strategic importance of the region and show the impact that an interruption of oil supplies can have on the world's economy. Appropriate responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis. Over the longer term, U.S. dependence on access to these and other foreign oil sources will remain important as our reserves are depleted. The United States must remain vigilant to ensure unrestricted access to this critical resource. Thus, we will continue to demonstrate U.S. commitment and resolve in the Persian Gulf.

Promoting Democracy

We encourage the spread of democratic values throughout the Middle East and Southwest and South Asia and will pursue this objective by a 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 will continue to vigorously challenge many 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.

U.S. policies in the Middle East and Southwest Asia are not anti-Islamic—an allegation made by some opponents of our efforts to help bring lasting peace and stability to the region. Islam is the fastest-growing religious faith in the United States. We respect deeply its moral teachings and its role as a source of inspiration and instruction 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. The standards we would like all the nations in the region to observe are not merely Western, but universal.

Africa

In recent years, the United States has supported significant change in Africa with considerable success: multi-party democracies are more common and elections are more frequent and open, human rights are more widely respected, the press is more free, U.S.-Africa trade is expanding, and a pragmatic consensus on the need for economic reform is emerging. A new, post-colonial generation of leadership is reaching maturity in Africa, with more democratic and pragmatic approaches to solving their countries' problems and developing their human and natural resources.

To further those successes, President Clinton made an unprecedented 12-day trip to Africa in March-April 1998. With President Museveni of Uganda, he co-hosted the Entebbe Summit for Peace and Prosperity to advance cooperation on conflict prevention, human rights and economic integration. The summit was attended by Prime Minister Meles of Ethiopia, Presidents Moi of Kenya, Mkapa of Tanzania, Bizimungu of Rwanda and Kabila of Congo. During the trip, the President unveiled a number of new programs to support democracy, prosperity and opportunity, including initiatives on education, rule of law, food security, trade and investment, aviation, and conflict resolution. President Clinton directly addressed the violent conflicts that have threatened African democracy and prosperity.

Sustaining our success in Africa will require that we identify those issues that most directly affect our interests and where we can make a difference through efficient targeting of our resources. A key challenge is to engage the remaining autocratic regimes to encourage those countries to follow the example of other African countries that are successfully implementing political and economic reforms.

Enhancing Security

Serious transnational security threats emanate from pockets of Africa, including state-sponsored

terrorism, narcotics trafficking, international crime, environmental damage and disease. These threats can only be addressed through effective, sustained engagement in Africa. We have already made significant progress in countering some of these threats—investing in efforts to combat environmental damage and disease, leading international efforts to halt the proliferation of land mines and the demining of Angola, Mozambique, Namibia, Rwanda, Ethiopia and Eritrea. We continue efforts to reduce the flow of narcotics through Africa and to curtail international criminal activity based 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, securing the indefinite and unconditional extension of the NPT, and promoting establishment of the African Nuclear Weapons Free Zone.

Libya and Sudan continue to pose a threat to regional stability and the national security and foreign policy interests of the United States. Our policy toward Libya is designed to block its efforts to obtain weapons of mass destruction and development of conventional military capabilities that threaten its neighbors, and to compel Libya to cease its support for terrorism and its attempts to undermine other governments in the region. The government of Libya has continued these activities despite calls by the Security Council that it demonstrate by concrete actions its renunciation of terrorism. Libya also continues to defy the United Nations by refusing to turn over the two defendants in the terrorist bombing of Pan Am 103. We remain determined that the perpetrators of this act and the attack on UTA 772 be brought to justice. We have moved to counter Sudan's support for international terrorism and regional destabilization by imposing comprehensive 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.

Persistent conflict and continuing political instability in some African countries remain chronic obstacles to Africa's development and to U.S. interests there, including unhampered access to oil and other vital natural resources. Our efforts to resolve conflict include working to fully implement the Lusaka Accords in Angola, sustaining the fragile new government in Liberia, supporting the recently restored democratic government in Sierra Leone and the Economic Community of West African States Monitoring Group (ECOMOG) efforts to ensure security there, and achieving a peaceful, credible transition to democratic government in Nigeria, the Democratic Republic of the Congo and Congo-Brazzaville.

To foster regional efforts to promote prosperity, 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 sustainable plan of action. The United States has already trained battalions from Uganda, Senegal, Malawi, Mali and Ghana, and is planning to train troops in Benin and Cote D'Ivoire later this year. We are consulting closely on ACRI activity with the UN Department of Peacekeeping Operations, the Organization of African Unity (OAU) and its Crisis Management Center, and African sub-regional organizations already pursuing similar capacity enhancements. We hope and expect that other African countries will also participate in the effort in the future, building a well-trained, interoperable, local capacity for peacekeeping and humanitarian operations in a region that has been fraught with turbulence and crisis and all too dependent upon outside assistance to deal with these problems.

On April 1, 1998, President Clinton announced that the United States will be establishing the African Center for Security Studies (ACSS). The ACSS will be a regional center modeled after the George C. Marshall Center in Germany, designed in consultation with African nations and intended to promote the exchange of ideas and information tailored specifically for African concerns. The goal is for ACSS to be a source of academic yet practical instruction in promoting the skills necessary to make effective national security decisions in democratic governments, and engage African military and civilian defense leaders in a substantive dialogue about defense policy planning in democracies.

Promoting Prosperity

A stable, democratic, prosperous 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, disease and environmental degradation. An economically dynamic Africa will be possible only when Africa is fully integrated into the global economy. Our aim, therefore, is to assist African nations to implement economic reforms, create favorable climates for trade and investment, and achieve sustainable development. A majority of sub-Saharan Africa's 48 countries have adopted market-oriented economic and political reforms in the past seven years.

To support this positive trend, the President has proposed the Partnership for Economic Growth and Opportunity in Africa to support the economic transformation underway in Africa. The Administration is working closely with Congress to implement key elements of this initiative through rapid passage of the African Growth and Opportunity Act. By significantly broadening market access, spurring growth in Africa and helping the poorest nations eliminate or reduce their bilateral debt, this bill will better enable us to help African nations undertake difficult economic reforms and build better lives for their people through sustainable growth and development.

Further integrating Africa into the global economy has obvious political and economic benefits. It 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 largely 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. To encourage U.S. trade with and investment in Africa, we are pursuing several new initiatives and enhancements to the Partnership for Economic Growth and Opportunity, including greater market access, targeted technical assistance, enhanced bilateral and World Bank debt relief, and increased bilateral trade ties.

To further our trade objectives in Africa, the President inaugurated the Ron Brown Commercial Center in Johannesburg, South Africa on March 28, 1998. The Center, which is operated and funded by the Department of Commerce, provides support for American companies looking to enter or expand into the sub-Saharan African market. It promotes U.S. exports through a range of support programs and facilitates business contacts and partnerships between African and American businesses. The Center also serves as a base for other agencies such as the Export-Import Bank, the Trade Development Agency and USTR to expand their assistance to business.

Because safe air travel and secure airports are necessary for increasing trade, attracting investment, and expanding tourism, the President on April 1, 1998 announced the "Safe Skies for Africa" initiative. The goals of this $1.2 million program—funded by the Departments of State and Transportation—are to work in partnership with Africa to increase the number of sub-Saharan African countries that meet ICAO standards for aviation safety, improve security at 8-12 airports in the region within 3 years, and improve regional air navigation services in Africa by using modern satellite-based navigation aids and communications technology. The initiative focuses on safety assessments and security surveys in selected countries and formulating action plans together with Africa civil aviation authorities to bring aviation safety and security practices in Africa up to accepted world standards.

To support the desire of African nations to invest in a better and healthier future for their children, the President on March 24, 1998 announced three new initiatives to improve educational standards, ensure adequate food and agricultural production, and fight the deadly infectious diseases that claim the lives of too many African children.

- The Education for Development and Democracy Initiative seeks to boost African integration into the global community by improving the quality of, and technology for, education in Africa. The initiative is centered on community resource centers, public-private partnerships, and educating and empowering girls. We plan on spending approximately $120 million over two years in support of this initiative.

- The Africa Food Security Initiative will assist African nations in strengthening agriculture and food security in a number of key areas, including production of healthy and alternative crops, better market efficiency and distribution of existing crops, increased

trade and investment in agricultural industries, attacking crop diseases, and increasing access to agricultural technology systems to assist with increased crop production and distribution. Our pilot budget for the first two years of the initiative will be $61 million, which complements USAID's current investments in these efforts.

- The third initiative is combating the infectious diseases that claim many young lives. To help combat malaria, we will provide an additional $1 million grant to provide further assistance to the Multilateral Initiative on Malaria. The grant will focus on continuing educational seminars and will support the Regional Malaria Lab in Mali to reinforce its position as a regional center of excellence in Africa. This effort will complement our ongoing Infectious Disease Initiative for Africa that focuses on surveillance, response, prevention and building local resistance to infectious diseases.

Promoting Democracy

In Africa as elsewhere, democracies have proved more peaceful, stable and reliable partners with which we can work and are more likely to pursue sound economic policies. We will continue to work to sustain the important progress Africans have achieved to date and to broaden the growing circle of African democracies.

Restoration of democracy and respect for human rights in Nigeria has long been one of our major objectives in Africa. In June 1998, President Clinton reaffirmed to Nigeria's new leadership the friendship of the United States for the people of Nigeria and underscored our desire for improved bilateral relations in the context of Nigeria taking swift and significant steps toward a successful transition to a democratically elected civilian government that respects the human rights of its citizens. The release of some political prisoners by the Nigerian government is an encouraging sign, but much more needs to be done and the United States will continue to press for a credible transition to a democratic, civilian government.

Through President Clinton's $30 million Great Lakes Justice Initiative, the United States will work with both the people and governments of the Democratic Republic of Congo, Rwanda and Burundi to support judicial systems which are impartial, credible, effective and inclusive. This initiative seeks to strengthen judicial bodies, such as relevant Ministries of Justice and Interior; improve the functioning of court systems, prosecutors, police and prison systems; work with national officials on specific problem areas such as creation of civilian police forces and legal assistance programs; support training programs for police and judiciary officials; develop improved court administration systems; provide human rights training for military personnel and support prosecution of abuses perpetrated by military personnel; demobilize irregular elements of standing armies and reintegrate them into society and programs; and demobilize child soldiers.

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 and goals through the versatile Binational Commission chaired by the Vice Presidents of each country.

Ultimately, the prosperity and security of Africa depends on extensive political and economic reform, and it is in the U.S. interest to support and promote such reforms.

IV. Conclusions

Today, on the brink of 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, rid the world of weapons that target whole populations, build a truly global economy, and promote democratic values and economic reform. Because diplomatic and military responses alone may not deter threats to our national security from non-state actors such as criminals and terrorist groups, we must promote increased cooperation among law enforcement officials and improved methods for dealing with international crime and terrorism. Ours is a moment of historic opportunity to create a safer, more prosperous tomorrow—to make a difference in the lives of our citizens.

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, the United Nations 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: to foster regional efforts led by the community of democratic nations to promote peace and prosperity 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 new security threats that defy borders and unilateral solutions, 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 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 our leadership in the world in a manner that reflects our national values and protects the security of this great nation.