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[Acknowledgments/Introduction]

Last month, in the first State of the Union address of his second term, President Clinton issued a challenge to the American people. "Fifty years ago," he said, "a farsighted America led in creating the institutions that secured victory in the Cold War and built a growing world economy. As a result, today, more people than ever embrace our ideals and share our interests... Now, we stand at another moment of change and choice -- another time to be farsighted and to bring America another fifty years of security and prosperity."

To meet that challenge, we have to begin by understanding what makes this moment so remarkable. It's been nearly eight years since the end of the Cold War. But because the Berlin Wall fell quietly... because there was no Versailles or Yalta to mark the moment, and because Europe's newly freed nations are making the transition to democracy and markets with relative ease, a revolution in the way we live, work and interact can appear almost seamless. To most people, the "Cold War" is what was -- and the "Post Cold War" is what is.

I believe it is time not only to praise the "Post Cold War Era" but to bury it. That phrase describes what has ended, not what is beginning. And make no mistake, the most important fact of our reality is that we must redefine America's course of life we must come to grips with is that we are entering a new period -- a time of construction...
The blocs and barriers that divided the world for fifty years are gone. Now, our challenge is to build up new institutions, and adapt old ones, for the demands of the next fifty years and beyond.

This period of construction is fueled by the forces of integration. If containment defined the world for our parents, integration -- economic and political -- will define it for our children.

Already, economic integration powered by a communications and technological revolution has changed our concept of borders. Every day, every one of us here uses products conceived in one country, financed in another, manufactured in a third, and sold on every continent. Laptops, modems and CD-ROMs send ideas and information across our planet at the stroke of a computer key. A trillion dollars moves around the world every hour.

I think of arriving in my hotel room in Islamabad, turning on CNN and seeing George Stephanopoulos and Robert Reich discussing "Primary Colors." Men and women of good faith can debate whether that's progress. Or consider that famously traditional image of China -- the Li River. Look carefully at a photograph today and you will see that the houses that line the river shelter satellite dishes in their backyards.

The world also is coming together around shared values and common interests... around universally accepted rules of behavior. For the first time in history, more than half the world's people live under governments of their own choosing. In this hemisphere, every country but one is a democracy. We have proved that freedom is not only an American birthright or a Western ideal -- but the aspiration of human beings everywhere.
While integration tends to breed progress, it is not yet everyone's partner -- and it is not always positive. Economic integration can bring with it dislocation -- especially among those who lack the training and skills to compete in the world economy. The technological revolution has not touched everyone. More than half the world's people are two days walk from a telephone -- literally disconnected from progress. And too many nations remain outside the fold of freedom, and outside the norms of civilized behavior.

At the same time, economic, technological and political integration can produce a counterforce of disintegration: the terrorists, organized criminals, drug traffickers and rogue states who benefit from the progress and freedom we cherish. These equal opportunity destroyers have no respect for borders -- we must stand against them even as we build for the future.

While integration is not inherently good or bad it is, I believe, inevitable. It will take place with or without us. The question we must answer is whether we will continue to lead -- or be left behind.

As President Clinton has put it, "We face no imminent threat, but we do have an enemy -- the enemy of our time is inaction."

In fact, what has been happening over the past four years is the act of construction, building. This Administration has acted to shape the forces of integration to our advantage -- and to stop the forces of disintegration from dominating the future. And we have done so by keeping our focus on six core strategic objectives: building an undivided, democratic Europe at peace...

forging a strong, stable Asia Pacific community... advancing peace and freedom... standing up to new security challenges... creating a new, open trading system... and maintaining a strong military...
and fully funded diplomacy to get all these jobs done. These core objectives are hard to sum up in a catch phrase. But they do spell out a roadmap for America's course in the world that I would like to describe for you today.

**Building an Undivided, Democratic Europe**

The first strategic goal is building an undivided, peaceful, democratic Europe. Twice in this century, instability in Europe has drawn America into war. Now, we have a chance to create a durable European peace by replacing the divisions that have plagued the continent in the past with sturdy ties of partnership to shape a common future.

We are weaving the seams of Europe together by helping its new democracies build open, prosperous societies; encouraging their integration with the West; and forging a productive partnership with Russia. And, critically, we are adapting NATO -- the most successful alliance of all time -- to take on new challenges, take advantage of new opportunities, and take in new members by 1999.

At the end of the Cold War, we faced three alternatives for NATO. We could have declared its mission accomplished and abandoned it altogether. But President Clinton understood that Europe's stability was not yet assured. NATO, as the anchor of American engagement in Europe, still has an indispensable role to play -- and it's proving its relevance and effectiveness in Bosnia even as we speak.
The second option was to freeze the Alliance within its Cold War borders. But NATO was never meant to be a static institution; any more than the values it defends were reserved for its original members. Instead, the President chose to adapt the Alliance to meet Europe’s new realities and reach out to its new democracies.

By welcoming new members into the alliance, NATO can expand its zone of peace and stability into the heart of Europe -- tempering hostilities, hastening integration, and providing a secure climate in which prosperity can grow. Already, the prospect of NATO membership is prompting regional reconciliation, as Hungary and Romania, Germany and the Czech Republic, and Poland and Lithuania have shown.

The ambitious process of NATO enlargement will take a leap forward in Madrid this July, when NATO invites the first potential members to start accession talks. There are three key challenges ahead. The first is deciding which countries to admit. Naturally, we’ll start with those best prepared to shoulder the burdens of membership -- but the door must and will not close behind them. So our second challenge is bolstering the security and confidence of countries not in the first wave. We will strengthen NATO’s ties to those countries by expanding the role of the Partnership for Peace and establishing an Atlantic Partnership Council to give every partner a voice in coordination of joint activities.

The third challenge is the most hotly debated: How do we heal the scars of Europe’s past without creating new wounds? Some fear that the process of NATO enlargement will shut Russia out from a rightful and honorable place in Europe -- and sabotage Russia’s nascent democracy.
Others worry that Russia's cooperation will come at the expense of the interests of Central and Eastern Europe and the Alliance's ability to shape its own destiny. Navigating these hazards -- the Scylla and Charybdis of European security -- is the most crucial test of our commitment to forge stability across the Atlantic.

It can be done -- but it must be done right. That is why President Clinton has worked so hard to build a strong partnership between the new NATO and Russia at the same time that adaptation and enlargement have moved forward. Our strategy includes Russia as a necessary participant in shaping a cooperative security structure that benefits all who were once divided by the conflict between East and West.

[As President Clinton emphasized to President Yeltsin last week,] a larger NATO will neither isolate nor threaten Russia. We and our Allies have proposed a NATO-Russia Charter to establish a framework for consultation, cooperation and joint action in areas like peacekeeping, arms control, nuclear safety and emergency relief. We want to set up a permanent NATO-Russia council, to promote openness and dialogue. We are addressing Russia's military concerns by adapting the CFE treaty. But there can be no grand bargain through which NATO concessions are used to purchase Russia's consent to our plans. The Alliance will grow as scheduled. There will be no outside veto, no second-class status for new members, no compromise of NATO's prerogatives.

Over time, Russia will come to recognize NATO's profound transformation over the past six years -- just as we recognize Russia's own. And as NATO and Russia work together, as they
have done so successfully in Bosnia, the advantages of cooperation for both sides will be ever more apparent.

Building a Strong and Stable Asia-Pacific Community

Our second strategic objective is building a strong, stable Asia-Pacific community. As little as a decade ago, that goal seemed beyond imagination. Influenced as much by Kipling as the Cold War, pundits saw Asia, North America and Europe emerging as three rival blocs competing head to head.

President Clinton had a different vision, based on the promise of partnership and on America’s enduring place as an Asia-Pacific power: that of a community of nations built on shared effort, shared benefit, and shared destiny. Soon after he became President, he convened the first-ever Asia-Pacific summit meeting at Blake Island, where leaders from China to Indonesia to Brunei agreed to a common goal: To work together as a community of nations committed to integration.

Today, the contours of that community are taking shape. Old adversaries are finding new ways to settle their differences. New democracies are expanding freedom’s reach. And the promise of economic growth and integration is daily becoming more real, opening vast new opportunities and shrinking the distances between us.

Building an Asia Pacific community isn’t starry-eyed idealism -- it’s profoundly in our interest. Our security depends on our continued engagement in a region where we have fought three wars in the last half-century. Our prosperity depends on the continued dynamism of economies that...
account for one-third of our exports and more than two million jobs. For the last 50 years, a strong American presence has provided the stability for Asia’s economies to grow. Now, America's leadership can help the Pacific region live up to its name... and spur the economic and democratic progress that will benefit us all.

To succeed, we must meet three immediate challenges. First, we must continue to deepen our partnership with Japan -- the cornerstone of America’s engagement in Asia. We’ve already revitalized our security alliance to meet the challenges of the future, and concluded more than 20 trade agreements that benefit both our peoples. Now, we must [what?]. These issues will be at the top of our agenda when Prime Minister Hashimoto visits Washington next month.

Second, we must continue to work closely with South Korea to reduce the tensions on the Korean Peninsula. That means ensuring the dismantlement of North Korea’s frozen nuclear program. And it means seeking progress on the four-party peace talks that Presidents Clinton and Kim proposed last year. Preliminary discussions were held in New York at the beginning of this month. We hope North Korea will soon agree to take up this chance for peace.

Third, we must deepen our strategic dialogue with China. The emergence of China as a great power that is stable politically, open economically and nonaggressive militarily... and as a partner in building a secure international order is profoundly in America’s interest. Ultimately, China will define its own destiny. But we have some ability to influence China’s evolution. And that depends on a revitalized relationship and a pragmatic, clear-eyed problem solving approach.
Over the first two years of the Clinton Administration, we moved away from five years in which 
the MFN debate defined our China policy... and toward a renewed strategic dialogue -- one that 
allows us to increase cooperation, while dealing with our differences candidly and forthrightly.

The coming year can be a time of real progress -- with the Vice President in China, even as we 
speak, and the exchange of state visits to follow. But there are two key propositions to keep in 
mind. First, China stands at a crossroads, with conflicting forces pulling in opposite directions:
inward looking nationalism and outward looking integration. This year in particular will challenge 
China's leaders as they cope with the death of Chairman Deng and the reversion of Hong Kong.

Second, a relationship as complex and multifaceted as that between China and the United States 
cannot be held hostage to any one issue if it is to move forward. That does not mean 
subordinating our differences, especially over human rights. Americans rightly feel passionate 
about this issue -- and not all agree with our policy. But I want to caution against the false choice 
between human rights and integration.

Around the world, people look to America because of the strength of our values. An unshakeable 
belief in human rights is part of who we are. The Chinese ask us to respect their culture. We ask 
them to respect our fundamental conviction that some basic rights are universal. One need look 
no further than Burma, Cambodia, or Mongolia for the proof. We will continue to speak out for 
human rights -- and against their abuse in China.
But defining the entire relationship around human rights not only neglects other compelling interests such as arms control, trade and stability in Asia -- it does a disservice to the cause of human rights itself. If we fail to engage China, we cede ground to the forces of isolation -- the very forces that trample human rights. But if contacts among governments and people continue to grow... if markets expand and information flows... if China plays its rightful role in the world... the roots of an open society will gain strength.

**Advancing Peace and Democracy**

Our third goal is using America’s power to advance the cause of peace and democracy. Today more than ever, America’s ideals -- liberty, justice, open markets, tolerance -- are becoming the habits of humanity. We have a profound interest in sustaining this positive trend. Democracies rarely go to war with one another or abuse the rights of their people. They make for better trading partners, and more reliable allies in the struggle against the forces of disintegration.

And because America’s greatness flows from the wealth of our diversity and the strength of shared ideals, we have a unique ability -- and a special obligation -- to stand with others around the world who seek to bridge their divides. Part of our mission on the eve of the 21st century is helping other nations move from conflict to cooperation... from hatred to hope.

Of course, we can’t be everywhere, or respond to every crisis. Deciding when and how to invest our authority requires a careful calculation. When matters of overriding importance are at stake -- for example, an attack on our soil, our people or our allies -- we will do whatever it takes to defend our interests, up to and including the use of military force.
The harder question involves threats not to our survival but to important interests and the nature of the world we share -- the Haitis, Bosnias and Eastern Zaires that flood our livingrooms and burden our hearts with images of violence and suffering. There is no single formula to govern our response -- but that's not necessarily bad. Foreign policy by slogan can lead to foreign policy by reflex -- a dangerous simplification in today's more complex world. We need to match the merits of each case against the means at our disposal, from persistent diplomacy and economic leverage to military force.

Force is the most powerful tool in our arsenal -- and America's military is the best in the world. But we cannot take for granted this extraordinary resource, or wield it at every turn. We need to be prudent with our power.

Before we decide to commit our troops when our interests are less than vital, we must make a scrupulous assessment: Can military force advance American interests? Does it stand a fair chance of success? Do the interests at stake measure up to the costs and risks? Have all other avenues been exhausted? And before we ask our troops to bear the burden of our leadership, they must have a clear and achievable mission, the means to prevail, and a strategy for withdrawal.

The President knows he has no graver responsibility than putting our troops in harm's way. We must never ask our servicemen and women to take on unreasonable or unwarranted tasks. But neither can we shrink from our leadership role, or hoard this precious resource like a miser's gold. There are times when America and America alone can tip the balance toward peace and freedom.
New Security Challenges

The tremendous opportunities we face in this new era are counterbalanced by a host of new threats -- terrorists, rogue states, international criminals, drug traffickers -- that disregard borders, prey on open societies, and exploit technology for evil ends. No nation is immune to these threats, and none can defeat them alone. More than ever, we need to find ways to work with others if we want to protect ourselves.

That is why our fourth strategic goal is to build international coalitions to take on these problems together -- through arms control agreements that ban chemical weapons, law enforcement cooperation to put drug traffickers behind bars, intelligence sharing to root out organized criminals, and a concerted strategy against terror. We are working to forge a strong international consensus that governs the rules for acceptable behavior -- and that guarantees that rogue states and criminals pay a serious price for their actions.

Each success is important in its own right, whether a Comprehensive Test Ban Treaty that banishes nuclear testing, or agreement among the G-7 nations and Russia on a sweeping set of measures to shut down, track down, and crack down on terrorists. But they're also important because brick by brick, we are building a shield of international norms that safeguard all who live within them. Each new partner in the common struggle, each new action we take together, reinforces our ability to defend our people from danger. And by the same token, as more and more nations band together, we underscore the isolation of those states that won't play by the rules. As the world grows closer, the price of exclusion from the community of nations will grow higher and harder to bear.
American leadership has already rallied unprecedented international cooperation. But sometimes there are cases where we disagree with our partners -- for example, in increasing the pressure on Iran and Libya to stop their support of terrorists. We have a responsibility to set a strong example -- and we have shown we are willing to act alone, even as we press our allies and friends to join with us more effectively. We have an obligation to make a strong case for not doing business with states by day that deal in terror, weapons or drugs by night.

Building a New, Open Trading System for the 21st Century

The fifth strategic goal is to build a new, open trading system for the 21st century. In an age when 11 million Americans depend on exports for their jobs, our nation's economic well-being is tied to the rest of the world. We need not fear the challenge of the global economy: Our workers and businesses can outcompete anyone. But first, the contest must be open, the field must be even and the rules must be fair and enforced.

One hundred years from now, people will look back at this period and see the most far-reaching changes in the global trading system since the days of Harry Truman. We closed the deal on the Uruguay Round of the GATT; forged the first comprehensive regional trade agreement with two
of our three largest trading partners; secured pathbreaking global market opening agreements in
high-tech sectors where America leads the world; and laid the foundation for free and open trade
in our hemisphere and the Asia Pacific.

These efforts are paying off for our people at home, with 1.6 million new American jobs since
1993. They are also helping open the doors of opportunity to those on the outskirts of the global
economy. And as people around the world gain greater skills and standards of living, we all stand
a better chance to reap the benefits of growth.

President Clinton is determined to build on this record. Yet some argue we’ve gone too far,
selling out America’s workers to sell more goods. Others complain that our commitment to
worker and environmental protection is crippling our ability to pursue even freer trade.

Our administration rejects the choice between a Fortress America and unbridled free trade. The
fact is, protectionism simply isn’t an option in today’s global economic arena. If we walk away,
the process of integration won’t stop; it will simply continue without us. Just weeks ago,
President Chirac was wooing Brazil and the Mercosur countries as only a Frenchman can—
urging them to stake their economic future with Europe, instead of closer trade ties to us.

Turning inward would mean turning our back on 95 percent of the world’s consumers... forfeiting
our stake in the markets of the future... and ceding our influence in setting the rules that govern
global commerce.
But while protectionism is not an option, neither is ungoverned free trade. We believe that our nation's interests and ideals must go hand in hand. Insisting on high standards for worker and environmental protection is right for our people and our planet. It shields our nation against those competitors who would exploit and pollute just to undersell our goods. It promotes better work conditions for people around the world. And it helps us ensure that the benefits of trade reach every member of society. If we tossed aside this core commitment, instead of enabling a burst of new agreements, we'd actually provoke a projectionist backlash -- exactly what we want to avoid.

We're determined to sustain our strong momentum, advancing our exports while standing up for our values. But to truly succeed, we need the authority to conclude new market-opening trade agreements. Such authority was crucial to our ability to secure the Information Technology Agreement that wiped out tariffs in a $1 trillion sector. It will help us complete our initiatives in Latin America, where our exports in 1995 were greater than our sales to Japan and Germany combined. And fast track's significance goes beyond trade. It shows the world the United States is a front-line supporter of free market reform -- and that we have the will and vision to lead.

Securing the Tools to Succeed

Not one of the goals on our agenda can simply be wished into being. We cannot shape the forces of integration without the strength and resources to get the job done -- and without sharing the risks and costs of leadership with other like-minded nations.

That means maintaining our commitment to a strong, ready military. We will increase funding for weapons modernization and procurement by the year 2000, so our troops have the finest
equipment to dominate the conflicts of the future. And as our troops watch out for us, we must take good care of them and their families.

It also means renewing our commitment to fully fund America’s diplomacy. Our foreign affairs budget for the current fiscal year is just a tiny fraction of what Americans will spend on gambling over the same 12 months. But we can’t afford to gamble with our national security. We must make the investments to advance America’s interests -- for the next 50 years as in the last.

President Clinton’s budget request reverses the dangerous downward spiral in international affairs funding. The $19.4 billion we request -- about one cent out of every federal dollar -- brings real benefits to every taxpayer: strengthening our ability to promote peace, fight global problems like drug trafficking, terrorism and nuclear proliferation, boost American exports around the world, and meet our obligations to the community of nations.

There are times when our nation must and will act alone. But where we can, it’s simply common sense to spread the costs and risks by working with others, like the World Bank and the UN. The United Nations has a strong new leader committed to cut costs and do better with less. Now is the time to push for progress -- promoting tough reform, paying our bills, and putting the UN and the multilateral development banks back on sound financial footing.

**Conclusion**

To follow
But defining the entire relationship around human rights not only neglects other compelling interests such as arms control, trade and stability in Asia -- it does a disservice to the cause of human rights itself. If we fail to engage China, we cede ground to the forces of isolation -- the very forces that trample human rights. But if contacts among governments and people continue to grow... if markets expand and information flows... if we help, not hinder, the forces of integration,... the roots of an open society will gain strength.

**Advancing Peace**

Our third goal is to neither shrink from -- nor become enthralled by -- the inescapable reality that America has become the indispensable force for peace in the world. Today more than ever, America’s ideals -- liberty, justice, open markets, tolerance -- are becoming the habits of humanity. We have a profound interest in sustaining this positive trend. Democracies rarely go to war with one another or abuse the rights of their people. They make for better trading partners, and more reliable allies in the struggle against the forces of disintegration.

And because America’s greatness flows from the wealth of our diversity and the strength of shared ideals, we have a unique ability -- and a special obligation -- to stand with others around the world who seek to bridge their divides. Part of our mission on the eve of the 21st century is helping other nations move from conflict to cooperation... from hatred to hope.

Deciding when, where and how to use American power to advance peace remains the most fundamental question policy makers must face. I don’t want to engage in yet another iteration of the five principles -- specific yet general... rigid yet flexible -- that answer all questions and no
As always, an attack on our soil, our people or our allies calls on us to do whatever it takes to defend our interests, up to and including the use of military force. The harder question -- and one we must answer with increasing frequency -- involves threats not to our survival but to important interests and the nature of the world we share -- the Haiti/Bosnias and Eastern Zaires and other situations around the world where terrorism touches our interests.

The simple fact is that there is no single formula to govern our response, but that's not necessarily bad. During the Cold War, policy makers could justify every act with one word: containment. We got the big things right -- containment won the Cold War. But as we saw in Southeast Asia, foreign policy by slogan can lead to foreign policy by reflex -- a dangerous simplification then, and an even more dangerous one today in a more complex world.

We have been relieved of the rigid straitjacket of containment, but charged with thinking through each case more carefully, thoroughly and deliberately than before. We need to match the merits of each case against the means at our disposal, from persistent diplomacy and economic leverage to military force. We need to be comfortable with the knowledge that we can't be everywhere or do everything -- but prepared to act when our interests and values are at stake and we can make a difference. In short, we need to rely more than ever before on a most precious resource: judgment.

[SANDY: THIS IS AS FAR AS I GOT]
This is especially true when it comes to the use of force -- the most powerful tool in our arsenal. America’s military is the best in the world. But we cannot take for granted this extraordinary resource, or wield it at every turn. And besides knowing when to wield it, we must know how to wield it.

The most difficult moments of President Clinton’s first four years in office -- Somalia, Haiti and Bosnia -- are especially enlightening. We took from them some fundamental principles that I would like to cite -- but not detail given the constraints of time. First, as we saw in Haiti and the Persian Gulf, threatening to use force can achieve the same results as actually using -- provided you’re prepared to carry through on that threat. Second, as we saw in Bosnia, the selective but substantial use of force is sometimes more effective than its massive use -- provided the force is adequate to the task and then some. Finally, as we know from Somalia, before we send our troops into a hostile environment, we should know how and when we’re going to get them out -- an obvious point, perhaps, but one that has not always been a hallmark of American foreign policy.

The President knows he has no graver responsibility than putting our troops in harm’s way. We must never ask our servicemen and women to take on unreasonable or unwarranted tasks. But neither can we shrink from our leadership role, or hoard this precious resource like a miser’s gold. There are times when America and America alone can tip the balance toward peace and freedom.

New Security Challenges
The opportunities we face in this new era are threatened by a host of disintegrative forces -- terrorists, rogue states, international criminals, drug traffickers -- that disregard borders, prey on open societies, undermine fragile new democracies and exploit technology for ends.

No nation is immune to these threats and none can defeat them alone. We need to find ways to work with others to protect ourselves in an era of new security challenges.

In the global economy, and in the absence of an American technological monopoly, it will do little good to wave the sticks while others hold out the carrots. That policy amounts to telling misbehaving parties "if you don't do what we want, we won't sell you what you can buy from others." Should we punish our partners when they refuse to join our cause? At what point do our efforts become self-defeating? As we continue to build our shield against the forces of destruction, we need to make sure that the tools we use are appropriate to the computer age, not the stone age.

That is why we are working to build international coalitions to take on these new challenges to our security together -- such as arms control agreements that ban chemical weapons, law enforcement cooperation to put drug traffickers behind bars and organized criminals out of business, intelligence sharing to root out corruption, and a concerted strategy against terror.
Some see cooperation as a lofty goal, at worst a sign of weakness. Yet see it as a source of strength -- a logical, necessary and effective response to a world with fewer borders.

**Building a New, Open Trading System for the 21st Century**

America's fifth strategic goal is to build a new, open trading system for the 21st century. In an age when 11 million Americans depend on exports for their jobs, our nation's economic well-being is tied to the rest of the world. We should not fear the challenge of the global economy: Our workers and businesses can compete anyone. But the contest must be open, the field must be even and the rules must be fair and enforced.

One hundred years from now, people will look back at this period and see the most far-reaching changes in the global trading system since the days of Harry Truman. We closed the deal on the Uruguay Round of the GATT; forged a comprehensive regional trade agreement with two of our three largest trading partners; secured pathbreaking global market opening agreements in high-tech sectors where America leads the world; and laid the foundation for free and open trade in our hemisphere and the Asia Pacific.

These efforts are paying off for our people at home, with 1.6 million new American jobs since 1993. They are also helping open the doors of opportunity to those on the outside of the global economy. And as people around the world gain greater skills and standards of living, we all stand a better chance to reap the benefits of growth. The global economy is not a zero sum game -- we are creating good jobs at home by nurturing new markets abroad.
President Clinton is determined to build on this record -- navigating between the false choice of protectionism and unbridled free trade.

Protectionism simply isn't an option in today's global economic arena. If we walk away, the process of integration won't stop; it will simply continue without us. Last week, President Chirac was wooing Brazil and the Mercosur countries as only a Frenchman can -- urging them to stake their economic future with Europe, instead of closer trade ties to us. Turning inward would mean turning our back on 95 percent of the world's consumers... forfeiting our stake in the markets of the future... and ceding our influence in setting the rules that govern global commerce.

But while protectionism is not an option, neither is ungoverned free trade. Competition can cause dislocation -- especially among those who lack the training and skills to compete in the global economy. We cannot and will not walk away from then -- we have an obligation to round off the rough edges of change with training [TK: cite examples].

We're determined to sustain our strong momentum, advancing our exports while standing up for American workers. But to truly succeed, we need the authority to conclude new market-opening trade agreements. Such authority was crucial to our ability to secure the Information Technology Agreement that wiped out tariffs in a $1 trillion sector. It will help us complete our initiatives in Latin America, where our exports in 1995 were greater than our sales to Japan and Germany combined. And fast track's significance goes beyond trade. It shows the world the United States is a front-line supporter of market reform -- and that we have the will and vision to lead.
Securing the Tools to Succeed

Let me turn to our final priority. Nevertheless, not one of the goals on our agenda can simply be wished into being. We cannot solve the forces of integration without the strength and resources to get the job done -- and without sharing the burdens with other like-minded nations.

That means maintaining our commitment to a strong, ready military. We will increase funding for military in the world. It is not a showcase. It is weapons modernization and procurement by the year 2000, so our troops have the finest equipment to dominate the conflicts of the future. And as our troops watch out for us, we must take good care of them and their families. We have the finest military in the world. It is not a showcase. It is equipment to dominate the conflicts of the future. And as our troops watch out for us, we must take good care of them and their families. We must make the investments to advance America’s interests -- for the next 50 years as in the last.

President Clinton’s budget request reverses the dangerous downward spiral in international affairs. The $19.4 billion we request -- about one cent out of every federal dollar -- brings real benefits to every taxpayer: strengthening our ability to promote peace, fight global problems like drugs, terrorism, nuclear proliferation, boost American exports around the world, and meet our obligations to the community of nations.

There are times when our nation must and will act alone. But where we can, it’s simply common sense to spread the costs and risks by working with others, like the World Bank and the UN. The

[Signature]
Last month, in the first State of the Union address of his second term, President Clinton issued a challenge to the American people: “Fifty years ago,” he said, “a farsighted America led in creating the institutions that secured victory in the Cold War and built a growing world economy. As a result, today, more people than ever embrace our ideals and share our interests... Now, we stand at another moment of change and choice -- another time to be farsighted and to bring America another fifty years of security and prosperity.”

To meet that challenge, we must begin by seeking to understand what makes this moment so.

It’s been eight years since the Berlin Wall fell, seven since NATO declared that the Soviet Union was no longer its adversary, six since Germany’s reunification and the USSR’s dissolution. The Cold War ended with a crumble, not a conference; no Versailles, no [TK] to mark the moment. And the transition to democracy among Europe's newly freed countries, while revolutionary in its consequences, is evolutionary in its timetable. As a result, the language of foreign policy seems to be frozen in the rhetoric of “the Post-Cold War Era.”

I have come here today not only to praise the “Post Cold War Era” but to bury it. That phrase describes what has ended, not what is beginning... what has been destroyed, not what we are
building. The central reality as we chart and describe America’s course in the world is that we have entered a period of construction, based on enduring values, interests and lessons of our history. The blocs and barriers that divided the world for fifty years largely are gone. Now, our challenge is to build up new institutions and understandings, and adapt old ones, for the demands of the next fifty years and beyond.

For the past fifty years, containment has been the guiding principle of our foreign policy—a map of the world with advancing and receding lines dividing the red from the blue... separating those living under the stifling, brutal repression of communism from those who weren’t— the latter a grab bag of democracies, near democracies and more or less authoritarian anti-communist regimes. That guiding principle is now obsolete—a one dimensional framework for a new multi-dimensional era. Let’s be clear: this new era is one free of danger of despotism. Yet more than ever before in modern history, we see the promise of a world fueled by the forces of integration, converging around shared values and common interests.

If we could look down at earth from a distant planet, the most powerful phenomenon we would observe are the forces of economic integration—reinforced by a communications and technological revolution. Every day, every one of us here uses products conceived in one country, financed in another, manufactured in a third, and sold on every continent. Laptops, modems and CD-ROMs send ideas...
and information across our planet at the stroke of a computer key. A trillion dollars moves around the world every hour.

I arrived in my hotel room in Islamabad, turning on CNN and seeing George Stephanopoulos and Robert Reich discussing "Primary Colors." Men and women of good faith can debate whether that's progress. Or consider that famously traditional image of China -- the Li River. Look carefully at a photograph today and you will see that the houses that line the river have satellite dishes in their backyards.

The world also is coming together around shared values. The ideas that are in the ascendency are the central ideas that define America: liberty, tolerance, free enterprise. For the first time in history, more than half the world's people live under governments of their own choosing. In this hemisphere, every country but one is a democracy. We have proved that freedom is not only an American birthright or a Western ideal -- but the aspiration of human beings everywhere.

These forces of integration -- economic... technological... political -- find practical expression in international rules of the road that are now the true dividing line between countries that opt into the community of nations -- and those that continue to opt out. These broadly accepted norms -- the rule of law... the rules of trade... the major regimes to control dangerous weapons like the NPT, the CTBT or the CWC... are important in and of themselves. But they're also important because, brick by brick, they form a structure for security and prosperity for all those who choose to live within them... and underscore the isolation of...
those states that stay outside. As the world grows closer, the price of exclusion from the
community of nations will grow higher and harder to bear.

... Let's be clear: 

But the powerful movement toward integration is not without downsides and dangers. As
borders become as easy to breach as lines in the sand, nations become less able to protect their
people from transnational tidal waves -- witness the Peso crisis, which threatened not only
Mexico’s economy, but jobs here in America and the stability of developing economies around the
world.

The forces of integration also can produce a counterforce of disintegration: the international
networks of corruption and destruction which benefit from the progress and freedom we cherish.

These equal opportunity destroyers -- terrorists, organized criminals, drug traffickers and rogue
states -- have no respect for borders, and we must stand against them even as we build for the
future.

And the progress integration tends to promote is not yet everyone’s partner. More than half the
world’s people are two days walk from a telephone -- literally disconnected from the present and
the future. And even in the emerging economies of Latin America and Asia, those who lack the
training and skills to compete in the global economy risk being left behind.

In short, integration is neither inherently good nor bad. But it is, I believe, inevitable. It will take
place with or without us. The question we must answer is whether we will use our unique
position as not only the world’s most powerful country, but also the world’s most powerful idea,
to continue to lead -- or be left behind. As President Clinton has put it, "We face no imminent threat, but we do have an enemy -- the enemy of our time is inaction."

This Administration is acting to shape the forces of integration to our advantage -- while seeking to prevent the forces of disintegration from dominating the future. Not by wasting our energy on an elusive and often self-defeating search for a single overarching concept -- a bumper sticker or billboard to replace containment. The lift of a driving cliche cannot replace a clear and coherent strategic direction. America's strategic direction in the world: strategic direction.

Rather, President Clinton has kept us focused on six core strategic objectives that are sweeping in scope, historic in possibility: building an undivided, democratic Europe at peace... forging a strong, stable Asia Pacific community... advancing peace and freedom... standing up to new security challenges... creating a new, open trading system... and maintaining a strong military and fully funded diplomacy to get the job done. These core objectives make up a roadmap for America's course in the world that I would like to describe for you today.

Building an Undivided, Democratic Europe

The first strategic goal is building an undivided, peaceful, democratic Europe for the first time in history. Twice in this century, instability in Europe has drawn America into war. Now, we have an opportunity to create a durable European peace by replacing the divisions that have plagued the continent in the past with ties of partnership to shape a common future.
we are weaving the seams of Europe together by helping its new democracies buttress prosperous societies, encouraging their integration with the West; and forging a productive partnership with Russia. And, critically, we are adapting NATO—the most successful alliance of all time—to take on new challenges, take advantage of new opportunities, and take in new members by 1999.

At the end of the Cold War, we faced three alternatives for NATO. We could have declared its mission accomplished and abandoned it altogether. But President Clinton understood that Europe’s stability was not yet assured. NATO, as the anchor of American engagement in Europe, still has an indispensable role to play—and it’s proving its relevance and effectiveness in Bosnia even as we speak.

The second option was to freeze the Alliance within the amber of the East-West conflict. But NATO was never a static institution—witness the accession on Germany in 1955, Spain in 19XX and a unified Germany in 199X. Nor are the values it defends reserved for its original members. Instead, the President chose to adapt the Alliance to meet Europe’s new realities and reach out to its new democracies.

By welcoming new members into the alliance, NATO can expand its zone of peace and stability into the heart of Europe—tempering hostilities, hastening integration, and providing a secure climate in which prosperity can grow. Already, the prospect of NATO membership is prompting regional reconciliation, as Hungary and Romania, Germany and the Czech Republic have shown.
The ambitious process of NATO enlargement will take a leap forward in Madrid this July, when NATO invites the first potential members to start accession talks. There are three key challenges ahead. The first is deciding which countries to admit. Naturally, we’ll start with those best prepared to shoulder the burdens of membership -- but the door must and will not close behind them. So our second challenge is bolstering the security and confidence of countries not in the first wave. We will strengthen NATO’s ties to those countries by expanding the role of the Partnership for Peace and establishing an Atlantic Partnership Council to give every partner a voice in coordination of joint activities.

The third challenge is the most hotly debated: How do we heal the scars of Europe’s past without creating new wounds? Some fear that the process of NATO enlargement will shut Russia out from a rightful and honorable place in Europe -- and sabotage Russia’s nascent democracy. Others worry that Russia’s cooperation will come at the expense of the interests of Central and Eastern Europe and the Alliance’s ability to shape its own destiny. Navigating these hazards -- the Scylla and Charybdis of European security -- is the most crucial test of our commitment to forge stability across the Atlantic.

Last week in Helsinki, President Clinton and President Yeltsin took a giant step toward putting those fears to rest. They agreed to disagree about enlargement -- despite Russia’s objections, it will proceed as scheduled, with the first new members invited to join the alliance in Madrid. But they also agreed that the relationship between the U.S. and Russia and the benefits to all of cooperation between NATO and Russia are an important to be jeopardized. At their urging, NATO and Russia will move forward quickly to try to complete negotiations on a NATO-Russia
cooperation, as is taking place today in Bosnia. Our shared goal is to create a forum for regular consultations and joint action—much as our troops are acting together today in Bosnia. At the same time, we took made dramatic advances in arms control and economic cooperation. Helsinki demonstrated that Russia can become a real partner with the United States, Europe and NATO in making our common future more peaceful and secure—and that we are on the right track.

**Building a Strong and Stable Asia-Pacific Community**

Our second strategic objective is building a strong, stable, integrated Asia-Pacific community. As little as a decade ago, that goal seemed beyond imagination. Funders saw Asia, North America and Europe emerging as three rival blocs competing head to head.

President Clinton had a different vision, based on the promise of partnership and on America’s enduring place as an Asia Pacific power—a community of nations built on shared effort, shared benefit and shared destiny. Soon after he became President, he convened the first-ever Asia Pacific summit meeting at Blake Island, where leaders from China to Indonesia to Brunei agreed to a common goal: to work together increasingly as a community of nations.

It’s an evolutionary process. More open trade. A continuing American commitment. Building an Asia-Pacific community isn’t starry-eyed idealism—it’s profoundly in our interest.

We are the balance wheel for a region going through dramatic change—and the best guaranty for stability that helps us, and them, grow in an environment where regional rivalries still have fought three wars in the Asia Pacific in the last half-century. Our prosperity depends on that stability: the region accounts for one third of our exports and more than two million jobs. As President Clinton has said, “our future cannot be secure if Asia’s is in doubt.”
To succeed, we must meet three immediate challenges. First, we must continue to deepen our partnership with Japan -- the cornerstone of America's engagement in Asia. We've revitalized our security alliance to meet the challenges of the future, and concluded more than 20 trade agreements that benefit both our peoples. Now, we must [TK]. These issues will be at the top of our agenda when Prime Minister Hashimoto visits Washington next month.

Second, we must continue to work closely with South Korea to reduce the tensions on the Cold War's last frontier. That means maintaining vigilance with South Korea against the vagaries of a North Korea in distress. It means pursuing a lasting peace on the Peninsula through the four-party peace talks that Presidents Clinton and Kim proposed last year. And it means ensuring the dismantlement of North Korea's frozen nuclear program.

Third, we must deepen our strategic dialogue with China. The emergence of China as a great power that is stable, politically open, economically and nonaggressive militarily... and as a partner in building a secure international order is profoundly in America's interest. Ultimately, China will define its own destiny. But we have an interest in pushing it toward increasing integration in the global community -- not just economically but in its adherence to global norms of behavior.

We have made progress -- witness China's signing the CTBT, ratifying the CWC and enforcing the protection of our intellectual property rights. Now, steady, consistent engagement can encourage China's movement toward the political freedoms that it must ultimately embrace to become a full fledged member of the international community.
Engagement is premised on two fundamental propositions. First, China stands at a crossroads, with conflicting forces pulling its leadership in opposite directions. It must choose between inward-looking nationalization fueled by the fear of losing control and outward-looking integration driven by the need for capital and trade to power economic growth. What ability we have to influence China's efforts toward international community, where it must play by the rules in order to have a say in shaping the future of the world economy, will be maximized not by isolating China, but by binding it even more closely to the rules of the international community.

Second, a relationship as complex and multifaceted as that between China and the United States cannot be held hostage to any one issue, it is to move forward. That's why we are encouraging China's efforts to join the WTO on commercially viable terms. But defining the entire relationship around human rights not only neglects other compelling areas of cooperation while dealing candidly with our differences. It does mean recognizing the importance of human rights. The Chinese ask us to respect their culture. We ask them to respect our universal beliefs. That's why we are encouraging China's efforts to join the WTO on commercially viable terms.

An unshakable belief in human rights is part of our identity as Americans. The Chinese ask us to respect their culture. We ask them to respect our universal beliefs. That's why we are encouraging China's efforts to join the WTO on commercially viable terms.

We will continue to speak out for human rights because accepting China's behavior as engagement is not a blanket endorsement. It does mean broadening the up and downs in our relationship.

First, China stands at a crossroads, with conflicting forces pulling its leadership in opposite directions. It must choose between inward-looking nationalization fueled by the fear of losing control and outward-looking integration driven by the need for capital and trade to power economic growth. What ability we have to influence China's efforts toward international community, where it must play by the rules in order to have a say in shaping the future of the world economy, will be maximized not by isolating China, but by binding it even more closely to the rules of the international community. Where it must play by the rules in order to have a say in shaping the future of the world economy, will be maximized not by isolating China, but by binding it even more closely to the rules of the international community.
very forces that trample human rights. But if contacts among governments and people continue
to grow... if markets expand and information flows... if we help, not hinder, the forces of
integration,... the roots of an open society will gain strength.

Advancing Peace and Democracy

Our third goal is to neither shrink from -- nor become enthralled by -- the inescapable reality that
America has become the indispensable force for peace in the world. Today more than ever,
America's ideals -- liberty, justice, open markets, tolerance -- are becoming the habits of
humanity. We have a profound interest in sustaining this positive trend. Democracies rarely go to
war with one another or abuse the rights of their people. They make for better trading partners,
and more reliable allies in the struggle against the forces of disintegration.

America's greatness flows from the wealth of our diversity and the strength of
our shared ideals: we have a unique ability -- and a special obligation -- to stand with others around
the world who seek to bridge their divides. Part of our mission on the eve of the 21st century is
to help other nations move from conflict to cooperation... from hatred to hope.

Deciding when, where and how to use American power to advance peace remains the most
sober question policy makers must face. I don't want to engage in yet another iteration of
the principles -- specific yet general... rigid yet flexible -- that answer all questions and no
questions about the projection of American power. But let me set out some of the operating
premises we have adopted to meet the change and challenge of a new era.
As always, an attack on our soil, our people or our allies calls on us to do whatever it takes to defend our interests, up to and including the use of military force. The harder question -- and one we must answer with increasing frequency -- involves threats not to our survival but to important interests and the nature of the world we share -- the Haitis, Bosnias and Eastern Zaires and dozens of other that flood our living rooms and burden our hearts with images of violence and suffering.

The simple fact is that there is no single formula to govern our response -- but that's not necessarily bad. During the Cold War, policy makers could justify every act with one word: containment. We got the big things rights -- containment won the Cold War. But as we saw in Southeast Asia, foreign policy by slogan can lead to foreign policy by reflex -- a dangerous simplification then, and an even more dangerous one today in a more complex world.

Now, we have been relieved of the rigid straitjacket of containment, but charged with thinking through each issue more carefully, thoroughly and deliberately than before. We need to match the merits of each case against the means at our disposal, from persistent diplomacy and economic leverage to military force. We need to be comfortable with the knowledge that we can't be everywhere or do everything -- but prepared to act when our interests and values are at stake and we can make a difference. In short, we need to rely more than ever before on a most precious resource: judgment.

[SANDY: THIS IS AS FAR AS I GOT]
This is especially true when it comes to the use of force -- the most powerful tool in our arsenal. America's military is the best in the world. But we cannot take for granted this extraordinary resource, or wield it at every turn. And besides knowing when to wield it, we must know how to how to wield it.

The most difficult moments of President Clinton's first four years in office -- Somalia, Haiti and Bosnia -- are especially enlightening. We took from them some fundamental principles that I would like to cite -- but not detail given the constraints of time. First, as we saw in Haiti and the Persian Gulf, threatening to use force can achieve the same results as actually using -- provided you're prepared to carry through on that threat. Second, as we saw in Bosnia, the selective but substantial use of force is sometimes more effective than its massive use -- provided the force is adequate to the task and then some. Finally, as we know from Somalia, before we send our troops into a hostile environment, we should know how and when we're going to get them out -- an obvious point, perhaps, but one that has not always been a hallmark of American foreign policy.

The President knows he has no graver responsibility than putting our troops in harm's way. We must never ask our servicemen and women to take on unreasonable or unwarranted tasks. But neither can we shrink from our leadership role, or hoard this precious resource like a miser's gold. There are times when America and America alone can tip the balance toward peace and freedom.

New Security Challenges
The tremendous opportunities we face in this new era are threatened by a host of disintegrative forces -- terrorists, rogue states, international criminals, drug traffickers -- that disregard borders, prey on open societies, undermine fragile new democracies and exploit technology for evil ends. No nation is immune to these threats, and none can defeat them alone. We need to find ways to work with others to protect ourselves in an era of new security challenges.

Let me be clear: there are times when we must and we will act alone. To get others to follow, it is sometimes necessary to lead by example. But as in our effort to advance peace, our fight against these forces of disintegration demands that we look afresh at our instruments of leverage.

In the global economy and in the absence of an American technological monopoly, it will do little good to wave the sticks while others hold out the carrots. That policy amounts to telling misbehaving parties "if you don't do what we want, we won't sell you what you can buy from others." Should we punish our partners when they refuse to join our cause? At what point do our efforts become self-defeating? As we continue to build our shield against the forces of destruction, we need to make sure that the tools we use are appropriate to the computer age, not the stone age.

That is why we are working to build international coalitions to take on these new challenges to our security together -- such as arms control agreements that ban chemical weapons, law enforcement cooperation to put drug traffickers behind bars and organized criminals out of business, intelligence sharing to root out corruption, and a concerted strategy against terror.
Some see cooperation as at best a lofty goal, at worst a sign of weakness. We see it as a source of strength -- a logical, necessary and effective response to a world with fewer borders.

**Building a New, Open Trading System for the 21st Century**

The fifth strategic goal is to build a new, open trading system for the 21st century. In an age when 11 million Americans depend on exports for their jobs, our nation's economic well-being is tied to the rest of the world. We should not fear the challenge of the global economy: Our workers and businesses can outcompete anyone. But first, the contest must be open, the field must be even and the rules must be fair and enforced.

One hundred years from now, people will look back at this period and see the most far-reaching changes in the global trading system since the days of Harry Truman. We closed the deal on the Uruguay Round of the GATT; forged the first comprehensive regional trade agreement with two of our three largest trading partners; secured pathbreaking global market opening agreements in high-tech sectors where America leads the world; and laid the foundation for free and open trade in our hemisphere and the Asia Pacific.

These efforts are paying off for our people at home, with 1.6 million new American jobs since 1993. They are also helping open the doors of opportunity to those on the outskirts of the global economy. And as people around the world gain greater skills and standards of living, we all stand a better chance to reap the benefits of growth. The global economy is not a zero sum game -- we are creating good jobs at home by nurturing new markets abroad.
President Clinton is determined to build on this record -- navigating between the false choice of protectionism and unbridled free trade.

Protectionism simply isn’t an option in today’s global economic arena. If we walk away, the process of integration won’t stop; it will simply continue without us. Just weeks ago, President Chirac was wooing Brazil and the Mercosur countries as only a Frenchman can -- urging them to stake their economic future with Europe, instead of closer trade ties to us. Turning inward would mean turning our back on 95 percent of the world’s consumers... forfeiting our stake in the markets of the future... and ceding our influence in setting the rules that govern global commerce.

But while protectionism is not an option, neither is ungoverned free trade. Competition can cause dislocation -- especially among those who lack the training and skills to compete in the global economy. We cannot and will not walk away from then -- we have an obligation to round off the rough edges of change with training [TK: cite examples].

We’re determined to sustain our strong momentum, advancing our exports while standing up for our workers. But to truly succeed, we need the authority to conclude new market-opening trade agreements. Such authority was crucial to our ability to secure the Information Technology Agreement that wiped out tariffs in a $1 trillion sector. It will help us complete our initiatives in Latin America, where our exports in 1995 were greater than our sales to Japan and Germany combined. And fast track’s significance goes beyond trade. It shows the world the United States is a front-line supporter of free market reform -- and that we have the will and vision to lead.
Securing the Tools to Succeed

Not one of the goals on our agenda can simply be wished into being. We cannot shape the forces of integration without the strength and resources to get the job done -- and without sharing the burdens with other like-minded nations.

That means maintaining our commitment to a strong, ready military. We will increase funding for weapons modernization and procurement by the year 2000, so our troops have the finest equipment to dominate the conflicts of the future. And as our troops watch out for us, we must take good care of them and their families.

It also means renewing our commitment to fully fund America's diplomacy. Our foreign affairs budget for the current fiscal year is just a tiny fraction of what Americans will spend on gambling over the same 12 months. But we can't afford to gamble with our national security. We must make the investments to advance America's interests -- for the next 50 years as in the last.

President Clinton's budget request reverses the dangerous downward spiral in international affairs funding. The $19.4 billion we request -- about one cent out of every federal dollar -- brings real benefits to every taxpayer: strengthening our ability to promote peace, fight global problems like drug trafficking, terrorism and nuclear proliferation, boost American exports around the world, and meet our obligations to the community of nations.

There are times when our nation must and will act alone. But where we can, it's simply common sense to spread the costs and risks by working with others, like the World Bank and the UN. The
United Nations has a strong new leader committed to cut costs and do better with less. Now is the time to push for progress -- promoting tough reform, paying our bills, and putting the UN and the multilateral development banks back on sound financial footing.

Conclusion

To follow
3/26/97  7:30 p.m.

SAMUEL R. BERGER  
ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS  
"A FOREIGN POLICY AGENDA FOR THE SECOND TERM"  
XX XXXX XXXX  
MARCH XX, 1997

[Acknowledgments/Introduction]

Last month, in the first State of the Union address of his second term, President Clinton issued a challenge to the American people. “Fifty years ago,” he said, “a farsighted America led in creating the institutions that secured victory in the Cold War and built a growing world economy... Now, we stand at another moment of change and choice -- another time to be farsighted and to bring America another fifty years of security and prosperity.”

To meet that challenge, we must first understand the nature of the change that surrounds us. It’s been eleven years since perestroika and glasnost, eight years since the Berlin Wall fell, six since Germany’s reunification and five years since the USSR’s dissolution. But because the Cold War ended with a crumble, not a conference -- with no Versailles to mark the moment -- and because the transition to democracy among Europe’s newly freed countries, while revolutionary in its consequences, is evolutionary in its timetable... the dialogue of foreign policy has, for too long, been stuck in the rhetoric of “the Post-Cold War Era.”
I have come here today not only to praise the "Post Cold War Era" but to bury it. That phrase describes what has ended, not what is beginning... what has been destroyed, not what we are building. Today, closer to the start of the 21st century than to the end of the Cold War, we are embarking upon a period of construction, based on new realities but enduring values and interests. The blocs and barriers that divided the world for fifty years largely are gone. Now, our challenge is to build up new institutions and understandings, and adapt old ones, that strengthen our security and prosperity for the next fifty years and beyond.

For the past fifty years, with containment as the guiding principle of our foreign policy, we saw a world map with advancing and receding lines dividing red from blue... separating those living under the stifling, often brutal repression of communism from those who weren’t -- the latter running the range from democracies to near democracies to more or less authoritarian regimes bound together in their steadfast anti-communism.

Because we stood firm for half a century, that guiding principle is now obsolete -- a one dimensional framework for a multi-dimensional era. Instead, this new time increasingly is shaped by the forces of integration. They create unprecedented opportunities for progress -- but we should have no illusion. This new era is hardly free of new threats to the security, peace and prosperity we seek to build.

If we could look down at the earth from a distant planet, the most powerful phenomenon we would observe are the forces of economic integration -- reinforced by a communications and technological revolution that telescopes time and distance.
Every day, we use products conceived in one country, financed in another, manufactured in a third, and sold on every continent. With a tap on a computer keyboard and a $50 modem, ideas and information span the planet in a nano-second. Traders, buyers and investors move a trillion dollars around the world every hour.

I will never forget arriving in my hotel room in Islamabad, turning on CNN and seeing George Stephanopoulos and Bob Reich debating who wrote “Primary Colors.” Men and women of good faith can debate whether that’s progress. But the fact of it is transforming the way we work, live and interact. Or consider that famously traditional image of the Li River portrayed on Chinese wall hangings. If you looked at a photograph today, you would see that the houses that line the river have satellite dishes in their backyards.

The forces of integration also spread values -- and the ideas that are increasingly if not universally embraced today are the central ideas that define America: democracy, liberty, free enterprise. For the first time in history, more than half the world’s people live under governments of their own choosing. In this hemisphere, where just three decades ago almost one-third of the countries in this hemisphere were under authoritarian rule, every country but one today is a democracy. From the Philippines to Chile, South Africa to Estonia, Korea to Guatemala, people who little more than a decade ago lived under repression are building their democracies. We can see with more clarity today than ever that freedom is not only an American birthright or a Western ideal -- but the aspiration of human beings everywhere.
We must be clear-eyed about this: the powerful movement toward integration is not without significant downsides and dangers. As borders become as easy to breach as lines in the sand, nations become less able to protect their people from transnational tidal waves -- witness the Peso crisis, which threatened not only Mexico’s economy, but jobs here in America and the stability of developing economies around the world.

The forces of integration also lubricate the counterforces of disintegration: international networks of corruption and destruction which take advantage of the very openness and freedom we cherish -- terrorists, organized criminals, drug traffickers. They too benefit from technological change and the free flow of products and information. Meanwhile, rogue states like Iran, Iraq, Libya and Sudan remain outside the community of nations -- and seek to undermine and destabilize it. These new transnational and regional threats have become part of our new security agenda.

We must also acknowledge that the overall progress integration tends to promote can exacerbate disparities among and within countries. More than half the world’s people are two days walk from a telephone -- literally disconnected from the present and the future. Even in the emerging economies of Latin America, the gap between rich and poor has grown wider, even as overall wealth has increased dramatically.

In short, integration is not inherently good or inherently bad. But it is, I believe, inherently a fact of modern life. And it will take place with or without us. The question we must answer is whether we will use our unique position as not only the world’s most powerful country, but also the world’s most powerful idea, to continue to lead the struggle for a more peaceful, prosperous
and secure future -- or be left behind. As President Clinton has put it, "the enemy of our time is inaction."

The challenge this President has undertaken is to encourage, to the extent possible, the positive forces of integration -- while preventing the forces of disintegration from dominating the future. The international rules of the road are becoming the true Berlin Wall between countries: those that opt into the community of nations -- and those that continue to opt out. These norms -- collective security in alliances of like-minded countries... adherence to the rule of law... open and competitive trade... major regimes to control dangerous weapons -- are important in and of themselves. But they're also important because, brick by brick, they form a structure for security and prosperity for all those who choose to live within them... and define the terms of isolation of those states that stay outside. As the world grows closer, the cost of exclusion from the community of nations will grow higher.

To build this new community of nations integrated economically around open markets, politically around democracies and militarily around security cooperation -- and to bolster it against attack -- we are pursuing six key strategic objectives:

Working for an undivided, democratic peaceful Europe for the first time in history... forging a strong, stable Asia Pacific community... embracing our role -- cautiously but not fearfully -- as the indispensable force for peace in the world... building a bulwark against new transnational and regional security challenges... creating jobs and growth through a more open and competitive trading system... and maintaining a strong military and fully funded diplomacy to get these jobs
done. These ambitious but achievable objectives -- not the lift of a driving cliché -- provide America’s roadmap in the world. Let me describe each briefly.

The first strategic goal is working for an undivided, peaceful, democratic Europe. Twice in this century, war in Europe has drawn Americans into deadly conflict. Now, we have an opportunity to create a durable European peace by replacing the divisions that have plagued the continent in the past with ties of partnership to shape a common future.

With our allies, we are weaving the seams of Europe together by helping its new democracies grow strong; encouraging their integration with the West; forging a productive partnership with a democratic Russia; and, critically, adapting NATO to take on new challenges.

By welcoming Europe’s new democracies into the alliance -- rather than abandoning the anchor of America’s engagement in Europe on the one hand, or freezing the alliance within the amber of the Cold War on the other -- NATO will strengthen the forces of peace and stability in the heart of Europe, promoting reconciliation, hastening integration, and providing a secure climate in which prosperity can grow. Already, the prospect of NATO membership is prompting regional reconciliation, as Hungary and Romania, Germany and the Czech Republic have shown.

The process of NATO enlargement will take a leap forward in Madrid this July, when NATO invites the first potential members to start accession talks. There are three key challenges ahead. The first is deciding which countries to admit. Naturally, we’ll start with those best prepared to shoulder the burdens of membership -- but the door must and will not close behind them. So our
second challenge is bolstering the security and confidence of countries not in the first wave. We will strengthen NATO’s ties to those countries by expanding the role of the Partnership for Peace and establishing an Atlantic Partnership Council to give every partner a voice in coordination of joint activities.

The third challenge is the most hotly debated: How do we heal the scars of Europe’s past without creating new wounds? Some fear that the process of NATO enlargement will shut Russia out from a rightful place in Europe -- and undercut Russia’s nascent democracy. Others worry that Russia’s cooperation will come at the expense of the interests of Central and Eastern Europe and the Alliance’s ability to shape its own destiny. Navigating this Scylla and Charybdis of NATO enlargement is the most crucial test of our commitment to forge stability across the Atlantic.

Last week in Helsinki, President Clinton and President Yeltsin took an important step forward. They agreed to disagree about enlargement -- Russia objects, but it will proceed. But they also agreed that the vital relationship between the United States and Russia and the benefits to all of cooperation between NATO and Russia are too important to be jeopardized. As President Clinton made clear, our intent is not to isolate Russia from Europe, but to integrate it into a new democratic continent.

NATO and Russia will move forward as quickly as possible to try to complete negotiations on a charter for NATO-Russia cooperation -- as is taking place today in Bosnia. At the same time, the two Presidents made important advances in arms control and economic cooperation. Helsinki was a turning point: it demonstrated that the goals we share to build a secure future for Europe,
to reduce even more the nuclear danger and to increase ties of trade and investment outweigh our differences.

Our second strategic objective is building a strong, stable, integrated Asia-Pacific community. Little more than a decade ago, the conventional wisdom saw Asia, North America and Europe emerging as three rival blocs competing head-to-head. President Clinton had a different vision, based on the promise of partnership and on America’s enduring place as an Asia Pacific power. Soon after he became President, he convened the first-ever Asia Pacific summit meeting at Blake Island, where leaders from China to Indonesia to Brunei agreed to a common goal: to define their futures not just in Asian or American terms, but increasingly in Asian-Pacific terms as well.

It’s an evolutionary process. More open trade. Continuing American security engagement in the region. An understanding that we provide a ‘balance wheel for stability that helps all of us grow in an environment where regional rivalries -- still dangerous -- are tempered by our presence.

To succeed, we must meet three immediate challenges. First, we must deepen our partnership with Japan -- the cornerstone of America’s engagement in Asia -- by strengthening even more our security alliance, enhancing our diplomatic cooperation and continuing the surge in our exports, up 41% since 1993.

Second, we must continue to work closely with South Korea to reduce tensions on the Cold War’s last frontier. Vigilance against the vagaries of a North Korea in distress. Pursuing a more
stable peace on the Peninsula through the four-party peace talks. Ensuring the dismantlement of
North Korea’s now frozen nuclear program.

Third, we must deepen our strategic dialogue with China. An emerging China that evolves as a
power that is stable, more open politically and economically and nonaggressive militarily -- in
short, moving toward, not away, from a secure international order -- is profoundly in America’s
interest. Ultimately, China will define its own destiny. But we can help shape its choices.

Our strategy of engagement with China is not a reward for good behavior. It is a vehicle for
expanding areas where we can cooperate to advance our strategic interests -- such as on the
comprehensive test ban and stability on the Korean Peninsula -- and where we can deal directly
with our fundamental differences -- such as human rights, market access and some of China’s
weapons relationships. There is no guaranty that engagement will succeed in pulling China in the
direction of the international community, away from a more nationalistic, self-absorbed course.
But seeking to isolate China... or to isolate us from China... almost certainly will push China in the
wrong direction and undercut the stability that America, China and the entire Asia Pacific region
all need for the future to be secure and prosperous.

[Do we need sentence on Vietnam]

Our third strategic goal is to neither shrink from -- nor become enthralled by -- the
inescapable reality that America has become the indispensable force for peace in the world.
America’s greatness flows not only from our size and strength, but also from the wealth of our
diversity and the power of our ideals. As a result, we have a unique ability to stand with others around the world who seek to bridge their divides -- and build a stronger foundation for peace, security and cooperation.

When, where and how to make a stand for peace has no “one size fits all” answer, as Secretary Albright has said. As we have been freed from the compulsions of containment, we have inherited a far more demanding task, particularly in a world where conflict and turmoil are instantly thrust upon a global stage. That task is to balance interest and risk, achievability and cost, clarity of mission and support from others in what is ultimately an exercise in prudent judgment. We can’t be everywhere or do everything. There will be no Pax Americana in this new era. But we must be prepared to engage when our interests and values are at stake and we can make a difference.

Often, our engagement is diplomatic -- remaining an unrelenting force for peace in areas from the Middle East to Northern Ireland to Africa.

Sometimes, with great caution and care and where our interests warrant it, our diplomacy must be backed with force. In Bosnia, our use of air power through NATO, combined with determined diplomacy, stopped a war that threatened Europe’s stability and brought the parties to the bargaining table. Now, our continuing presence through SFOR is giving Bosnia’s fragile peace a chance to take hold. In Haiti, where a brutal dictatorship forced tens of thousands to flee for our shores, we caused the dictators to step down peacefully and gave democracy a new lease of life.
As we deal with these challenges, we must face up to some new ones. Let me cite just three. The India-Pakistan border remains a flashpoint for conflict and an escalating arms race that can threaten the region -- our tempering influence can make a difference. The enormous resource potential and strategic location of the Caucasus and Central Asia gives us a strong stake in preserving their stability and building our own ties to the region. And it is profoundly in our interest to help Turkey, at a strategic and cultural crossroads, remain anchored in the West, peacefully resolve its differences with our Greek allies, and modernize its economy.

[Need summary sentence]

Our fourth strategic goal is to deal with the new transnational security threats I mentioned earlier -- terrorists, rogue states, international criminals, drug traffickers -- that disregard borders, prey on open societies, undermine fragile new democracies and exploit technology for illicit gain.

There are times when we must and we will act alone. To get others to follow, sometimes we must lead by example. And there is behavior so egregious that we must act even where others won't. But our fight against these forces of disintegration also demands that we look freshly at our instruments of leverage and the advantages of collective action.

In a global economy, there is often less to gain from waving sticks if others continue to hold out carrots. Whether it is the threat of terrorism or the scourge of drugs, we must intensify our
efforts to achieve a broader sense of urgency about the dangers and a collective defense to thwart them.

That is why we are working to build international coalitions to take on these new challenges to our security together -- arms control agreements that ban chemical weapons, international law enforcement cooperation to put drug traffickers behind bars and organized criminals out of business, intelligence sharing to root out corruption, and a concerted strategy against terror. Some see cooperation as at best an elusive goal, at worst a sign of weakness. Against threats that have contempt for borders, it is a source of strength.

**America's fifth strategic goal is to build a new, open trading system for the 21st century.**

Eleven million Americans depend on exports for their jobs. Our nation’s economic well-being is tied to the rest of the world. We should not fear the challenge of the global economy: Our workers and businesses can compete. But the contest must be open, the field competitive and the rules fair and enforced.

I believe historians will look back at this period and see the most far-reaching changes in the global trading system since the days of Harry Truman. We completed the Uruguay Round of the GATT; forged a comprehensive trade agreement with our two neighbors; secured pathbreaking market opening agreements in high-tech sectors where America leads the world; and launched a process for open and competitive trade in our hemisphere and the Asia Pacific.
These efforts have paid off for our people. The global economy is not a zero sum game -- we are creating good jobs at home by nurturing new markets abroad.

The President is determined to build on this foundation -- to navigate between the false choice of protectionism and unbridled free trade.

Protectionism simply isn’t an option in today’s global economic arena. If we walk away, the process of integration won’t stop; it will simply continue without us. Others in Europe and Asia will benefit. Turning inward would mean turning our back on 95 percent of the world’s consumers and forfeiting our stake in the markets of the future.

But while protectionism is not an option, neither is ungoverned free trade. Competition causes dislocation -- especially among those who lack the training and skills to compete in the global economy. We cannot walk away from them -- we have an obligation to enforce the agreements we make... to make change work for all with education and training... so that the benefits of progress are not enjoyed by the few while its burdens are carried by the many.

We’re determined to sustain our strong momentum, advancing our exports and standing up for American workers. To truly succeed, we need the authority to conclude smart, new market-opening trade agreements. In Latin America alone, our exports in 1995 were greater than our sales to Japan and Germany combined. We need to complete the job we have begun -- to open markets in this hemisphere and globally, to share in that growth, not turn our backs on it.
Let me turn to our final priority. We cannot harness the forces of integration without the strength and resources to get the job done -- and without sharing the burdens with other like-minded nations.

We have the finest military in the world. It is the steel that makes American leadership credible and, if necessary, America’s freedom secure. This President has seen that, time and again. He is determined that we maintain our ability to dominate any battlefield of the future. That is an indispensable investment in peace and security.

It also means fulfilling our commitment to fully fund America’s diplomacy. Our foreign affairs budget for the current fiscal year is 50% lower, in real terms, than a decade ago. This is simply foolish. We must make the investments to advance America’s interests -- for the next 50 years as in the last.

President Clinton’s budget request reverses the dangerous downward spiral in international affairs funding. Our request -- about one cent out of every federal dollar -- brings benefits to every taxpayer: strengthening our ability to promote peace, fight drugs, track down terrorists, combat nuclear proliferation, boost American exports around the world, and meet our obligations to the community of nations.

We must also resist the false choice between going it alone or not at all. It’s simply common sense to spread the costs and risks of leadership by working with others, like the World Bank and
the UN. Now is the time to push for progress -- promoting tough reform, paying our bills, and putting the UN and the multilateral development banks back on sound financial footing.

Ladies and gentlemen, a child born today has the chance to grow up not just in a new century but in a new world -- one where nations are united more by their hopes than their fears. America's new President's foreign policy agenda -- sweeping in scope, historic in possibility -- reflects the great promise of this time. But it also shows a sober awareness of its perils, and the absolute imperative for American leadership if we are to shape the forces of change to our benefit.

As we leave behind the Post-Cold War Era, America must lead in building a world where peace and security know no borders, and freedom no frontiers.
Cicio, Kristen K.

From: Blinken, Antony J.
To: @NSA - Natl Security Advisor
Cc: /R, Record at A1
Subject: SRB Speech
Date: Wednesday, March 26, 1997 5:09PM

<<File Attachment: 2TERMSP4.DOC >>With his latest edits, but still lacking a conclusion and tightening. Am circulating as is now to senior directors, SecState and SecDef.
Last month, in the first State of the Union address of his second term, President Clinton issued a challenge to the American people. “Fifty years ago,” he said, “a farsighted America led in creating the institutions that secured victory in the Cold War and built a growing world economy. As a result, today, more people than ever embrace our ideals and share our interests... Now, we stand at another moment of change and choice -- another time to be farsighted and to bring America another fifty years of security and prosperity.”

To meet that challenge, we must first understand the nature of the change that surrounds us. It’s been ten years since perestroika and glasnost, eight years since the Berlin Wall fell, six since Germany’s reunification and the dissolution. But because the Cold War ended with a crumble, not a conference -- with no Versailles to mark the moment... and because the transition to democracy among Europe’s newly freed countries, while revolutionary in its consequences, is evolutionary in its timetable... the dialogue of foreign policy has, for too long, been stuck in the rhetoric of “the Post-Cold War Era.”

I have come here today not only to praise the “Post Cold War Era” but to bury it. That phrase describes what has ended, not what is beginning... what has been destroyed, not what we are
building. Today, closer to the start of the 21st century than to the end of the Cold War, we are embracing an era of construction, based on new realities but enduring values and interests. The blocs and barriers that divided the world for fifty years largely are gone. Now, our challenge is to build up new institutions and understandings, and adapt old ones, that strengthen our security and prosperity for the next fifty years and beyond.

For the past fifty years, with containment as the guiding principle of our foreign policy, we saw a world map with advancing and receding lines dividing red from blue... separating those living under the stifling, often brutal repression of communism from those who weren't -- the latter running the range from democracies to near democracies to more or less authoritarian regimes bound together by their steadfast anti-communism.

Because we stood firm for half a century, that guiding principle is now obsolete -- a one-dimensional framework for a new multi-dimensional era. We should have no illusion: this new era is hardly free of danger or despotism. Yet more than ever before in modern history, we can see the promise of a world fueled by the forces of integration, converging toward shared values and common interests.

If we could look down at the earth from a distant planet, the most powerful phenomenon we would observe are the forces of economic integration -- reinforced by a communications and technological revolution that telescopes time and distance.
Every day, we use products conceived in one country, financed in another, manufactured in a third, and sold on every continent. With a tap on a computer keyboard and a $50 modem, ideas and information span the planet in a nano-second. Traders, buyers and investors move a trillion dollars around the world every hour.

I will never forget arriving in my hotel room in Islamabad, turning on CNN and seeing George Stephanopoulos and Bob Reich debating who wrote “Primary Colors.” Men and women of good faith can debate whether that’s progress. But the fact of it is transforming the way we work, live and interact. Or consider the famously traditional images of the Li River portrayed on Chinese wall hangings. If you looked at a photograph today, you would see that the houses that line the river have satellite dishes in their backyards.

These forces of integration also spread values -- we are also seeing a world that increasingly, though not universally, is embracing shared values. The ideas that are in the ascendency today are the central ideas that define America: democracy, liberty, free enterprise. For the first time in history, more than half the world’s people live under governments of their own choosing. In this hemisphere, where just [TK] years ago there were [TK] dictatorships, every country but one today is a democracy. From the Philippines to Chile, South Africa to Estonia, Korea to Guatemala, people who little more than a decade ago lived under repression are building their democracies. We can see with more clarity today than ever that freedom is not only an American birthright or a Western ideal -- but the aspiration of human beings everywhere.
These forces of integration -- economic... technological... political -- find practical if imperfect expression in international rules of the road that are becoming the true Berlin Wall between countries: those that opt into the community of nations -- and those that continue to opt out.

But let us be clear-eyed about this: the powerful movement toward integration is not without significant downsides and dangers. As borders become as easy to breach as lines in the sand, nations become less able to protect their people from transnational tidal waves -- witness the Peso crisis, which threatened not only Mexico's economy, but jobs here in America and the stability of developing economies around the world.

The forces of integration also lubricate the counterforces of disintegration: international networks of corruption and destruction which take advantage of the very openness and freedom we cherish -- terrorists, organized criminals, drug traffickers. They too benefit from technological change and the free flow of products and information. Rogue states like Iran, Iraq, and Libya remain outside the community of nations -- and seek to undermine and destabilize it. These new transnational and regional threats that have become part of our new security agenda.
We must also acknowledge that the overall progress integration tends to promote can exacerbate disparities among and within countries. More than half the world’s people are two days walk from a telephone -- literally disconnected from the present and the future. Even in the emerging economies of Latin America, the gap between rich and poor has grown wider, even as overall wealth has increased dramatically.

In short, integration is neither inherently good or inherently bad. But it is, I believe, inherently a fact of modern life. And it will take place with or without us. The question we must answer is whether we will use our unique position as not only the world’s most powerful country, but also the world’s most powerful idea, to continue to lead the struggle for a more peaceful, prosperous and secure future -- or be left behind. As President Clinton has put it, “the enemy of our time is inaction.”

The challenge this President has undertaken is to seek, to the extent possible, to shape these changes to our advantage -- while preventing the forces of disintegration from dominating the future. His vision -- the world we seek to build for our children -- is driven by six strategic objectives that define America’s direction in this new world:

Working for an undivided, democratic peaceful Europe for the first time in history... forging a strong, stable Asia Pacific community... embracing our role -- cautiously but not fearfully -- as a decisive, indispensable force for peace in the world... building a bulwark against new transnational and regional security challenges... creating jobs and growth through a more open and competitive...
trading system... and maintaining a strong military and fully funded diplomacy to get these jobs done. These ambitious but achievable objectives -- not the lift of a driving cliché -- provide America's roadmap in the world. Let me describe each briefly.

The first strategic goal is working for an undivided, peaceful, democratic Europe. Twice in this century, war in Europe has drawn Americans into deadly conflict. Now, we have an opportunity to create a durable European peace by replacing the divisions that have plagued the continent in the past with ties of partnership to shape a common future.

With our allies, we are weaving the seams of Europe together by helping its new democracies grow strong; encouraging their integration with the West; forging a productive partnership with a democratic Russia; and, critically, adapting NATO to take on new challenges.

By welcoming Europe's new democracies into the alliance -- rather than abandoning the anchor of America's engagement in Europe on the one hand or freezing the alliance within the amber of the Cold War on the other -- NATO will strengthen the forces of peace and stability in the heart of Europe, tempering hostilities, hastening integration, and providing a secure climate in which prosperity can grow. Already, the prospect of NATO membership is prompting regional reconciliation, as Hungary and Romania, Germany and the Czech Republic have shown.

The process of NATO enlargement will take a leap forward in Madrid this July, when NATO invites the first potential members to start accession talks. There are three key challenges ahead. The first is deciding which countries to admit. Naturally, we'll start with those best prepared to
shoulder the burdens of membership -- but the door must and will not close behind them. So our second challenge is bolstering the security and confidence of countries not in the first wave. We will strengthen NATO's ties to those countries by expanding the role of the Partnership for Peace and establishing an Atlantic Partnership Council to give every partner a voice in coordination of joint activities.

The third challenge is the most hotly debated: How do we heal the scars of Europe's past without creating new wounds? Some fear that the process of NATO enlargement will shut Russia out from a rightful and honorable place in Europe -- and undercut Russia's nascent democracy. Others worry that Russia's cooperation will come at the expense of the interests of Central and Eastern Europe and the Alliance's ability to shape its own destiny. Navigating this Scylla and Charybdis of NATO enlargement is the most crucial test of our commitment to forge stability across the Atlantic.

Last week in Helsinki, President Clinton and President Yeltsin took an important step forward. They agreed to disagree about enlargement -- Russia objects, but it will proceed. But they also agreed that the vital relationship between the United States and Russia and the benefits to all of cooperation between NATO and Russia are too important to be jeopardized. As President Clinton made clear, our intent is not to isolate Russia from Europe, but to integrate it into a new democratic continent.

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two Presidents made important advances in arms control and economic cooperation. Helsinki was a turning point: it demonstrated that the goals we share to build a secure future for Europe, to reduce even more the nuclear danger and to increase ties of trade and investment outweigh our differences.

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To succeed, we must meet three immediate challenges. First, we must deepen our partnership with Japan -- the cornerstone of America’s engagement in Asia -- by strengthening even more our security alliance and continuing the surge in our exports, up 41% since 1993.
Second, we must continue to work closely with South Korea to reduce the tensions on the Cold War’s last frontier. Vigilance against the vagaries of a North Korea in distress. Pursuing a more stable peace on the Peninsula through the four-party peace talks. Ensuring the dismantlement of North Korea’s now frozen nuclear program.

Third, we must deepen our strategic dialogue with China. Whether an emerging China evolves as a power that is stable, more open politically and economically and nonaggressive militarily -- in short, moving toward, not away, from a secure international order -- is profoundly in America’s interest. Ultimately, China will define its own destiny. But we can help shape its choices.

Our policy of engagement with China is not a reward for good behavior. It is a vehicle for expanding areas where we can cooperate to our mutual advantage -- such as on the comprehensive test ban and stability on the Korean Peninsula -- and where we can deal directly with our fundamental differences -- such as human rights, market access and some of China’s weapons relationships. There is no guaranty that engagement will succeed in pulling China in the direction of the international community, away from a more nationalistic, self-absorbed course. But seeking to isolate China... or isolate us from China... almost certainly will push China in the wrong direction and undercut the stability that America, China and the entire Asia Pacific region all need for the future to be secure and prosperous.

Our third strategic goal is to neither shrink from -- nor become enthralled by -- the inescapable reality that America has become the indispensable force for peace in the world. America’s greatness flows not only from our size and strength, but also from the wealth of our
diversity and the power of our ideals. As a result, we have a unique ability to stand with others around the world who seek to bridge their divides -- and build a stronger foundation for peace, security and cooperation.

When, where and how to make a stand for peace has no “one size fits all” answer, as Secretary Albright has said. As we have been freed from the compulsions of containment, we have inherited a far more demanding task, particularly in a world where conflict and turmoil are instantly thrust upon a global stage. That task is to balance interest and risk, achievability and cost, clarity of mission and support from others in what is ultimately and exercise in prudent judgment. We can’t be everywhere or do everything. There will be no Pax Americana in this new era. But we must be prepared to engage when our interests and values are at stake and we can make a difference.

Often, our engagement is diplomatic -- remaining an unrelenting force for peace in areas from the Central Africa to the Middle East to Northern Ireland.

Sometimes, with great caution and care and where our interests warrant it, our diplomacy must be backed with force. Our use of air power through NATO, combined with determined diplomacy, stopped a war that threatened Europe’s stability and brought the parties to the bargaining table. Now, our continuing presence through SFOR is giving Bosnia’s fragile peace a chance to take hold. In Haiti, where a brutal dictatorship forced tens of thousands to flee for our shores, we caused the dictators to step down peacefully and gave democracy a new lease of life.
As we deal with these challenges, we must face up to some new ones. Let me cite just three. The South Asia border remains a flashpoint for conflict and an escalating arms race that can threaten the region — our tempering influence can make a difference. The enormous resource potential and strategic location of the Caucasus and Central Asia gives us a strong stake in preserving their stability and building our own ties to the region. And it is profoundly in our interest to help Turkey, at a strategic and cultural crossroads, remain anchored in the West, and working to peacefully resolve its differences with our Greek allies, and modernize its economy.

Our fourth strategic goal is to deal with the new transnational security threats I mentioned earlier -- terrorists, rogue states, international criminals, drug traffickers -- that disregard borders, prey on open societies, undermine fragile new democracies and exploit technology for illicit gain.

There are times when we must and we will act alone. To get others to follow, sometimes we must lead by example. And there is behavior so egregious that we must act even where others won’t. But our fight against these forces of disintegration also demands that we look freshly at our instruments of leverage and the advantages of collective action.

In a global economy, there is often less to gain from waving sticks if others continue to hold out carrots. Whether it is the threat of terrorism or the scourge of drugs, we must intensify our efforts to achieve a broader sense of urgency about the dangers and a collective defense to thwart them.
That is why we are working to build international coalitions to take on these new challenges to our security together -- arms control agreements that ban chemical weapons, international law enforcement cooperation against drug traffickers behind bars and organized criminals out of business, intelligence sharing to root out corruption, and a concerted strategy against terror.

Some see cooperation as at best an elusive goal, at worst a sign of weakness. Against threats that have contempt for borders, it is a source of strength.

**America’s fifth strategic goal is to build a new, open trading system for the 21st century.**

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The President is determined to build on this foundation -- to navigate between the false choice of protectionism and unbridled free trade.

Protectionism simply isn't an option in today's global economic arena. If we walk away, the process of integration won't stop; it will simply continue without us. Others in Europe and Asia will benefit. Turning inward would mean turning our back on 95 percent of the world's consumers and forfeiting our stake in the markets of the future.

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Conclusion