

Exchange Mail

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CARBON_COPY**TEXT_BODY**

Yesterday Bob Bell sent a memo to all the Senior Directors alerting them that they would soon be receiving appropriate sections of the draft 1999 NSSR for review and comment. Attached are the three core

sections. (I do not write the Preface or Conclusion until after these three sections are cleared. You will see them in the final round of NSC staff clearance, which is after interagency coordination.)

Please provide comments (using the Word "track changes" function) by Wednesday, July 14.

Thank you for your support.

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I. Introduction

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

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

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

Opportunities and Challenges

The 21st Century will be an era of great promise. Globalization-the process of accelerating economic, technological, cultural and political integration-is bringing citizens from all continents closer together, allowing them to share ideas, goods and information at the tap of a keyboard. Many nations around the world have embraced America's core values of representative governance, free market economics and respect for fundamental human rights and the rule of law, creating new opportunities to promote peace, prosperity and greater cooperation among nations. Former adversaries now cooperate with us. The dynamism of the global economy is transforming commerce, culture, communications and global relations, creating new jobs and economic opportunity for millions of Americans.

Globalization also means that the United States is increasingly affected by events beyond our borders. Outlaw states and ethnic conflicts threaten

regional stability and economic progress in many important areas of the world. Weapons of mass destruction (WMD), terrorism, drug trafficking and organized crime are global concerns that transcend national borders. Other problems that once seemed quite distant-such as resource depletion, rapid population growth, environmental damage, new infectious diseases and uncontrolled refugee migration-have important implications for American security. Our workers and businesses will suffer if foreign markets collapse or lock us out, and the highest domestic environmental standards will not protect us if we cannot get others to achieve similar standards. In short, our citizens have a direct stake in the prosperity and stability of other nations, in their support for international norms and human rights, in their ability to combat international crime, in their open markets, and in their efforts to protect the environment.

National Interests

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

The second category includes situations in which important national interests are at stake. These interests do not affect our national survival, but they do affect our national well-being and the character of the world in which we live-for example, areas where we have a sizable economic stake or

commitments to allies, or areas where there is a potential to generate substantial refugee flows into the United States. Our efforts to halt the flow of refugees from Haiti and restore democracy in that state and our participation in NATO operations in Bosnia and Kosovo are examples.

The third category is humanitarian and other interests. In some circumstances our nation may act because our values demand it. Examples include responding to natural and manmade disasters or violations of human rights, supporting democratization and civil control of the military, assisting humanitarian demining, and promoting sustainable development. Often in such cases, the force of our example bolsters support for our leadership in the world. Whenever possible, we seek to avert humanitarian disasters and conflict through diplomacy and cooperation with a wide range of partners, including other governments, international institutions and non-governmental organizations. This may not only save lives, but also prevent the drain on resources caused by intervention in crises.

Threats to U.S. Interests

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

* Regional or State-Centered Threats: A number of states still have the capabilities and the desire to threaten our vital interests through coercion or aggression. They continue to threaten the sovereignty of their neighbors and international access to resources. In many cases, these states are also actively improving their offensive capabilities, including efforts to obtain or retain nuclear, biological or chemical weapons and, in some cases, long-range delivery

systems.

* Transnational threats: Terrorism, international crime, drug trafficking, illicit arms trafficking, uncontrolled refugee migrations and environmental damage threaten U.S. interests, citizens and the U.S. homeland itself. The possibility of terrorists and other criminals using WMD is of special concern. We also face threats to critical national infrastructures-energy, banking and finance, telecommunications, transportation, water systems and emergency services-which increasingly could take the form of a cyber-attack in addition to physical attack or sabotage, and could originate from terrorist or criminal groups as well as hostile states.

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

* Foreign intelligence collection: The threat from foreign intelligence services is more diverse, complex and difficult to counter than ever before. This threat is a mix of traditional and non-traditional intelligence adversaries that have targeted American military, diplomatic, technological and commercial secrets. Some foreign intelligence services are rapidly adopting new technologies and innovative methods to obtain such secrets, including attempts to use the global information infrastructure to gain access to sensitive information via penetration of computer systems and networks. To protect sensitive national security information, we must be able to effectively counter the collection efforts of foreign intelligence services through vigorous counterintelligence efforts and security programs.

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

Intelligence, surveillance and reconnaissance (ISR) capabilities are critical instruments for implementing our national security strategy. We place highest priority on the most serious threats to U.S. security: states hostile to the United States; countries or other entities that possess strategic nuclear forces or control nuclear weapons, other WMD or nuclear fissile materials; transnational threats, including terrorism, international crime and drug trafficking; potential regional conflicts that might affect U.S. national security interests; and threats to U.S. forces and citizens abroad.

A Strategy of Engagement

The United States must lead abroad if we are to be secure at home, but we cannot lead abroad unless we are strong at home. We must be prepared and willing to use all appropriate instruments of national power to influence the actions of other states and non-state actors, to exert global leadership, and to remain the preferred security partner for the community of states that share our interests.

The international community is often reluctant to act forcefully without American leadership. In many instances, the United States is the only nation capable of providing the necessary leadership and capabilities for an international response to shared challenges. By exerting our leadership abroad we have deterred

aggression, fostered the resolution of conflicts, strengthened democracies, opened foreign markets and tackled global problems such as preventing the spread of weapons of mass destruction and protecting the environment. American leadership and engagement in the world are vital for our security, and our nation and the world are safer and more prosperous as a result.

Achieving our core objectives--enhancing American security, bolstering our economic prosperity and promoting democracy abroad--will require sustained, long-term effort. Many of the threats to our national interests are persistent or recurring--they cannot be resolved or eliminated once and for all, and will demand our attention indefinitely. American engagement must be tempered by recognition that there are limits to America's involvement in the world, and that decisions to commit resources today must be weighed against the need to sustain our engagement over the long term. Our engagement therefore must be selective, focusing on the threats and opportunities most relevant to our interests and applying our resources where we can make the greatest difference. Additionally, sustaining our engagement abroad over the long term will require the support of the American people and the Congress to bear the costs of defending U.S. interests-in dollars, effort and, when there is no alternative, the risk of losing American lives. We have an obligation to foster broad public understanding and bipartisan congressional support for international engagement.

Implementing the Strategy

Our efforts will continue to be guided by President Clinton's strategic priorities: to foster regional efforts led by the community of democratic nations to promote peace and prosperity in key regions of the world, to increase cooperation in confronting new security threats that defy borders and unilateral solutions, to protect our citizens and critical infrastructures at home, to

strengthen the military, diplomatic and law enforcement tools necessary to meet these challenges, and to create more jobs and opportunities for Americans through a more open and competitive economic system that also benefits others around the world.

We must always be prepared to act alone when that is our most advantageous course. But many of our security objectives are best achieved-or can only be achieved-through our alliances and other formal security structures, or as a leader of an ad hoc coalition formed around a specific objective. Durable relationships with allies and friendly nations are vital to our security. A central thrust of our strategy is to strengthen and adapt the security relationships we have with key nations around the world and create new relationships and structures when necessary. At other times we harness our diplomatic, economic, military and information strengths to shape a favorable international environment outside of formal structures.

Success in countering the wide range of threats we face requires an integrated approach that brings to bear all the capabilities and assets needed to achieve our security objectives-particularly in this era when domestic and foreign policies are increasingly blurred. To effectively shape the international environment and respond to the full spectrum of potential threats and crises, diplomacy, military force, our other foreign policy tools and our domestic preparedness efforts must be closely coordinated. International cooperation will be vital for building security in the next century because many of the threats we face cannot be addressed by a single nation. But building effective coalitions of like-minded nations is not enough. We are continuing to strengthen and integrate our own diplomatic, military, intelligence and law enforcement capabilities so we can act on our own when we must, as well as more

effectively
lead the international community in responding to these threats.

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

The Power of Our Values

Underpinning our international leadership is the power of our democratic ideals and values. In designing our strategy, we recognize that the spread of democracy supports American values and enhances both our security and prosperity. Democratic governments are more likely to cooperate with each other against common threats, encourage free trade, promote sustainable economic development, and protect the rights of their people. Hence, the trend toward democracy and free markets throughout the world advances American interests. The United States will support this trend by remaining actively engaged in the world. This is the strategy to take us into the next century.

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The goal of the national security strategy is to protect the lives and safety of Americans, maintain the sovereignty of the United States with its values, institutions and territory intact, and promote the prosperity and well-being of the nation and its people. In our vision of the world, the United States has close cooperative relations with the world's most influential countries and has the ability to influence the policies and actions of those who can affect our national well being. We seek to create a stable, peaceful international security environment in which our nation, citizens and interests are not threatened; a world in which democratic values and respect for human rights and the rule of law are increasingly accepted; continued American prosperity through increasingly open international trade and sustainable growth in the global economy; and a cleaner global environment to protect the health and well-being of our citizens.

Enhancing Security at Home and Abroad

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

Shaping the International Environment

Shaping activities enhance U.S. security by promoting regional security and preventing or reducing the diverse threats outlined above. These measures adapt and strengthen alliances and friendships, maintain U.S. influence in key regions and encourage adherence to international norms. When signs of potential conflict emerge, or potential threats appear, we undertake initiatives to prevent or reduce these threats. Our shaping efforts also aim to discourage arms races, halt the proliferation of weapons of mass destruction, reduce tensions in

critical regions, and counter terrorism, drug and firearms trafficking, illegal immigration, and other threats.

Diplomacy

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

One of the lessons that has been repeatedly driven home is the importance of preventive diplomacy in dealing with conflict and complex emergencies. Helping prevent nations from failing is far more effective than rebuilding them after an internal crisis. Helping people stay in their homes is far more beneficial than feeding and housing them in refugee camps. Helping relief agencies and international organizations strengthen the institutions of conflict resolution is far less taxing than healing ethnic and social divisions that have already exploded into bloodshed. In short, while crisis management and crisis resolution are necessary tasks for our foreign policy, preventive diplomacy is obviously far preferable.

International Assistance

From the U.S.-led mobilization to rebuild post-war Europe to the more recent creation of export opportunities across Asia, Latin America and Africa, U.S. foreign assistance has assisted emerging democracies, helped expand free markets,

slowed the growth of international crime, contained major health threats, improved protection of the environment and natural resources, slowed population growth and defused humanitarian crises. Crises are averted-and U.S. preventive diplomacy actively reinforced-through U.S. sustainable development programs that promote voluntary family planning, basic education, environmental protection, democratic governance and rule of law, and the economic empowerment of private citizens.

When combined effectively with other bilateral and multilateral activities, such as through our cooperative scientific and technological programs, U.S.

initiatives reduce the need for costly military and humanitarian interventions.

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

Arms Control

Arms control efforts are an essential element of our national security strategy.

We pursue verifiable arms control agreements that support our efforts to prevent the spread and use of weapons of mass destruction, halt the use of conventional weapons that cause unnecessary suffering, and contribute to regional stability at lower levels of armaments. By increasing transparency in the size, structure and operations of military forces, arms control agreements and confidence-building measures reduce incentives and opportunities to initiate an attack, reduce the mutual suspicions that arise from and spur on armaments competition, and help

provide the assurance of security necessary to strengthen cooperative relationships and direct resources to safer, more productive endeavors.

Verifiable reductions in strategic offensive arms and the steady shift toward less destabilizing systems remain essential to our strategy. Entry into force of the START I Treaty in December 1994 charted the course for reductions in the deployed strategic nuclear forces of the United States and the Former Soviet Union (FSU). Once the START II Treaty enters into force, the United States and Russia will each be limited to between 3,000-3,500 total deployed strategic nuclear warheads. START II also will eliminate destabilizing land-based multiple warhead missiles. On September 26, 1997, the U.S. and Russia signed a START II Protocol extending the end date for reductions to 2007, and exchanged letters on early deactivation by 2003 of those strategic nuclear delivery systems to be eliminated by 2007.

At the Helsinki Summit in March 1997, Presidents Clinton and Yeltsin agreed that once START II enters into force, our two nations would immediately begin negotiations on a START III agreement. They agreed to START III guidelines that, if adopted, will cap the number of strategic nuclear warheads deployed in each country at 2,000-2,500 by the end of 2007-reducing both our arsenals by 80 percent from Cold War heights. They also agreed that START III will, for the first time, require the U.S. and Russia to destroy nuclear warheads, not just the missiles, aircraft and submarines that carry them, and opened the door to possible reductions in non-strategic nuclear weapons. At the Cologne G8 Summit in June 1999, Presidents Clinton and Yeltsin agreed to a Joint Statement reaffirming that they will do all they can to secure prompt ratification of START II and to intensify their discussions on START III.

The Anti-Ballistic Missile (ABM) Treaty remains a cornerstone of

strategic stability and the United States is committed to continued efforts to strengthen the Treaty and to enhance its viability and effectiveness. At the Helsinki Summit, Presidents Clinton and Yeltsin reaffirmed their commitment to the ABM Treaty and recognized the need for effective theater missile defenses in an agreement in principle on demarcation between systems to counter strategic ballistic missiles and those to counter theater ballistic missiles. On September 26, 1997, the U.S. Secretary of State and Russian Foreign Minister, along with their counterparts from Belarus, Kazakhstan and Ukraine, signed or initialed five agreements relating to the ABM Treaty. At the Cologne G8 Summit in June 1999, Presidents Clinton and Yeltsin reiterated their determination to achieve earliest possible ratification and entry into force of those agreements. The agreements on demarcation and succession will be provided to the Senate for its advice and consent following Russian ratification of START II. The two presidents also reaffirmed at Cologne their existing obligations under Article XIII of the ABM Treaty to consider possible changes in the strategic situation that have a bearing on the ABM Treaty and, as appropriate, possible proposals for further increasing the viability of the Treaty, thus opening the discussions to proposals for changes to the ABM Treaty to accommodate NMD deployment.

At the Moscow Summit in September 1998, Presidents Clinton and Yeltsin agreed on a new initiative for the exchange of information on missile launches and early warning. The agreement will significantly reduce the danger that ballistic missiles could be launched inadvertently on the basis of false warning of attack. It will also promote increased mutual confidence in the capabilities of the ballistic missile early warning systems of both sides. The United States and Russia will develop arrangements for providing each other with

continuous information on the launches of strategic and theater ballistic missiles and space launch vehicles detected by their respective early warning systems. The U.S. and Russia will also work towards establishing a multilateral ballistic missile and space launch vehicle pre-launch notification regime in which other states would be invited to participate.

By banning all nuclear test explosions for all time, the Comprehensive Test Ban Treaty (CTBT) constrains the development of dangerous nuclear weapons, contributes to preventing nuclear proliferation and to the process of nuclear disarmament, and enhances the ability of the United States to monitor suspicious nuclear activities in other countries through a worldwide sensor network and on-site inspections. Nuclear tests in India and Pakistan in May 1998 make it more important than ever to move quickly to bring the CTBT into force and continue establishment of the substantial verification mechanisms called for in the treaty. The President has submitted the treaty, which 150 nations have signed, to the Senate and has urged the Senate to provide its advice and consent this year. Prompt U.S. ratification will encourage other states to ratify, enable the United States to lead the international effort to gain CTBT entry into force and strengthen international norms against nuclear testing.

In Europe, we are pursuing adaptation of the 1990 Conventional Armed Forces in Europe (CFE) Treaty, consistent with the Decision on Certain Basic Elements adopted in Vienna on July 23, 1997 by all 30 CFE states. Success in this negotiation will ensure that this landmark agreement remains a cornerstone of European security into the 21st century and beyond. We continue to seek Russian, Ukrainian and Belarusian ratification of the 1992 Open Skies Treaty to increase transparency of military forces in Eurasia and North America. We also

promote, through international organizations such as the Organization for Security and Cooperation in Europe (OSCE), implementation of confidence and security-building measures, including the 1994 Vienna Document, throughout Europe and in specific regions of tension and instability-even where we are not formal parties to such agreements.

President Clinton is committed to ending the tragic damage to innocent civilians due to anti-personnel landmines (APLs). The United States has already taken major steps in the spirit that motivated the Ottawa Convention, while ensuring our ability to meet international obligations and provide for the safety and security of our men and women in uniform. President Clinton has directed the Defense Department to end the use of all APLs, even of self-destructing APLs, outside Korea by 2003 and to pursue aggressively the objective of having APL alternatives ready for Korea by 2006. We will also aggressively pursue alternatives to our mixed anti-tank systems that contain anti-personnel submunitions. We have made clear that the United States will sign the Ottawa Convention by 2006 if we succeed in identifying and fielding suitable alternatives to our self-destructing APLs and mixed anti-tank systems by then. Furthermore, in 1997 the Administration submitted for Senate advice and consent the Amended Landmine Protocol to the Convention on Conventional Weapons, which bans the unmarked, long-duration APLs that caused the worldwide humanitarian problem. We have established a permanent ban on APL exports and are seeking to universalize an export ban through the Conference on Disarmament in Geneva. We are supporting humanitarian demining programs and through our "Demining 2010" initiative have challenged the world to increase the effectiveness and efficiency of removing landmines that threaten civilians.

Nonproliferation Initiatives

Nonproliferation initiatives enhance global security by preventing the spread of WMD, materials for producing them and means of delivering them. That is why the Administration is promoting universal adherence to the international treaty regimes that prohibit the acquisition of weapons of mass destruction, including the Nuclear Non-Proliferation Treaty (NPT), the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC).

The NPT was an indispensable precondition for the denuclearization of Ukraine, Kazakhstan, Belarus and South Africa. We also seek to strengthen the International Atomic Energy Agency (IAEA) safeguards system and achieve a Fissile Material Cutoff Treaty to cap the nuclear materials available for weapons. A coordinated effort by the intelligence community and law enforcement agencies to detect, prevent and deter illegal trafficking in fissile materials is also essential to our counter-proliferation efforts.

We seek to strengthen the BWC with a new international regime to ensure compliance. We are negotiating with other BWC member states in an effort to reach consensus on a protocol to the BWC that would implement an inspection system to deter and detect cheating. We are also working hard to implement and enforce the CWC. The United States Senate underscored the importance of these efforts in September 1998 by passing legislation to implement full compliance with the commercial declarations and inspections required by the CWC.

The Administration also seeks to prevent destabilizing buildups of conventional arms and limit access to sensitive technical information, equipment and technologies by strengthening multilateral regimes, including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group (for chemical and biological

weapons), the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group.

Regional nonproliferation efforts are particularly important in three critical proliferation zones. On the Korean Peninsula, we are implementing the 1994 Agreed Framework, which requires full compliance by North Korea with nonproliferation obligations. In the Middle East and Southwest Asia, we encourage regional arms control agreements that address the legitimate security concerns of all parties and continue efforts to thwart and roll back Iran's development of weapons of mass destruction and Iraq's efforts to reconstitute its programs. In South Asia, we seek to persuade India and Pakistan to bring their nuclear and missile programs into conformity with international nonproliferation standards and to sign and ratify the CTBT.

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

purchasing tons of highly enriched uranium from dismantled Russian nuclear weapons for conversion into commercial reactor fuel, and working with Russia to redirect former Soviet facilities and scientists from military to peaceful purposes. In support of U.S. efforts to prevent proliferation of WMD by organized crime groups and individuals in the NIS and Eastern Europe, the Defense Department and FBI have implemented a joint counter-proliferation assistance program that provides training, material and services to law enforcement agencies in these areas.

Military Activities

The U.S. military plays an important role in shaping the international environment in ways that protect and promote U.S. interests, but is not a substitute for other forms of engagement, such as diplomatic, economic, cultural and educational activities. Military forces have a unique niche role in our overall strategy of engagement. Through overseas presence and peacetime engagement activities such as defense cooperation, security assistance, and training and exercises with allies and friends, our armed forces help to deter aggression and coercion, build coalitions, promote regional stability and serve as role models for militaries in emerging democracies. With countries that are neither staunch friends nor known foes, military cooperation can serve as a positive means of building security relationships today that will contribute to improved relations tomorrow.

Although military activities make an important contribution to shaping the international security environment in peacetime, we must be mindful that, the primary mission of our Armed Forces is to deter and, if necessary, to fight and win conflicts in which our vital interests are threatened. Just as American engagement overall must be selective-focusing on the threats and

opportunities most relevant to our interests and applying our resources where we can make the greatest difference-so must our use of the Armed Forces for shaping be selective. Shaping activities generate a burden on our military that must be carefully managed to prevent erosion of their current and long-term readiness. The Defense Department's theater engagement planning process, which was approved by the President in 1997, will ensure that engagement activities are prioritized within and across theaters, and balanced against the availability of resources. In short, we must be willing to forego low priority military shaping activities in order to ensure the readiness of our Armed Forces to carry out crisis response and warfighting missions, as well as to ensure that we can sustain an appropriate level of shaping activities over the long term.

Deterrence of aggression and coercion on a daily basis is crucial. Our ability to deter potential adversaries in peacetime rests on several factors, particularly on our demonstrated will and ability to uphold our security commitments when they are challenged. We have earned this reputation through both our declaratory policy, which clearly communicates costs to potential adversaries, and our credible warfighting capability. This capability is embodied in ready forces and equipment strategically stationed or deployed forward, in forces in the United States at the appropriate level of readiness to deploy and go into action when needed, in our ability to gain timely access to critical regions and infrastructure overseas, and in our demonstrated ability to form and lead effective military coalitions. A range of terrorist and criminal organizations may not be deterred by traditional deterrent threats. For these actors to be deterred, they must believe that any type of attack against the United States or its citizens will be attributed to them and that we will respond effectively and decisively to protect our national interests and ensure

that
justice is done.

Our nuclear deterrent posture is one of the most visible and important examples of how U.S. military capabilities can be used effectively to deter aggression and coercion. Nuclear weapons serve as a hedge against an uncertain future, a guarantee of our security commitments to allies and a disincentive to those who would contemplate developing or otherwise acquiring their own nuclear weapons. Our military planning for the possible employment of U.S. nuclear weapons is focused on deterring a nuclear war and emphasizes the survivability of the nuclear systems and infrastructure necessary to endure a preemptive attack and still respond at overwhelming levels. The United States must continue to maintain strategic nuclear forces sufficient to deter any hostile foreign leadership with access to nuclear forces and to convince it that seeking a nuclear advantage would be futile. We must also ensure the continued viability of the infrastructure that supports U.S. nuclear forces and weapons. The Stockpile Stewardship Program will guarantee the safety and reliability of our nuclear weapons under the Comprehensive Test Ban Treaty.

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

We are committed to maintaining U.S. leadership in space. Unimpeded use of space is essential for protecting U.S. national security, promoting our prosperity and ensuring our well being. We will deter threats to our interests in space, defeat hostile efforts against U.S. access to and use of space, and maintain the ability to counter space systems and services that could be used for hostile purposes against our military forces, command and control system, or other critical capabilities. We also will continue efforts to prevent the spread of weapons of mass destruction to space, and will continue to pursue global partnerships addressing space-related scientific, economic, environmental and security issues.

International Law Enforcement Cooperation

As threats to our national security from drug trafficking, terrorism and international crime increase, U.S. and foreign law enforcement and judicial agencies must continue to find innovative ways to develop a concerted, global attack on the spread of international crime. Overseas law enforcement presence leverages resources and fosters the establishment of effective working relationships with foreign law enforcement agencies. U.S. investigators and prosecutors draw upon their experience and background to enlist the cooperation of foreign law enforcement officials, keeping crime away from American shores, enabling the arrest of many U.S. fugitives and solving serious U.S. crimes. This presence develops substantive international links by creating personal networks of law enforcement professionals dedicated to bringing international criminals to justice.

Environmental and Health Initiatives

Decisions today regarding the environment and natural resources can affect our security for generations. Environmental threats do not heed national

borders and
can pose long-term dangers to our security and well being. Natural
resource
scarcities can trigger and exacerbate conflict. Environmental threats
such as
climate change, ozone depletion and the transnational movement of
hazardous
chemicals and waste directly threaten the health of U.S. citizens. We
have a
full diplomatic agenda, working bilaterally and multilaterally to
respond
aggressively to environmental threats. At Kyoto in December 1997,
the
industrialized nations of the world agreed for the first time to binding
limits
on greenhouse gases. This was a vital turning point, but we must press
for
meaningful participation by key developing nations and will not
submit the Kyoto
agreement for ratification until they have agreed to participate
meaningfully in
efforts to address global warming.

Responding to Threats and Crises

Because our shaping efforts alone cannot guarantee the international
security
environment we seek, the United States must be able to respond at
home and abroad
to the full spectrum of threats and crises that may arise. Our resources
are
finite, so we must be selective in our responses, focusing on
challenges that
most directly affect our interests and engaging where we can make the
most
difference. Our response might be diplomatic, economic, law
enforcement, or
military in nature-or, more likely, some combination of the above. We
must use
the most appropriate tool or combination of tools-acting in alliance or
partnership when our interests are shared by others, but unilaterally
when
compelling national interests so demand. At home, we must forge an
effective
partnership of Federal, state and local government agencies, industry
and other
private sector organizations.

When efforts to deter an adversary-be it a rogue nation, terrorist group
or

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

Transnational Threats

Transnational threats include terrorism, international crime and narcotics trafficking.

Terrorism

Our policy to counter international terrorists rests on the following principles: (1) make no concessions to terrorists; (2) bring all pressure to bear on all state sponsors of terrorism; (3) fully exploit all available legal mechanisms to punish international terrorists; and (4) help other governments improve their capabilities to combat terrorism. Following these principles, we seek to eliminate foreign terrorists and their support networks in our country, eliminate terrorist sanctuaries, and counter state-supported terrorism and subversion of moderate regimes.

The United States has made concerted efforts to deter and punish terrorists and remains determined to apprehend and bring to justice those who terrorize American citizens. Whenever possible, we use law enforcement and diplomatic tools to wage the fight against terrorism. But there have been, and will be, times when law enforcement and diplomatic tools are simply not enough. As long as terrorists

continue to target American citizens, we reserve the right to act in self-defense by striking at their bases and those who sponsor, assist or actively support them.

On August 20, 1998, acting on convincing information from a variety of reliable sources that the network of radical groups affiliated with Osama bin Laden had planned, financed and carried out the bombings of our embassies in Nairobi and Dar es Salaam, the U.S. Armed Forces carried out strikes on one of the most active terrorist bases in the world. It contained key elements of the bin Laden network's infrastructure and has served as a training camp for literally thousands of terrorists from around the globe. The strikes were a necessary and proportionate response to the imminent threat of further terrorist attacks against U.S. personnel and facilities. Countries that persistently host terrorists have no right to be safe havens.

International Crime

International crime is a serious threat to Americans at home and abroad. Drug trafficking, illegal trade in firearms, financial crimes-such as money laundering, counterfeiting, advanced fee and credit card fraud, and income tax evasion-illegal alien smuggling, trafficking in women and children, economic espionage, intellectual property theft, computer hacking and public corruption all have a direct impact on the security and prosperity of the American people. The efficiency of the market place depends on transparency and effective law enforcement, which limit distorting factors such as extortion and corruption. A free and efficient market requires limits on unlawful activities that impede rational business decisions and fair competition. Additionally, the integrity and reliability of the international financial system will be improved by standardizing laws and regulations governing financial institutions and improving international law enforcement cooperation in the financial sector.

We are negotiating and implementing updated extradition and mutual legal assistance treaties, making a concerted effort at home and abroad to shut down the illicit trade in firearms, ammunition and explosives that fuels the violence associated with terrorism, drug trafficking and international crime, and increasing our enforcement powers through bilateral and multilateral agreements on asset seizure, forfeiture and money laundering. No area of criminal activity has greater international implications than high technology crime because of the global nature of information networks. Computer hackers and other cyber-criminals are not hampered by international boundaries, since information and transactions involving funds or property can be transmitted quickly and covertly via telephone and information systems. Law enforcement faces difficult challenges in this area, many of which are impossible to address without international consensus and cooperation. We seek to develop and implement new agreements with other nations to address high technology crime, particularly cyber-crime.

Drug Trafficking

We have shown that with determined and relentless efforts, we can make significant progress against the scourge of drug abuse and drug trafficking. The aim of our drug control strategy is to cut drug availability in the United States by half over the next 10 years-and reduce the consequences of drug use and trafficking by 25 percent over the same period-through expanded prevention efforts, improved treatment programs, strengthened law enforcement and tougher interdiction. Our strategy recognizes that, at home and abroad, prevention, treatment and economic alternatives must be integrated with intelligence collection, law enforcement and interdiction. Domestically, we seek to educate

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

In concert with our allies abroad, we seek to stop drug trafficking by reducing cultivation of drug-producing crops, interdicting the flow of drugs at the source and in transit, and stopping drugs from entering our country. Our Strategy includes efforts to strengthen democratic institutions and root out corruption in source nations, prosecute major international drug traffickers and destroy trafficking organizations, prevent money laundering and use of commercial air and maritime transportation for drug smuggling, and eradicate illegal drug crops and encourage alternate crop development or alternative employment in source nations. We also are engaging international organizations, financial institutions and non-governmental organizations in counternarcotics cooperation.

Defending the Homeland

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

to threaten our citizens and critical national infrastructures. The United States must act to deter or prevent such attacks and, if attacks occur despite those efforts, must be prepared to defend against them, limit the damage they cause and respond decisively against the perpetrators.

National Missile Defense

We are committed to meeting the growing danger that outlaw nations will develop and deploy long-range missiles that could deliver weapons of mass destruction against us and our allies. Informed by the report of the Rumsfeld Commission, as well as the Intelligence Community's analysis of the August 1998 North Korean flight test of its Taepo Dong I missile, the Administration has stated that the threat posed by the development of an ICBM capable of striking the United States is, in Secretary Cohen's words, "growing - and that we expect it will soon pose a danger not only to our troops overseas, but also to Americans here at home." In 2000, we will, for the first time, determine whether to deploy a limited national missile defense against these threats. The Administration's decision will be based on an assessment of the four factors that must be taken into account in deciding whether to field this system: (1) has the threat materialized as quickly as we now expect it will; (2) has the technology been demonstrated to be operationally effective; (3) is the system affordable; and (4) what are the implications of going forward with NMD deployment for our objectives with regard to achieving further reductions in strategic nuclear arms under START II and START III?

In making our decision in 2000, we will review progress in achieving our arms control objectives, including negotiating any amendments to the ABM Treaty that may be required to accommodate a possible NMD deployment. At the Cologne G8

Summit in June 1999, Presidents Clinton and Yeltsin agreed to begin discussions on START III and the ABM Treaty. Their reaffirmation that under the ABM Treaty the two sides are obligated to consider possible changes in the strategic situation that have a bearing on the Treaty and possible proposals for further increasing the viability of the Treaty opened the door for discussion of proposals for amending the Treaty to accommodate NMD deployment. The United States will attempt to negotiate in good faith any amendments to the ABM Treaty that may be necessary to accommodate deployment of a limited NMD system. At the same time, the Administration has made clear that it will not give Russia -- or any other state -- a veto over any missile defense deployment decision that it believes is vital to our national security interests.

Domestic Preparedness against Weapons of Mass Destruction

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

Critical Infrastructure Protection

Our military power and national economy are increasingly reliant upon interdependent critical infrastructures--the physical and information

systems essential to the operations of the economy and government. They include telecommunications, energy, banking and finance, transportation, water systems and emergency services. Advances in information technology and competitive pressure to improve efficiency and productivity have created new vulnerabilities to both physical and information attacks as these infrastructures have become increasingly automated and interlinked. We will take all necessary measures to swiftly eliminate any significant vulnerability to physical or information attacks on our critical infrastructures, especially our information systems. We will achieve and maintain the ability to protect them from intentional acts that would significantly diminish the abilities of the Federal Government to perform essential national security missions and to ensure the general public health and safety; protect the ability of state and local governments to maintain order and to deliver minimum essential public services; and work with the private sector to ensure the orderly functioning of the economy and the delivery of essential telecommunications, energy, financial and transportation services.

National Security Emergency Preparedness

National security emergency preparedness is imperative. We will do all we can to deter and prevent destructive and threatening forces such as terrorism, WMD use, disruption of our critical infrastructures, natural disasters and regional or state-centered threats from endangering our citizens. But if an emergency occurs, we must also be prepared to respond effectively at home and abroad to protect lives and property, mobilize the personnel, resources and capabilities necessary to effectively handle the emergency, and ensure the survival of our institutions and national infrastructures.

Smaller-Scale Contingencies

Smaller-scale contingency operations encompass the full range of military operations short of major theater warfare, including humanitarian assistance, peace operations, enforcing embargoes and no-fly zones, evacuating U.S. citizens, reinforcing key allies, and limited strikes and intervention. These operations will likely pose the most frequent challenge for U.S. forces and cumulatively require significant commitments over time. These operations will also put a premium on the ability of the U.S. military to work closely and effectively with other U.S. Government agencies, non-governmental organizations, regional and international security organizations and coalition partners.

At times it will be in our national interest to proceed in partnership with others to preserve, maintain and restore peace. American participation in peace operations takes many forms, such as the NATO-led coalition in Bosnia, the American-led UN force in Haiti, the Military Observer Mission Ecuador and Peru (MOMEPE), and our participation in the multilateral coalition operation in the Sinai. The question of command and control in multinational contingency operations is particularly critical. Under no circumstances will the President ever relinquish his constitutionally mandated command authority over U.S. forces, but there may be times when it is in our interest to place U.S. forces under the temporary operational control of a competent allied or United Nations commander.

Not only must the U.S. military be prepared to successfully conduct multiple smaller-scale contingencies worldwide, it must be prepared to do so in the face of challenges such as terrorism, information operations and the threat or use of weapons of mass destruction. U.S. forces must also remain prepared to withdraw from contingency operations if needed to deploy to a major theater war.

Accordingly, appropriate U.S. forces will be kept at a high level of readiness and will be trained, equipped and organized to be multi-mission capable.

Major Theater Warfare

For the foreseeable future, the existence of rogue nations on the Korean Peninsula and in the Persian Gulf that threaten neighbors with whom United States has security commitments means that our defense planning must address the danger of large-scale, cross-border aggression in two distant theaters, possibly in overlapping time frames. Our strategy is to deter aggression in both of these regions, but we must be prepared for the possibility that, despite our best efforts, deterrence could fail and a major theater war erupt in either or both regions. If large-scale, cross-border aggression occurs in one of these two scenarios, we will act quickly and decisively, preferably in concert with allies, to defeat it, while taking appropriate action to deter opportunism in the other scenario. If large-scale, cross-border aggression occurs in the second scenario while we are heavily committed to defeating aggression in the first, we will act as quickly and decisively as possible to first blunt and then defeat the aggression. The intensity and pace of our response in each theater will be determined by the scale of aggression in each scenario and the threat it represents to our interests and allies, and on the degree of success we attain in blunting initial enemy advances in each scenario. This approach ensures that we maintain the capability and flexibility to deter opportunism elsewhere while heavily committed to deterring or defeating aggression in one theater, or while conducting multiple smaller-scale contingencies and engagement activities in other theaters.

Fighting and winning major theater wars entails three particularly challenging

requirements. First, we must maintain the ability to rapidly defeat initial enemy advances short of enemy objectives. The United States must maintain this ability to ensure that we can seize the initiative, minimize territory lost before an invasion is halted and ensure the integrity of our warfighting coalitions. To meet this challenge, the forces that would be first to respond to an act of aggression are kept at full readiness, and the forces that follow them are kept at a level that supports their being ready to deploy and go into action when called for in the operations plan for the contingency.

Second, the United States must plan and prepare to fight and win under conditions where an adversary may use asymmetric means against us-unconventional approaches that avoid or undermine our strengths while exploiting our vulnerabilities. Because of our dominance in the conventional military arena, adversaries who challenge the United States are likely to use asymmetric means, such as WMD, information operations or terrorism. We are enhancing the preparedness of our Armed Forces to effectively conduct sustained operations despite the presence, threat or use of WMD. We are also enhancing our ability to defend against hostile information operations, which could in the future take the form of a full-scale, strategic information attack against our critical national infrastructures, government and economy-as well as attacks directed against our military forces.

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

engagement activities
in order to reduce the greater risk incurred if we failed to respond
adequately
to major theater wars.

The Decision to Employ Military Forces

Our national security strategy recognizes that achieving our core
objectives will
require sustained, long-term effort and that our engagement must be
selective.
Although there will be many demands for U.S. involvement, the need
to husband
limited resources requires that we must carefully select the means and
level of
our participation in particular military operations. We must be as clear
as
possible about when and how we will use our military forces.

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

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

The decision to employ military forces to support our humanitarian
and other
interests focuses on the unique capabilities and resources they can
bring to
bear, rather than on their combat power. Generally, the military is not
the best
tool for humanitarian concerns. But under certain conditions, use of
our Armed
Forces may be appropriate. Those conditions are when the scale of a
humanitarian
catastrophe dwarfs the ability of civilian relief agencies to respond,
when the

need for relief is urgent and only the military has the ability to provide an immediate response, or when the response requires unique military capabilities. Such efforts by the United States and the international community will be limited in duration, have a clearly defined end state, entail minimum risk to American troops, and be designed to give the affected country the opportunity to restore its own basic services.

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

In every case, we will consider several critical questions before committing military force: Have we exhausted non-military means that offer a reasonable chance of achieving our goals? Is there a clearly defined, achievable mission? What is the threat environment and what risks will our forces face? What level of effort will be needed to achieve our goals? What are the potential costs-human and financial-of the operation? Do we have specific timelines, milestones and desired conditions or end state against which to judge the effectiveness of the operation, and for making the decision that the mission has been accomplished or should be terminated?

Having decided that use of military forces is appropriate, the decision on how they will be employed is based on two guidelines. First, our forces will have a clear mission and, for those operations that are likely to involve combat, the means to achieve their objectives decisively. Second, as much as possible, we

will seek the support of our allies, friends and relevant international institutions. When our vital interests are at stake, we are prepared to act alone. But in many situations working with other nations increases the effectiveness of each nation's actions and lessens everyone's burden.

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

Preparing Now for an Uncertain Future

We must prepare for an uncertain future even as we address today's security problems. This requires that we strike a balance between funding to ensure that the high readiness levels of our forward-deployed and "first-to-fight" forces is maintained and funding for modernization to protect long-term readiness. The Administration, in partnership with the Congress, will continue to assure we maintain the best-trained, best-equipped and best-led military force in the world for the 21st Century.

Through a carefully planned and focused modernization program, we can maintain our technological superiority and replace Cold War-era equipment with new systems capable of taking full advantage of emerging technologies. To support the readiness and modernization of our military forces, we will work cooperatively with the Congress to enact legislation to implement the Defense Reform Initiative, which includes privatization, acquisition reform and elimination of excess infrastructure through two additional base realignment and

closure (BRAC) rounds. We will continue to explore new approaches for integrating the Active and Reserve components into a Total Force optimum for future missions, modernize our forces, ensure the quality of military personnel, and take prudent steps to position ourselves to effectively counter unlikely but significant future threats.

It is critical that we renew our commitment to America's diplomacy-to ensure we have the diplomatic representation required to support our global interests. This is central to our ability to remain an influential voice on international issues that affect our well being. We will preserve that influence so long as we retain the diplomatic capabilities, military wherewithal and economic base to underwrite our commitments credibly. We also must continue efforts to construct appropriate twenty-first century national security programs and structures Government-wide. We will continue to foster innovative approaches and organizational structures to better protect American lives, property and interests at home and abroad.

Promoting Prosperity

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

Strengthening Macroeconomic Coordination

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

Global financial markets dominated by private capital flows provide both immense opportunities and great challenges. Developing ways to strengthen the international financial architecture is an urgent and compelling challenge. The ultimate objective of our reform efforts is a stable, resilient global financial system that promotes strong global economic growth providing benefits broadly to workers and investors in all countries. International financial institutions, particularly the International Monetary Fund (IMF), have a critical role to play in this effort by promoting greater openness and transparency, by building strong national financial systems, and by creating mechanisms so that the private sector shares more fully in the responsibility for preventing and resolving crises. The United States and the other leading industrialized nations are also promoting a range of World Bank and regional development bank reforms: substantially increasing the share of resources devoted to basic social programs that reduce poverty; safeguarding the environment; supporting development of the private sector and open markets; promotion of good governance, including measures to fight corruption and improve the administration of justice; and internal reforms of the multilateral development banks (MDBs) to make them more efficient.

Enhancing American Competitiveness

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

Enhancing Access to Foreign Markets

In a world where over 95 percent of the world's consumers live outside the United States, we must expand our international trade to sustain economic growth at home. Our prosperity as a nation in the twenty-first century will depend upon our ability to compete effectively in international markets. The rapidly expanding global economy presents enormous opportunities for American companies and workers. Over the next decade the global economy is expected to grow at three times the rate of the U.S. economy. Growth will be particularly powerful in many emerging markets. If we do not seize these opportunities, our competitors surely will. We must continue working hard to secure and enforce agreements that protect intellectual property rights and enable Americans to compete fairly in foreign markets. Trade agreement implementing authority is essential for advancing our nation's economic interests. Congress has consistently recognized that the President must have the authority to break down foreign trade barriers and create good jobs. Accordingly, the Administration will work with Congress to fashion an appropriate grant of fast track authority.

The Administration will continue to press our trading partners-multilaterally,

regionally and bilaterally-to expand export opportunities for U.S. workers, farmers and companies. We will position ourselves at the center of a constellation of trade relationships-such as the World Trade Organization, APEC, the Transatlantic Marketplace and the Free Trade Area of the Americas (FTAA). We will seek to negotiate agreements, especially in sectors where the U.S. is most competitive-as we did in the Information Technology Agreement and the World Trade Organization (WTO) Financial Services and Telecommunications Services Agreements. As we look ahead to the next WTO Ministerial meeting, to be held in the United States in late 1999, we will aggressively pursue an agenda that addresses U.S. trade objectives. We will also remain vigilant in enforcing the trade agreements reached with our trading partners.

Promoting an Open Trading System

The Administration remains committed to carrying forward the success of the Uruguay Round under the General Agreement on Tariffs and Trade, and to the success of the WTO as a forum for openly resolving disputes. We have completed the Information Technology Agreement (ITA) which goes far toward eliminating tariffs on high technology products and concluded a landmark WTO agreement that will dramatically liberalize world trade in telecommunications services. The WTO agenda includes further negotiations to reform agricultural trade, liberalize service sector markets, and strengthen protection for intellectual property rights. We also have a full agenda of accession negotiations with countries seeking to join the WTO. As always, the United States is setting high standards for accession in terms of adherence to the rules and market access. Accessions offer an opportunity to help ground new economies in the rules-based trading system and reinforce their own reform programs.

Through Organization for Economic Cooperation and Development

(OECD) negotiations of a Multilateral Agreement on Investment, we are seeking to establish clear legal standards on expropriation, access to binding international arbitration for disputes and unrestricted investment-related transfers across borders. We seeking to have OECD members outlaw bribery of foreign officials, eliminate the tax deductibility of foreign bribes, and promote greater transparency in government procurement. We have also made important strides on labor issues. The WTO has endorsed the importance of core labor standards sought by the United States since the Eisenhower Administration-the right to organize and bargain collectively, and prohibitions against child labor and forced labor. We will continue pressing for better integration of the international core labor standards into the WTO's work, including through closer WTO interaction with the International Labor Organization (ILO).

We continue to ensure that liberalization of trade does not come at the expense of national security or environmental protection. For example, the national security, law enforcement and trade policy communities worked together to make sure that the WTO agreement liberalizing global investment in telecommunications was consistent with U.S. national security interests. Moreover, our leadership in the Uruguay Round negotiations led to the incorporation of environmental provisions into the WTO agreements and creation of the Committee on Trade and Environment, where governments continue to pursue the goal of ensuring that trade and environment policies are mutually supportive.

Export Strategy and Advocacy Program

The Administration created America's first national export strategy, reforming the way government works with the private sector to expand exports. The new Trade Promotion Coordination Committee (TPCC) has been instrumental in improving

export promotion efforts, coordinating our export financing, implementing a government-wide advocacy initiative and updating market information systems and product standards education.

The export strategy is working, with the United States regaining its position as the world's largest exporter. While our strong export performance has supported millions of new, export-related jobs, we must export more in the years ahead if we are to further strengthen our trade balance position and raise living standards with high-wage jobs. Our objective remains to expand U.S. exports to over \$1.2 trillion by the year 2000, which will mean over 2.5 million new American jobs and a total of over 14.6 million jobs supported by exports.

Enhanced Export Control

The United States is a world leader in high technology exports, including satellites, cellular phones, computers and commercial aircraft. Some of this technology has direct or indirect military applications. For that reason, the United States government carefully controls high technology exports; but imposing the tightest possible restrictions on high technology exports is not always the best way to protect our security. In an increasingly competitive global economy, the United States retains a monopoly over very few technologies. Rigid export controls would make U.S. high technology companies less competitive globally, thus losing market share and becoming less able to produce cutting-edge products for the U.S. military and our allies.

Our current policy recognizes that we must balance a variety of factors. While acting to promote high technology exports by making license decisions more predictable and timely, we also expanded review of dual-use applications by the Departments of Defense, State and Energy. If any of these agencies

disagree with a proposed export, it can block the license and put the issue into a dispute resolution process that can ultimately rise to the President. As a result, reviews of dual-use licenses are today more thorough than ever before.

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

Providing for Energy Security

The United States depends on oil for about 40 percent of its primary energy needs and roughly half of our oil needs are met with imports. Although we import less than 10% of Persian Gulf exports, our allies in Europe and Japan account for about 85% of these exports, thus underscoring the continued strategic importance of the region. We are undergoing a fundamental shift away from reliance on Middle East oil. Venezuela is our number one foreign supplier and Africa supplies 15% of our imported oil. Canada, Mexico and Venezuela combined supply more than twice as much oil to the United States as the Arab OPEC countries. The Caspian Basin, with potential oil reserves of 160 billion barrels, promises to play an increasingly important role in meeting rising world energy demand in

coming decades. We have made it a priority to work with the countries of the region to develop multiple pipeline ventures that will ensure access to the oil.

Conservation measures and research leading to greater energy efficiency and alternative fuels are a critical element of the U.S. strategy for energy security. Our research must continue to focus on developing highly efficient transportation systems and to shift them to alternative fuels, such as hydrogen, ethanol or methanol from biomass, and others. Conservation and energy research notwithstanding, the United States will continue to have a vital interest in ensuring access to foreign oil sources. We must continue to be mindful of the need for regional stability and security in key producing areas to ensure our access to and the free flow of these resources.

Promoting Sustainable Development Abroad

Environmental and natural resource issues can impede sustainable development efforts and promote regional instability. Many nations are struggling to provide jobs, education and other services to their citizens. The continuing poverty of a quarter of the world's people leads to hunger, malnutrition, economic migration and political unrest. Malaria, AIDS and other epidemics, including some that can spread through environmental damage, threaten to overwhelm the health facilities of developing countries, disrupt societies and stop economic growth.

Sustainable development improves the prospects for democracy in developing countries and expands the demand for U.S. exports. It alleviates pressure on the global environment, reduces the attraction of the illegal drug trade and other illicit commerce, and improves health and economic productivity. U.S. foreign assistance focuses on four key elements of sustainable development: broad-based economic growth, environmental security, population and health, and democracy.

We will continue to advocate environmentally sound private investment and responsible approaches by international lenders.

Promoting Democracy

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

Emerging Democracies

We seek international support in helping strengthen democratic and free market institutions and norms in countries making the transition from closed to open societies. This commitment to see freedom and respect for human rights take hold is not only just, but pragmatic, for strengthened democratic institutions benefit the United States and the world.

The United States is helping consolidate democratic and market reforms in Central and Eastern Europe and the NIS. Integrating the Central and Eastern European nations into European security and economic organizations, such as NATO and the EU, will help lock in and preserve the impressive progress these nations have made in instituting democratic and market-economic reforms. Continuing advances in democracy and free markets in our own hemisphere remain a priority. In the Asia Pacific region, economic dynamism is increasingly associated with political modernization, democratic evolution and the widening of the rule of law-and it has global impacts. We are particularly attentive to states whose entry into the camp of market democracies may influence the future direction of an entire

region; South Africa now holds that potential with regard to sub-Saharan Africa.

The methods for assisting emerging democracies are as varied as the nations involved. We must continue leading efforts to mobilize international economic and political resources, as we have with Russia, Ukraine and the other NIS. We must take firm action to help counter attempts to reverse democracy, as we have in Haiti and Paraguay. We must give democratic nations the fullest benefits of integration into foreign markets, which is part of the reason NAFTA and the Uruguay Round of GATT ranked so high on our agenda and why we are now working to forge the FTAA. We must help these nations strengthen the pillars of civil society, supporting administration of justice and rule of law programs, assisting the development of democratic civil-military relations, and training foreign police and security forces to solve crimes and maintain order without violating the basic rights of their citizens. And we must seek to improve their market institutions and fight corruption and political discontent by encouraging good governance practices.

Adherence to Universal Human Rights and Democratic Principles

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

We will also continue to work-bilaterally and with multilateral institutions-to ensure that international human rights principles protect the most

vulnerable or traditionally oppressed groups in the world-women, children, workers, refugees and persons persecuted on the basis of their religious beliefs or ethnic descent.

To this end, we will seek to strengthen and improve the UN Human Rights Commission and other international mechanisms that promote human rights and address violations of international humanitarian law, such as the international war crimes tribunals for the former Yugoslavia and Rwanda.

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

Violence against women and trafficking in women and girls are international problems with national implications. We have seen cases of trafficking in the United States for purposes of forced prostitution, sweatshop labor and domestic servitude. The United States is committed to combating trafficking in women and girls with a focus on the areas of prevention, victim assistance and protection, and enforcement. We have expanded efforts to combat violence against women in the United States and around the world, including efforts to increase national and international awareness of trafficking in women and girls. To that

end, the President has called upon the Senate to give its advice and consent to ratification to the Convention on the Elimination of all Forms of Discrimination Against Women, which will enhance our efforts to combat violence against women, reform unfair inheritance and property rights, and strengthen women's access to fair employment and economic opportunity.

The United States will continue to speak out against human rights abuses and carry on human rights dialogues with countries willing to engage us constructively. Because police and internal security services can be a source of human rights violations, we use training and contacts between U.S. law enforcement and their foreign counterparts to help address these problems. In appropriate circumstances, we must be prepared to take strong measures against human rights violators. These include economic sanctions, as have been maintained against Nigeria, Iraq, Burma, North Korea and Cuba, visa restrictions and restricting sales of arms and police equipment that may be used to commit human rights abuses.

Humanitarian Activities

Our efforts to promote democracy and human rights are complemented by our humanitarian programs, which are designed to alleviate human suffering, help establish democratic regimes that respect human rights and pursue appropriate strategies for economic development. These efforts also enable the United States to help prevent humanitarian disasters with far more significant resource implications.

We also must seek to promote reconciliation in states experiencing civil conflict and to address migration and refugee crises. To this end, the United States will provide appropriate financial support and work with other nations and international bodies, such as the International Committee of the Red Cross and

the UN High Commissioner for Refugees. We also will assist efforts to protect the rights of refugees and displaced persons and to address the economic and social root causes of internal displacement and international flight. Finally, we will cooperate with other states to curb illegal immigration into this country.

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

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

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

Europe and Eurasia

European stability is vital to our own security. The United States has two

strategic goals in Europe. The first is to build a Europe that is truly integrated, democratic, prosperous and at peace. This would complete the mission the United States launched 50 years ago with the Marshall Plan and the North Atlantic Treaty Organization (NATO). Our second goal is to work with our allies and partners across the Atlantic to meet the global challenges no nation can meet alone. This means working together to support peace efforts in troubled regions, to counter global threats such as the spread of weapons of mass destruction and dual-use technology, and to build a more open world economy and without barriers to transatlantic trade and investment.

Enhancing Security

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

NATO enlargement is a crucial element of the U.S. and Allied strategy to build an undivided, peaceful Europe. At NATO's Fiftieth Anniversary summit meeting in April 1999, the alliance welcomed the entry of Poland, Hungary and the Czech Republic as new members. These three nations will make the Alliance stronger while helping to enlarge Europe's zone of democratic stability. Looking to the future, the summit advanced the common work of NATO allies and partners to build an undivided Europe that is peaceful, prosperous and democratic.

Together with our Allies, we are vigorously pursuing efforts to help

other countries that aspire to membership become the best possible candidates, such as enhancing the Partnership for Peace and continuing political contacts with aspiring states. We are also continuing bilateral programs to advance this agenda, such as the President's Warsaw Initiative, which is playing a critical role in helping the militaries of Central and Eastern Europe and Eurasia become more interoperable with NATO. Some European nations do not desire NATO membership, but do desire strengthened ties with the Alliance. The Partnership for Peace provides an ideal venue for such relationships. It formalizes relations, provides a mechanism for mutual beneficial interaction and establishes a sound basis for combined action should that be desired. For all these reasons, the Partnership for Peace will remain a central and permanent part of the European security architecture.

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

The Balkans and Southeastern Europe: There are significant security challenges in the Balkans and Southeastern Europe. The United States has an abiding interest in peace and stability in this region because continued war in that region threatens Europe's stability and security. We are redoubling our efforts

to advance the integration of several new democracies in Southeastern Europe (Bulgaria, Romania, Slovenia and the Former Yugoslavian Republic of Macedonia) into the European mainstream. More specifically, the President's Action Plan for Southeast Europe seeks to promote further democratic, economic and military reforms in these countries, to encourage greater regional cooperation, and to advance common interests, such as closer contact with NATO, and increased law enforcement training and exchanges to assist in the fight against organized crime.

Kosovo: NATO military operations against Serbia had three clear goals: to enable the Kosovar people to return to their homes with safety and self-government; to require Serbian forces to leave Kosovo; and to deploy an international security force, with NATO at its core, to protect all the people of Kosovo -- Serbs and Albanians, alike. Those goals are being achieved, and the result will be security and dignity for the people of Kosovo.

Several challenges must be met as we implement the agreement that ended the NATO air campaign. First, the Serbian authorities meet their commitments. We are prepared to resume our military campaign should they fail to do so. Second, the Kosovar refugees must return home safely. Toward that end, mine fields are being cleared, homes destroyed by Serb forces are being rebuilt, homeless people are being provided food, shelter and medicine, the fate of the missing is being determined, and the Kosovar Liberation Army is demilitarizing, as it agreed to do.

For these things to happen, security must be established. Some 50,000 troops from almost 30 countries have or will join the Kosovo Force (KFOR). Our European allies will provide the vast majority of them; America will contribute about

7,000. KFOR has NATO command and control and rules of engagement set by NATO. It has the means and the mandate to protect itself while doing its job. Under KFOR security, the United Nations is organizing a civilian administration while preparing the Kosovars to govern and police themselves. As local institutions take hold, NATO will be able to turn over increasing responsibility to them and draw down its forces.

The third challenge is to put in place a plan for lasting peace and stability in Kosovo and through all the Balkans. For that to happen, the European Union and the United States must help to give the democracies of Southeastern Europe a path to a prosperous, shared future. Our European partners are providing most of the resources for this effort, but it is in America's interest to do our part, as well.

A final challenge will be to encourage Serbia to join its neighbors in this historic journey to a peaceful, democratic, united Europe. But as long as Milosevic remains in power we will not provide support for the reconstruction of Serbia. We are ready to provide humanitarian aid now, and will be willing help to build a better future for Serbia when its government represents tolerance and freedom, not repression and terror.

Bosnia: Implementation of the Dayton Accords is the best hope for creating a self-sustaining peace in Bosnia. NATO-led forces are contributing to a secure environment in Bosnia and providing essential support for broader progress in implementing the Dayton Accords. Further progress is necessary, however, to create conditions that will allow implementation to continue without a large military presence. We are committed to full implementation of the Dayton Accords and success in Bosnia. We support the efforts of the International Criminal

Tribunal for the former Yugoslavia and broader efforts to promote justice and reconciliation in Bosnia.

Cyprus and the Aegean: Tensions on Cyprus, Greek-Turkish disagreements in the Aegean and Turkey's relationship with the EU have serious implications for regional stability and the evolution of European political and security structures. Our goals are to stabilize the region by reducing long-standing Greek-Turkish tensions and pursuing a comprehensive settlement on Cyprus. A democratic, secular, stable and Western-oriented Turkey is critical to these efforts and has supported broader U.S. efforts to enhance stability in Bosnia, the NIS and the Middle East, as well as to contain Iran and Iraq.

The Baltic States: The special nature of our relationship with Estonia, Latvia and Lithuania is recognized in the 1998 Charter of Partnership, which clarifies the principles upon which U.S. relations with the Baltic states are based and provides a framework for strengthening ties and pursuing common goals. These goals include integration of Latvia, Lithuania and Estonia into the transatlantic community and development of close, cooperative relationships among all the states in Northeastern Europe.

Northern Ireland: In 1998 the people of Ireland and Northern Ireland seized the opportunity to turn the tragedy of Northern Ireland's past into a shared triumph for the future by strongly endorsing the peace accord that had been reached in April that year. We will continue to work with Northern Ireland's leaders as they seek to transform the promise of the Accord into a reality-with new democratic institutions and new economic opportunities for all of Northern Ireland's people. Working through the International Fund for Ireland and the private sector, we will help the people seize the opportunities that peace will bring to attract new investment to create new factories, workplaces

and jobs, and
establish new centers of learning to prepare for the 21st Century.

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

Promoting Prosperity

Europe is a key element in America's global commercial engagement. Europe and the United States produce over half of all global goods and services, more than 60% of total U.S. investment abroad is in Europe and fourteen million workers on both sides of the Atlantic earn their livelihoods from transatlantic commerce. As part of the New Transatlantic Agenda launched in 1995, the United States and the EU agreed to take concrete steps to reduce barriers to trade and investment through creation of an open New Transatlantic Marketplace and through Mutual Recognition Agreements eliminating redundant testing and certification requirements. Our governments are also cooperating closely with the Transatlantic Business Dialogue, a U.S.-European business partnership, to address a wide range of trade barriers.

Building on the New Transatlantic Agenda, the United States and the EU launched the Transatlantic Economic Partnership in 1998 to deepen our economic relations, reinforce our political ties and reduce trade frictions. The first element of the initiative is reducing barriers that affect manufacturing, agriculture and

services. In the manufacturing area we are focusing on standards and technical barriers that American businesses have identified as the most significant obstacle to expanding trade. In the agricultural area we are focusing on regulatory barriers that have inhibited the expansion of agriculture trade, particularly in the biotechnology area. In the area of services we seek to open our markets further and to create new opportunities for the number of service industries that are so active in the European market.

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

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

By supporting historic market reforms in Central and Eastern Europe

and in the NIS, we strengthen our own economy and help new democracies take root. The United States will continue helping the NIS economies integrate into international economic and other institutions and develop healthy business climates. We will continue to mobilize the international community to provide assistance to support reform and to help the NIS countries stimulate foreign and domestic private investment. We are also encouraging investment, especially by U.S. companies, in NIS energy resources and their export to world markets, thereby expanding and diversifying world energy supplies and promoting prosperity in the NIS. A stable and prosperous Caucasus and Central Asia will facilitate rapid development and transport to international markets of the large Caspian oil and gas resources, with substantial U.S. commercial participation.

Promoting Democracy

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

The independence, sovereignty, territorial integrity, and democratic and economic reform of the NIS are important to American interests. To advance these goals, we are utilizing our bilateral relationships, our leadership of international institutions, and billions of dollars in private and multilateral resources. But the circumstances affecting the smaller countries depend in significant measure on the fate of reform in the largest and most powerful-Russia. The United States will continue vigorously to promote Russian reform and international integration,

and discourage any reversal in the progress that has been made. Our economic and political support for the Russian government depends on its commitment to internal reform and a responsible foreign policy.

East Asia and the Pacific

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

Enhancing Security

Our military presence has been essential to maintaining the stability that has enabled most nations in the Asia Pacific region to build thriving economies for the benefit of all. To deter aggression and secure our own interests, we will maintain an appropriate military presence in the region. Our treaty alliances with Japan, South Korea, Australia, Thailand and the Philippines serve as the foundation for America's continuing security role. We are maintaining healthy relations with the Association of Southeast Asian Nations (ASEAN) and supporting regional dialogue-such as in the ASEAN Regional Forum (ARF)-on the full range of common security challenges.

Japan: The United States and Japan reaffirmed our bilateral security relationship in the April 1996 Joint Security Declaration. The alliance continues to be the cornerstone for achieving common security objectives and for maintaining a stable and prosperous environment for the Asia Pacific region as we enter the twenty-first century. The 1997 revised Guidelines for U.S.-Japan Defense Cooperation will result in greater bilateral cooperation in peacekeeping and humanitarian relief operations in situations in areas surrounding Japan and in the defense of Japan itself. The revised Guidelines, like the U.S.-Japan

security relationship itself, are not directed against any other country.

In

April 1998, in order to support the new Guidelines, both governments agreed to a revised Acquisition and Cross-Servicing Agreement (ACSA) which expands the exchange of provision of supplies and services to include reciprocal provision of logistics support during situations surrounding Japan that have an important influence on Japan's peace and security. U.S.-Japan security cooperation extends to promoting regional peace and stability, seeking universal adherence to the Nuclear Non-Proliferation Treaty, and addressing the dangers posed by transfers of destabilizing conventional arms and sensitive dual-use goods and technologies.

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

Peaceful resolution of the Korean conflict with a non-nuclear, reunified peninsula will enhance stability in the East Asian region and is clearly in our strategic interest. We are willing to improve bilateral political and economic ties with North Korea-consistent with the objectives of our alliance with the ROK-to draw the North into more normal relations with the region and the rest of the world. Our willingness to improve bilateral relations will continue

to be commensurate with the North's cooperation in efforts to reduce tensions on the peninsula. South Korea has set a shining example for nonproliferation by forswearing nuclear weapons, accepting safeguards, and developing a peaceful nuclear program that brings benefits to the region. We are firm that North Korea must freeze and dismantle its graphite-moderated reactors and related facilities and fully comply with its NPT obligations under the Agreed Framework. We also seek to cease North Korea's chemical and biological weapon programs and ballistic missile proliferation activities. The United States, too, must fulfill its obligations under the Agreed Framework and the Administration will work with the Congress to ensure the success of our efforts to address the North Korean nuclear threat. The North must also engage in a productive dialogue with South Korea; continue the recently revived United Nations Command-Korean People's Army General Officer Dialogue talks at Panmunjon; participate constructively in the Four Party Talks among the United States, China, and North and South Korea to reduce tensions and negotiate a peace agreement; and support our efforts to recover the remains of American servicemen missing since the Korean War.

China: A stable, open, prosperous People's Republic of China (PRC) that assumes its responsibilities for building a more peaceful world is clearly and profoundly in our interests. The prospects for peace and prosperity in Asia depend heavily on China's role as a responsible member of the international community. Our policy toward China is both principled and pragmatic: expanding our areas of cooperation while dealing forthrightly with our differences.

The United States and China have taken a number of steps to strengthen cooperation in international affairs: establishing a Washington-Beijing presidential communications link to facilitate direct contact, regular presidential visits to each other's capitals, regular exchanges of visits

by cabinet and sub-cabinet officials to consult on political, military, security and arms control issues, establishing a consultation mechanism to strengthen military maritime safety, and holding discussions on humanitarian assistance and disaster relief.

Arms control and non-proliferation issues are high on the bilateral agenda. In 1998, the United States and China announced that they will not target their strategic nuclear weapons at each other and confirmed their common goal of halting the spread of weapons of mass destruction. Our two nations are continuing consultations on the Missile Technology Control Regime (MTCR) and missile nonproliferation. Both sides have agreed to further strengthen controls on the export of dual-use chemicals and related production equipment and technology to assure they are not used for production of chemical weapons, and China has expanded the list of chemical precursors which it controls. Both nations have called for strengthening of the Biological Weapons Convention and early conclusion of a protocol establishing a practical and effective compliance mechanism and improving transparency. We also reached agreement with China on practices for end-use visits on U.S. high technology exports to China.

China is working with the United States on important regional security issues. In June 1998, China chaired a meeting of the permanent members of the UN Security Council to forge a common strategy for moving India and Pakistan away from a nuclear arms race. China condemned both countries for conducting nuclear tests and joined us in urging them to conduct no more tests, to sign the Comprehensive Test Ban Treaty, to avoid deploying or testing missiles, and to work to resolve their differences through dialogue. On the Korean Peninsula, China has become a force for peace and stability, helping us to convince North Korea to

freeze its dangerous nuclear program, playing a constructive role in the four-party peace talks.

Our key security objectives for the future include sustaining the strategic dialogue begun by the recent summits and other high-level exchanges; enhancing stability in the Taiwan Strait through peaceful approaches to cross-Strait issues and encouraging dialogue between Beijing and Taipei; strengthening China's adherence to international nonproliferation norms, particularly in export controls on ballistic missile and dual use technologies; achieving greater openness and transparency in China's military; encouraging a constructive PRC role in international affairs through active cooperation in ARF, the Asia Pacific Economic Cooperation Forum (APEC) and the Northeast Asia Security Dialogue; and improving law enforcement cooperation.

Southeast Asia: Our strategic interest in Southeast Asia centers on developing regional and bilateral security and economic relationships that assist in conflict prevention and resolution and expand U.S. participation in the region's economies. U.S. security objectives in the region are to maintain our security alliances with Australia, Thailand and the Philippines, to sustain security access arrangements with Singapore and other ASEAN countries, and to encourage the emergence of a strong, cohesive ASEAN capable of enhancing regional stability and prosperity.

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

particularly the flow
of heroin from Burma and other countries in the region.

Promoting Prosperity

A prosperous and open Asia Pacific is key to the economic health of the United States. On the eve of the recent financial problems in Asia, the 18 members of APEC contributed about one-half of total global gross domestic product and exports. Thirty percent of U.S. exports go to Asia, supporting millions of U.S. jobs, and we export more to Asia than Europe. Our economic objectives in East Asia include recovery from the recent financial crisis, continued progress within APEC toward liberalizing trade and investment, increased U.S. exports to Asian countries through market-opening measures and leveling the playing field for U.S. business, and WTO accession for China and Taiwan on satisfactory commercial terms. Opportunities for economic growth abound in Asia and underlie our strong commitment to multilateral economic cooperation, such as via the annual APEC leaders meetings.

Our economic strategy in Asia has four key elements: support for economic reforms; working with international financial institutions to provide structural and humanitarian assistance; providing bilateral humanitarian aid and contingency bilateral financial assistance if needed; and urging strong policy actions by Japan and the other major economic powers to promote global growth. The United States will continue to work with the IMF, the World Bank, other international financial institutions, the governments in East Asia and the private sector to help stabilize financial markets, restore investor confidence and achieve much-needed reforms in the troubled East Asian economies. We will continue to support South Korea, Thailand and Indonesia as they implement economic reforms designed to foster financial stability and investor confidence in order

to attract the capital flows required to restore economic growth. U.S. initiatives in APEC will open new opportunities for economic cooperation and permit U.S. companies to expand their involvement in substantial infrastructure planning and construction throughout the region. While our progress in APEC has been gratifying, we will explore options to encourage all Asia Pacific nations to pursue open markets.

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

An important part of integrating China into the market-based world economic system is opening China's highly protected market through lower trade barriers and removal of distorting restraints on economic activity. We have negotiated landmark agreements to combat piracy of intellectual property and advance the interests of our creative industries. We have also negotiated-and vigorously enforced-agreements on textile trade. We will continue to press China to open its markets (in goods, services and agriculture) as it engages in sweeping economic reform. It is in our interest that China become a member of the WTO; however, we have been steadfast in leading the effort to ensure that China's accession to the WTO occurs on a commercial basis. China maintains many barriers that must be eliminated, and we need to ensure that necessary reforms are agreed to before accession occurs.

Japan: The Administration continues to make progress on increasing

market access in Asia's largest economy. Since the beginning of the first Clinton Administration, the United States and Japan have reached 35 trade agreements designed to open Japanese markets in key sectors, including autos and auto parts, telecommunications, civil aviation, insurance and glass. The Administration also has intensified efforts to monitor and enforce trade agreements with Japan to ensure that they are fully implemented. The United States also uses multilateral venues, such as WTO dispute settlement and negotiation of new multilateral agreements, to further open markets and accomplish our trade objectives with Japan.

Japan has a crucial role to play in Asia's economic recovery: generating substantial growth to help maintain a growing world economy and absorb a growing share of imports from emerging markets. To do this Japan must reform its financial sector, stimulate domestic demand, deregulate its economy, and further open its markets to foreign goods and services. We look forward to substantial and effective actions to achieve a domestic demand-led recovery, to restore health to the financial sector, and to make progress on deregulation and opening markets.

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

Thailand: A key U.S. security partner in the region, Thailand also faces serious

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

Promoting Democracy

Some have argued that democracy is unsuited for some Asian nations—that Western support for international human rights standards simply mask a form of cultural imperialism. The democratic aspirations and achievements of the Asian peoples prove such arguments wrong. There is no cultural justification for tyranny, torture or denial of fundamental freedoms. We will continue to support those aspirations and to promote respect for human rights. Each nation must find its own form of democracy, and we respect the variety of democratic institutions that have emerged in Asia. Our strategy includes a constructive, goal-oriented approach to achieving progress on human rights and rule of law issues with China; fostering meaningful political dialogue between the ruling authorities in Burma and the democratic opposition; working with the government of Indonesia to promote respect for human rights, strengthened democratic processes and an internationally acceptable political solution in East Timor; working with ASEAN to restore democracy and encourage greater respect for human rights in Cambodia; and, in Vietnam, achieving the fullest possible accounting of missing U.S. service members, promoting greater respect for human rights, and pressing for full implementation of the Resettlement Opportunity for Vietnamese Returnees program.

The Western Hemisphere

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

Enhancing Security

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

We are striving to eliminate the scourge of drug trafficking in our

hemisphere.

The Multilateral Counterdrug Alliance is striving to better organize and coordinate efforts in the hemisphere to stem the production and distribution of drugs. Alliance efforts include improved cooperation on extraditing and prosecuting individuals charged with narcotics trafficking and related crimes; strengthened efforts against money laundering and forfeiture of assets used in criminal activity; reinforced international and national mechanisms to halt illicit traffic and diversion of chemical precursors; enhanced national programs for fostering greater awareness of the dangers of drug abuse, preventing illicit drug consumption and providing treatment, rehabilitation and reintegration; and elimination of illicit crops through national alternative development programs, eradication and interdiction. We are also pursuing a number of bilateral and regional counternarcotics initiatives. As part of our partnership with Mexico, we are striving to increase counterdrug and law enforcement cooperation, while in the Caribbean we are intensifying a coordinated effort on counternarcotics and law enforcement.

We are advancing regional security cooperation through bilateral security dialogues, multilateral efforts in the Organization of American States (OAS) and Summit of the Americas on transparency and regional confidence and security building measures, exercises and exchanges with key militaries (principally focused on peacekeeping), and regular Defense Ministerials. Working with Argentina, Brazil and Chile, the other three guarantor nations of the Peru-Ecuador peace process, the United States has brought the parties closer to a permanent solution to this decades-old border dispute, the resolution of which is important to regional stability. The Military Observer Mission, Ecuador-Peru (MOMEPE), composed of the four guarantor nations, successfully separated the

warring factions, created the mutual confidence and security among the guarantor nations. Our efforts to encourage multilateral cooperation are enhancing confidence and security within the region and will help expand our cooperative efforts to combat the transnational threats to the Western Hemisphere.

Promoting Prosperity

Economic growth and integration in the Americas will profoundly affect the prosperity of the United States in the 21st century. Latin America has become the fastest growing economic region in the world and our fastest growing export market.

We seek to advance the goal of an integrated hemisphere of free market democracies by consolidating NAFTA's gains and obtaining Congressional Fast Track trade agreement implementing authority. Formal negotiations are in progress to initiate the Free Trade Area of the Americas (FTAA) by 2005. The negotiations will cover a broad range of important issues, including market access, investment, services, government procurement, dispute settlement, agriculture, intellectual property rights, competition policy, subsidies, anti-dumping and countervailing duties. Governments also will cooperate on promoting core labor standards recognized by the International Labor Organization. We are also committed to delivering on the President's promise to negotiate a comprehensive free trade agreement with Chile because of its extraordinary economic performance and its active role in promoting hemispheric economic integration. To address the concerns of smaller economies during the period of transition to the global economy of the 21st century, and in light of the increased competition NAFTA presents to Caribbean trade, we will seek Congressional approval to provide enhanced trade benefits under the Caribbean Basin Initiative (CBI) to help prepare that region for participation in the FTAA.

Promoting Democracy

Many Latin American nations have made tremendous advances in democracy and economic progress over the last several years. But our ability to sustain the hemispheric agenda depends in part on meeting the challenges posed by weak democratic institutions, persistently high unemployment and crime rates, and serious income disparities. In some Latin American countries, citizens will not fully realize the benefits of political liberalization and economic growth without regulatory, judicial, law enforcement and educational reforms, as well as increased efforts to integrate all members of society into the formal economy.

The hemisphere's leaders are committed to strengthening democracy, justice and human rights. They have pledged to intensify efforts to promote democratic reforms at the regional and local level, protect the rights of migrant workers and their families, improve the capabilities and competence of civil and criminal justice systems, and encourage a strong and active civil society. Specific initiatives include ratification of the Inter-American Convention Against Corruption to strengthen the integrity of governmental institutions, creation of a Special Rapporteur for Freedom of Expression as part of the Inter-American Commission for Human Rights, establishing an Inter-American Justice Studies Center to facilitate training of personnel, to exchange of information and other forms of technical cooperation to improve judicial systems. Education is the centerpiece of reforms aimed at making democracy work for all the people of the Americas. The Summit Action Plan adopted at Santiago in 1998 seeks to ensure by the year 2010 primary education for 100% of children and access to quality secondary education for at least 75% of young people. We are also seeking to

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

Haiti and Cuba are of special concern to the United States. The restoration of democracy in Haiti remains a positive example for the hemisphere. In Haiti we continue to support respect for human rights and economic growth by a Haitian government capable of managing its own security and paving the way for a fair presidential election in 2000. We are committed to working with our partners in the region and in the international community to meet the challenge of

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

The Middle East, Southwest and South Asia

Choices made in the Middle East, Southwest and South Asia will determine whether terrorists operating in and from the region are denied the support they need to

perpetrate their crimes, whether weapons of mass destruction will imperil the region and the world, whether the oil and gas fields of the Caucasus and Central Asia become reliable energy sources, whether the opium harvest in Afghanistan is eliminated, and whether a just and lasting peace can be established between Israel and the Arab countries.

Enhancing Security

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

The Middle East Peace Process

An historic transformation has taken place in the political landscape of the Middle East: peace agreements are taking hold, requiring concerted implementation efforts. The United States-as an architect and sponsor of the peace process-has a clear national interest in seeing the process deepen and widen to include all Israel's neighbors. We will continue our steady, determined leadership-standing with those who take risks for peace, standing against those who would destroy it, lending our good offices where we can make a difference and helping bring the concrete benefits of peace to people's daily lives. Future progress will require continued Israeli-Palestinian engagement on remaining issues in the Interim Agreement, and negotiation of permanent status issues, resuming Israeli-Syrian and Israeli-Lebanese negotiations with the objective of achieving peace treaties, and normalization of relations between Arab states and Israel.

Southwest Asia

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

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

We would like to see Iraq's reintegration into the international community; however, we have made clear that Iraq must comply with all relevant UN Security Council resolutions. Saddam Hussein must cease the cynical manipulation of UN humanitarian programs and cooperate with Security Council Resolution 1153, which authorizes increased humanitarian assistance to the people of Iraq. Iraq must also move from its posture of deny, delay and obscure to a posture of cooperation and compliance with the UN Security Council resolutions designed to rid Iraq of

WMD and their delivery systems. Iraq must also comply with the memorandum of understanding reached with UN Secretary General Kofi Annan in February 1998. Our policy is directed not against the people of Iraq but against the aggressive behavior of the government. Until that behavior changes, our goal is containing the threat Saddam Hussein poses to Iraq's neighbors, the free flow of Gulf oil and broader U.S. interests in the Middle East.

Our policy toward Iran is aimed at changing the behavior of the Iranian government in several key areas, including its efforts to obtain weapons of mass destruction and long-range missiles, its support for terrorism and groups that violently oppose the peace process, its attempts to undermine friendly governments in the region, and its development of offensive military capabilities that threaten our GCC partners and the flow of oil. We view signs of change in Iranian policies with interest, both with regard to the possibility of Iran assuming its rightful place in the world community and the chance for better bilateral ties, and welcome statements by President Khatemi that suggest a possibility of dialogue with the United States. However, these positive signs must be balanced against the reality that Iran's support for terrorism has not yet ceased, serious violations of human rights persist, its efforts to develop long range missiles, including the 1,300 kilometer-range Shahab-3 it tested in July 1998, and its efforts to acquire WMD continue. The United States will continue to oppose Iranian efforts to sponsor terror and transfers from any country to Iran of materials and technologies that could be used to develop long-range missiles or weapons of mass destruction.

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

initiated
and sustained in a way that addresses the concerns of both sides, then
the United
States would be willing to develop with the Islamic Republic a road
map leading
to normal relations.

South Asia

South Asia has experienced an important expansion of democracy and
economic
reform. Our strategy is designed to help the peoples of that region
enjoy the
fruits of democracy and greater stability by helping resolve long-
standing
conflict and implementing confidence-building measures. Regional
stability and
improved bilateral ties are also important for U.S. economic interests
in a
region that contains a fifth of the world's population and one of its
most
important emerging markets. We seek to establish relationships with
India and
Pakistan that are defined in terms of their own individual merits and
reflect the
full weight and range of U.S. strategic, political and economic
interests in each
country. In addition, we seek to work closely with regional countries
to stem
the flow of illegal drugs from South Asia, most notably from
Afghanistan.

The United States has long urged India and Pakistan to take steps to
reduce the
risk of conflict and to bring their nuclear and missile programs into
conformity
with international standards. The Indian and Pakistani nuclear test
explosions
were unjustified and threaten to spark a dangerous nuclear arms race
in Asia.
The destabilizing impact of those tests have been exacerbated by the
recent
flare-up along the Line of Control in Kashmir.

India and Pakistan are contributing to a self-defeating cycle of
escalation that
does not add to the security of either country. They have put
themselves at odds
with the international community over these nuclear tests. In concert
with the

other permanent members of the UN Security Council and the G-8 nations, the United States has called on both nations to renounce further nuclear tests, to sign the Comprehensive Test Ban Treaty immediately and without conditions, and to resume their direct dialogue and take decisive steps to reduce tensions in South Asia. We also strongly urge these states to refrain from any actions that would further undermine regional and global stability, and urge them to join the clear international consensus in support of nonproliferation and a cut off of fissile material production.

Promoting Prosperity

The United States has two principle economic objectives in the region: to promote regional economic cooperation and development, and to ensure unrestricted flow of oil from the region. We seek to promote regional trade and cooperation on infrastructure through the peace process and revitalization of the Middle East and North Africa (MENA) economic summits.

The United States depends on oil for about 40 percent of its primary energy needs and roughly half of our oil needs are met with imports. Although we import less than 10% of Persian Gulf exports, our allies in Europe and Japan account for about 85% of these exports. Previous oil shocks and the Gulf War underscore the strategic importance of the region and show the impact that an interruption of oil supplies can have on the world's economy. Appropriate responses to events such as Iraq's invasion of Kuwait can limit the magnitude of the crisis. Over the longer term, U.S. dependence on access to these and other foreign oil sources will remain important as our reserves are depleted. Thus, the United States must continue to demonstrate U.S. commitment and resolve in the Persian Gulf.

Promoting Democracy

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

U.S. policies in the Middle East and Southwest Asia are not anti-Islamic-an allegation made by some opponents of our efforts to help bring lasting peace and stability to the region. Islam is the fastest-growing religious faith in the United States. We respect deeply its moral teachings and its role as a source of inspiration and instruction for hundreds of millions of people around the world. U.S. policy in the region is directed at the actions of governments and terrorist groups, not peoples or faiths. The standards we would like all the nations in the region to observe are not merely Western, but universal.

Africa

In recent years, the United States has supported significant change in Africa with considerable success: multi-party democracies are more common and elections are more frequent and open, human rights are more widely respected, the press is more free, U.S.-Africa trade is expanding, and a pragmatic consensus

on the need for economic reform is emerging. A new, post-colonial generation of leadership is reaching maturity in Africa, with more democratic and pragmatic approaches to solving their countries' problems and developing their human and natural resources. Sustaining these recent successes will require that we identify those issues that most directly affect our interests and where we can make a difference through efficient targeting of our resources. A key challenge is to engage the remaining autocratic regimes to encourage those countries to follow the example of other African countries that are successfully implementing political and economic reforms.

Enhancing Security

Serious transnational security threats emanate from pockets of Africa, including state-sponsored terrorism, narcotics trafficking, international crime, environmental damage and disease. These threats can only be addressed through effective, sustained engagement in Africa. We have already made significant progress in countering some of these threats-investing in efforts to combat environmental damage and disease, leading international efforts to halt the proliferation of land mines and demining efforts in several countries. We continue efforts to reduce the flow of narcotics through Africa and to curtail international criminal activity based in Africa. We seek to keep Africa free of weapons of mass destruction by supporting South Africa's nuclear disarmament and accession to the NPT as a non-nuclear weapon state, securing the indefinite and unconditional extension of the NPT, and promoting establishment of the African Nuclear Weapons Free Zone.

Libya and Sudan continue to pose a threat to regional stability and the national security and foreign policy interests of the United States. Our policy toward

Libya is designed to block its efforts to obtain weapons of mass destruction and development of conventional military capabilities that threaten its neighbors, and to compel Libya to cease its support for terrorism and its attempts to undermine other governments in the region. The government of Libya has continued these activities despite calls by the Security Council that it demonstrate by concrete actions its renunciation of terrorism. We have moved to counter Sudan's support for international terrorism and regional destabilization by imposing comprehensive sanctions on the Khartoum regime, continuing to press for the regime's isolation through the UN Security Council, and enhancing the ability of Sudan's neighbors to resist Khartoum-backed insurgencies in their countries through our Frontline States initiative.

Persistent conflict and continuing political instability in some African countries remain chronic obstacles to Africa's development and to U.S. interests there, including unhampered access to oil and other vital natural resources. To foster regional efforts to promote prosperity, stability and peace in Africa, the United States in 1996 launched the African Crisis Response Initiative (ACRI) to work with Africans to enhance their capacity to conduct effective peacekeeping and humanitarian operations. We are coordinating with the French, British, other donor countries and African governments in developing a sustainable plan of action. We are consulting closely on ACRI activity with the UN Department of Peacekeeping Operations, the Organization of African Unity (OAU) and its Crisis Management Center, and African sub-regional organizations already pursuing similar capacity enhancements. The United States also will be establishing the African Center for Security Studies (ACSS) to promote the exchange of ideas and information tailored specifically for African security concerns. The goal is for ACSS to be a source of academic yet practical instruction in

promoting the skills necessary to make effective national security decisions in democratic governments, and engage African military and civilian defense leaders in a substantive dialogue about defense policy planning in democracies.

Promoting Prosperity

A stable, democratic, prosperous Africa will be a better economic partner, a better partner for security and peace, and a better partner in the fights against drug trafficking, crime, terrorism, disease and environmental degradation. An economically dynamic Africa will be possible only when Africa is fully integrated into the global economy. Further integrating Africa into the global economy will also directly serve U.S. interests by continuing to expand an already important new market for U.S. exports. The more than 700 million people of sub-Saharan Africa represent one of the world's largest largely untapped markets. Although the United States enjoys only a seven-percent market share in Africa, already 100,000 American jobs depend on our exports there. Increasing both the U.S. market share and the size of the African market will bring tangible benefits to U.S. workers and increase prosperity and economic opportunity in Africa. Our aim, therefore, is to assist African nations to implement economic reforms, create favorable climates for trade and investment, and achieve sustainable development.

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

enable us to help African nations undertake difficult economic reforms and build better lives for their people through sustainable growth and development. We are also pursuing complementary initiatives to encourage U.S. trade with and investment in Africa, including greater market access, targeted technical assistance, enhanced bilateral and World Bank debt relief, and increased bilateral trade ties. To further our trade objectives in Africa, the Ron Brown Commercial Center was established in Johannesburg, South Africa in 1998. The Center provides support for American companies looking to enter or expand into the sub-Saharan African market, promotes U.S. exports through a range of support programs, and facilitates business contacts and partnerships between African and American businesses.

Helping Africans generate the food and income necessary to feed themselves is critical for promoting sustainable growth and development. Despite some recent progress, the percentage of malnourished people in Africa is the highest of any region in the world and U.S. help is greatly needed. In 1998 we launched the Africa Food Security Initiative, a 10-year U.S. Agency for International Development-led effort to help improve agricultural productivity, incomes, and nutrition for the rural poor. The "Africa: Seeds of Hope Act," which the President signed into law in November 1998 after it passed the Congress with broad bipartisan support, is an important step in fulfilling that commitment.

Promoting Democracy

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

African
democracies.

The restoration of civilian democratic government in Nigeria will help return that country to its place as a leader in Africa. Over the past year, the government and people of Nigeria have engaged in a sustained and serious effort to restore democracy and rectify the abuses of the past: political prisoners have been freed, onerous restrictions on labor unions have been lifted, the empty positions on Nigeria's Supreme Court have been filled, and a transparent "Budget of Realism" has been announced by the government. The peaceful elections in February 1999 were an important step in this transformation. But, as in any democratic transition, Nigeria's new government will face enormous challenges: creating accountable government, building support within the military for civilian rule, protecting human rights, and rebuilding the economy so it benefits all citizens. President Clinton met with Nigerian President-elect Olusegun Obasanjo in March, underscoring our commitment to continue to work on these and other challenges and opportunities that face Nigeria.

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

interests.

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

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