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Mr. Chairman, in the last three weeks, I have appeared before this Committee three times to discuss three specific issues -- the Agreed Framework with North Korea, the START II treaty, and the loan guarantee package for Mexico. Today, I have the privilege of offering an overview of the Clinton Administration's foreign policy agenda for 1995. I will also indicate how our proposed budget supports both the principles guiding that agenda and the specific opportunities that I will be pursuing this year.

We live in a world that has been profoundly transformed--by the end of the Cold War and by the triumph of democracy over dictatorship in many nations. It is a world that is taking shape in ways that are remarkably consistent with American ideals and conducive to American interests. Indeed, it is a world that has been shaped by the successful use of American power -- and by the power of our principles.

But we must not be complacent. Aggression, intolerance, and tyranny still threaten political stability and economic development in vital regions. Challenges as diverse as nuclear proliferation, terrorism, and environmental degradation still endanger our security and prosperity.

Mr. Chairman, it was a bipartisan consensus that launched the Marshall Plan, established NATO and the GATT, contained communism and kept the United States and our allies strong and free. Sustaining that bipartisan consensus is a core personal commitment for me as Secretary of State. President Clinton and I are determined that a Democratic President and Republican majorities in Congress can and will work together to maintain our nation's leadership in the world. It is in the direct interest of each and every American that we succeed.

The imperative of American leadership is a central lesson of this century. Consider what the world would be like without American leadership in the last two years alone. We would have four nuclear states in the former Soviet Union instead of one, with Russian missiles still targeted at us; we would have a full throttle nuclear program in North Korea; no GATT agreement to expand world trade; brutal dictators still terrorizing Haiti; very likely, Iraqi troops back in Kuwait; and a deepening Mexican economic crisis threatening instability along our border and in emerging market economies around the world.

Since we last met, President Clinton introduced the Administration's budget request for Fiscal Year 1996. It is important to note at the outset that since 1984, there have been substantial real cuts in the International Affairs budget. It now represents only 1.3 percent of federal spending. Notwithstanding the extraordinary array of challenges we face, our 1996 spending request is essentially level with what we are spending in the current fiscal year.

We have been tough-minded in putting together what is, by any measure, an austere budget. Indeed, the resources we are requesting through this budget are the rock bottom minimum we need to defend and advance our nation's vital interests.
Mr. Chairman, last November's elections certainly changed a great deal. But they were not a license to lose sight of our global interests or to walk away from our commitments in the world. This budget advances our interests and maintains our commitments. Approving it will be a stern test of our willingness to dedicate the resources necessary to protect the security and prosperity of the American people. It will be a test of the first principle guiding our foreign policy: a test of our commitment to lead.

The United States seeks a world of open societies and open markets in which American values and interests can thrive. Our strategy is driven by four principles: that we continue to engage and to lead; that we maintain effective relations with the world's great powers; that we adapt and build institutions that will promote economic and security cooperation; and that we continue to support democracy and defend human rights.

As several of our recent accomplishments suggest, American leadership requires that we be ready to back our diplomacy with credible threats of force. To this end, President Clinton is determined that the U.S. military remain the most powerful and effective fighting force in the world -- as it certainly is now.

When our vital interests are at stake, we must remain prepared to defend them alone. But sometimes, by leveraging our power and resources, and by leading through alliances and institutions, we can achieve better results at lower cost to human life and national treasure -- and that is a sensible bargain I know the American people support.

This Administration has worked to ensure that peacekeepers have realistic objectives, that money is not wasted, and that tough questions are answered satisfactorily before new missions are approved. We are determined not to allow the UN to fall again into the traps of over-commitment or mission creep. But we strongly oppose efforts in Congress that threaten to remove peacekeepers from vital trouble spots around the world, and to leave the President with an unacceptable choice each time a crisis occurs -- a choice between acting alone and doing nothing. As Secretary Perry and I indicated yesterday, we will recommend to the President that he veto legislation that, in its current form, would undermine national security in this and other important ways.

The second principle driving our strategy is the central importance of constructive relations with the world's most powerful nations: our Western European allies, Japan, China and Russia. These nations possess the political, economic, or military capability to have an impact -- for good or for ill -- on the well-being of every American. The relatively cooperative relations that these countries now have with us and with each other is unprecedented in this century, but it is not irreversible.
Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities to build constructive relations with China and Russia, countries that were not too long ago our fiercest adversaries. Both are undergoing momentous, though very different, transformations that directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward East Asia, the most dynamic and fastest-growing region in the world. This Administration has placed the Asia-Pacific at the core of our long-term foreign policy approach. Realizing President Clinton’s vision of a stable and prosperous Pacific Community will continue to be a top priority. Moreover, the region figures prominently in many of the central areas of opportunity that we are pursuing in 1995.

It is also imperative that we reinforce our security and political ties with Japan -- as well as with South Korea and our other treaty allies in the Pacific. It is equally essential that the strength of our economic ties with Japan matches the overall strength of our relationship. During this year marking the fiftieth anniversary of the end of World War II, we will highlight and heighten our close cooperation on regional and global issues -- while continuing to press for greater access to Japanese markets.

With China, we are pursuing constructive relations that are consistent with our global and regional interests. The President’s strategy of comprehensive engagement is designed to address a broad agenda with Beijing and to maintain momentum in certain areas even as we face problems on other issues. We want China to be fully integrated into the international community. For that to happen, it must accept the obligations that come with membership in international institutions and adherence to international norms.

We are encouraging China’s participation in regional security and economic organizations. We are supporting its accession to the World Trade Organization on proper terms. We are seeking its full commitment to global nonproliferation regimes. And we are encouraging China to demonstrate greater respect for human rights -- an interest that is clearly connected to the issue of intellectual property rights because both depend on the rule of law.

The widespread pirating of computer software, videotapes, and compact discs in China is unacceptable to the United States and incompatible with China’s responsibilities as an emerging economic power. The President has indicated his willingness to act. Let me add that every business leader I have heard from on this issue supports our course of action. And let me emphasize that China’s leaders must understand that attracting foreign investment and sustaining long-term growth depend on their willingness to meet global standards in this key area.
We are working to resolve our differences on this issue. But we are not overlooking the other commercial and overall strategic interests that we are pursuing with China. We will continue to pursue a strategy of comprehensive engagement where it is possible and where it is in our interest to do so—such as North Korea, Cambodia and the control of narcotics. It will take time, but our goal remains to cultivate a broad and full relationship with a stable, open and prosperous China that is a full and constructive member of the international community.

The United States, of course, has an enormous stake in the outcome of Russia's continuing transformation. A stable, democratic Russia is vital to a secure Europe and a stable world. An unstable Russia that reverts to dictatorship or slides into chaos would be an immediate threat to its neighbors and once again a strategic threat to the United States.

Like each of you, we have been deeply concerned about the conflict in Chechnya—about the tragic loss of life, the excessive and indiscriminate use of force against civilians, and the corrosive implications this episode can have for the future of Russian democracy. That is why we have emphasized so strongly to the Russian government that the fighting must end—a point that President Clinton reiterated in a telephone call to President Yeltsin yesterday. A process of reconciliation must begin that validates Russia's commitment to democracy and takes into account the views of the people of Chechnya.

The violence in Chechnya has not altered our fundamental interest in helping Russian reformers build a nation that is finally at peace with itself and its neighbors. There is a wide range of programs that we undertake to advance democratic and economic reform in Russia. Our assistance supports programs ranging from Russia's vitally important and newly free press to jury trials to small business development. Most of the assistance has gone to private organizations and to local governments outside Moscow. Those funds that do go to the central government primarily support the institutional reforms necessary for democracy and market reform, such as election assistance, the drafting of commercial codes and the setting up of privatization programs. And of our total request of $788 million to support reform in the former Soviet Union, less than half would go to Russia itself.

Precisely because the future of reform in Russia is not assured, we must persevere in our support of the people and institutions struggling on its behalf. Cutting assistance now would hurt the friends of democracy in Russia—the very forces that have been most critical of the Chechnya operation.

There are also many vital security issues on which we are working with Russia, such as Nunn-Lugar programs to secure dismantled warheads, arms reductions agreements and cooperation on regional conflict. This aspect of our relationship has paid off for every American—from reducing the nuclear threat to advancing peace in the Middle East.
Chechnya has raised questions about Russia's commitment to democratic processes, economic reform, and international standards of conduct. Our approach is designed to reinforce democratic trends in Russia and to encourage the government in Moscow to pursue policies consistent with these principles. We will assess Russia’s actions in Chechnya, its domestic programs and international initiatives in light of this objective and we will adjust our policy accordingly.

The third principle guiding our overall strategy is that if the historic movement toward open societies and open markets is to endure, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, Acheson, and Vandenberg built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth. Now, as President Clinton said in his recent meeting with German Chancellor Helmut Kohl, "We will consider how to move toward NATO's expansion to Europe's new democracies and how to adapt the international institutions to serve us for the next 50 years."

At the President's initiative, we and our G-7 partners will chart a strategy in Halifax this June to adapt the post-war economic institutions to the more integrated post-Cold War world. We are also helping regional institutions and structures like the Organization of American States, ASEAN, and the Organization of African Unity to support peace and democratic development. Our 1996 budget includes $934 million in contributions to the UN and to other international bodies, as well as $2.2 billion to the multilateral development banks.

The fourth principle is the fundamental role that democracy and human rights have in this Administration’s foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world where information flows freely and the rule of law protects not only political rights but the essential elements of free market economies.

Since my last appearance before this Committee, the State Department has issued its 19th annual report on human rights practices worldwide. The first reports were prepared under my direction in 1977 during my first year as Deputy Secretary of State. Those early reports were small in scale and narrow in scope compared to today's effort. The Country Reports help us to shape our diplomacy, assistance and trade policy. We use them as we work with foreign governments, international organizations, and NGO's. They are also important in their own right, because they shine a bright light on human rights violations that might otherwise be shielded by a veil of secrecy and indifference.
In FY 1996, we are requesting $480 million through the SEED program to maintain our assistance for democratic and economic reform in Central and Eastern Europe. These funds will support social sector reform in areas like health and housing. They will help build accountable, responsive public administration at the central and local levels. And they will promote small business development to spur job creation.

Our budget requests $220 million for Countries in Transition such as Haiti, Cambodia, and Angola. In Haiti, our $90 million of continued support will help consolidate democracy in Haiti and promote the economic development that will enable the majority of Haitians to overcome poverty and raise their living standards. Cambodia has struggled, so far with encouraging success, to overcome a tragic legacy of war, repression, and genocide. We have designated $39.5 million to support democratic and market reform, including the implementation of transparent legal and judicial reforms. Angola is trying to lift itself up from the bitter terrain of Africa’s longest running conflict. Our $10 million request can make a difference on behalf of democracy and stability.

Approximately $18 million of the $220 million we request will go to other African countries in transition to support credible elections, respect for the rule of law, and good governance. And $33.5 million will support a wide variety of programs in Latin America and the Caribbean to promote and strengthen democratic institutions, local government, police training, the media, and grass-roots non-governmental organization development.

Mr. Chairman, the Summit of the Americas demonstrated that this hemisphere has committed itself to democratic institutions, respect for human rights, and free markets. Only one country out of 35 was not invited to the Summit, the one country that rejects the shared goals of those who came to Miami in December. That country is Cuba.

The fundamental goal of our Cuba policy is a peaceful transition to democracy, respect for the human rights of the Cuban people, and an open economy with opportunity for all. This Administration is committed to a vigorous pursuit of that objective. We believe the best means of achieving this goal is the course outlined by the Cuban Democracy Act. We believe the enforcement of the embargo, and the pressures it brings to bear on the regime in Havana, are hastening the day when democracy will return to Cuba.

**OPPORTUNITIES FOR 1995**

As we are guided by these basic principles, in 1995 I intend to focus on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.
Open Trade, Exports and Jobs

First, we must sustain the momentum we have generated toward the increasingly open global and regional trading system that is vital to American exports and American jobs. A core premise of our domestic and foreign policy is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

This year, we will take steps to implement the Uruguay Round and ensure that the new World Trade Organization upholds essential trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan. And last week, Ambassador Kantor announced that we will also begin to negotiate Chile’s accession to NAFTA.

At the same time, American companies and workers must be able to take advantage of the opportunities that these successful negotiations are helping to create. That is why this Administration is sparing no effort to make sure that our companies can compete on a level playing field. That is why I continue to sit behind what I call the America Desk at the State Department, and why I am determined to keep economic and commercial diplomacy at the core of the Department’s work.

Our embassies around the world are working harder than ever to help win contracts, safeguard investments and support American firms in every way they can. This Administration has achieved an unprecedented degree of focus and coordination in our export promotion efforts.

Exports have been the driving force in our economic recovery. They must remain the driving force for long-term growth. Over the past two years, our export promotion efforts have created more than one million high-paying American jobs. This budget will help sustain that performance.

In FY 1996, we are requesting $900 million to promote trade and investment opportunities for American businesses through programs run by the Export-Import Bank, the Overseas Private Investment Corporation, the Trade and Development Agency, and others. These programs produce concrete economic benefits for the American people. They also reinforce our other foreign policy goals. They strengthen free markets and modernize vital sectors in developing economies. They lift living standards and multiply future demand for American goods. And they contribute to stability in new democracies struggling to overcome legacies of repression and conflict.
Let me add a word about an issue that has occupied the attention of the Administration and the Congress in recent weeks: the Mexican financial crisis. Two weeks ago, the President decided that the situation had to be addressed without further delay. With the support of the congressional leadership of both parties, he took decisive action to safeguard the prosperity of our people, the security of our borders, and the stability of our closest Latin neighbor and of other emerging markets in which we have a growing stake.

In the long run, of course, stability in Mexico will depend on the Mexican government's ability to consolidate economic and political reform. As you know, President Zedillo last week ordered the arrest of the leaders of the rebel movement in Chiapas. Clearly, governments have a responsibility to protect their citizens against violence and lawlessness. President Zedillo also called for a special session of the Mexican Congress to address the underlying problems in the region. The United States agrees with President Zedillo that, in his words, "a solution to this conflict should come through full respect for the law, through political channels and through conciliation."

European Security Architecture

In our second area of opportunity, we are taking concrete steps to build a new European security architecture. Deep political, economic, and cultural bonds continue to make Europe's security and prosperity essential to ours. Our efforts will focus on maintaining strong relations with Western Europe, consolidating democracy in Central Europe and the former Soviet Union, and engaging Russia as a responsible partner.

We are pursuing these goals through continued development of NATO and its outreach to the east, strengthening the Organization for Security and Cooperation in Europe, building our relationship with the European Union, and developing a cooperative NATO/Russia relationship in promoting European security.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

NATO has previously welcomed new members who shared its purposes and who could add to its strength. With American leadership, NATO agreed last December to begin a steady, deliberate process that will lead to further expansion. We have already begun to examine with our Allies the process and objectives of expansion. We intend to share our conclusions with the members of the Partnership for Peace this fall so that at the December Ministerial we can evaluate the results of our consultations and be ready to consider next steps.
Our strategy encourages new democracies to become responsible partners in a new European security order. The Partnership for Peace is a critical tool for cooperation between NATO and partner states. It is also the best path to membership for countries wishing to join the Alliance. The President’s budget request meets the commitment he made in Warsaw last July to help the states of Central and Eastern Europe participate in the Partnership for Peace, and to help potential members prepare for the obligations they will assume if they join NATO.

Our step-by-step approach to NATO expansion is designed to ensure that each potential member is judged fairly and individually, by its capacity to contribute to NATO’s goals and the strength of its democratic institutions. By following this approach, we give every new democracy a powerful incentive to consolidate reform. We remain convinced that arbitrarily locking in advantages for certain countries, or setting specific timetables, could discourage reformers in countries not named and foster complacency in countries that are.

The tragic war in Bosnia underscores the importance of building an effective new architecture for conflict prevention and resolution in Europe. Together with our partners in the Contact Group, we are seeking a negotiated solution. The Contact Group plan with its 51/49 territorial division must be the basis for a settlement, and Bosnia’s territorial integrity and independence must be respected.

As you know, a ceasefire and formal cessation of hostilities have been achieved and are largely holding. We are taking advantage of this opportunity to intensify our diplomatic efforts to bring an end to the war. Last week in Munich, Defense Secretary Perry and Assistant Secretary of State Richard Holbrooke met with Bosnian Muslim and Croat leaders to bolster support for their planned confederation.

Now we and our Contact Group partners are working intensively to bring the parties to the negotiating table. We believe the French proposal for a conference involving the Bosnian, Croatian and Serbian Presidents — if properly structured — could advance our overall goals for the former Yugoslavia, including political settlements in Bosnia and Croatia. We would want the conference to be held in the context of the Contact Group efforts. And we would not favor participation of the Bosnian Serbs until and unless they have accepted the Contact Group plan. Prior to holding any such conference, however, there should be a firm commitment to genuine mutual recognition among all the republics of the former Yugoslavia.

I remain convinced that only a negotiated settlement has any chance of lasting. I am committed to pursuing that goal. What we must not do is to make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is unfair and we have worked to end it multilaterally. But going it alone would lead to the withdrawal of UNPROFOR and an escalation of violence.
Such a course would leave Sarajevo and the enclaves extremely vulnerable to Serb offensives. It would effectively Americanize the conflict, and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including resolutions that impose sanctions on Iraq and Libya.

**Middle East Peace and Security**

Our third area of opportunity is advancing peace in the Middle East. Our budget allocates $5.24 billion to sustain our efforts at a decisive moment for the peace process. Over the past few years, we have seen an extraordinary transformation in the landscape of the Arab-Israeli conflict -- one of the century’s most intractable. Clearly, however, there are still many horrible vestiges of the past that must be eradicated. The terrorist outrage in Israel on January 22 is a painful reminder of the challenges still to be overcome.

Last Sunday, President Clinton convened an unprecedented meeting at Blair House, attended by representatives from Israel, Egypt, Jordan, and the Palestinian Authority. At the end of the day, the parties produced two important documents. The first came out of my meeting with Israeli Foreign Minister Peres and Nabil Sha’th of the Palestinian Authority. In it, Israel and the Palestinians declared that there could be no turning back in the peace process. They vowed to press ahead. And the Palestinian Authority underscored its commitment to preempt terror, punish those responsible and deny safe havens to those who plan and carry out terror.

The second document was the Blair House Communiqué, reflecting the discussions of the full ministerial. The ministers identified a series of cooperative goals that must be met in four key, related dimensions: the peace process, security, economics, and people-to-people. The ministers directed their experts to begin work urgently on implementing their recommendations.

For our part, President Clinton on Sunday proposed that the United States extend duty free treatment to products from future industrial zones on the West Bank and Gaza and free trade zones in Taba, Eilat, and Aqaba. This proposal can do more over time to help the region’s struggling economies than any aid program. We look forward to further consultations with the Congress on this important matter.

The momentum for a comprehensive peace must be maintained. Israel’s negotiations with Syria are entering a crucial phase. We have made progress in narrowing the gaps between the parties. But if a breakthrough is to be achieved in the next few months, critical decisions must be made and the process must be accelerated. President Clinton and I will do everything we can to support these efforts.
Non-Proliferation

Our fourth area of emphasis is to intensify our efforts to stop the spread of weapons of mass destruction and their means of delivery. We face a year of decision for global nonproliferation. Indeed, our global and regional strategies for 1995 comprise the most ambitious nonproliferation effort in history. We will carry out that effort in close consultation with the Congress.

The centerpiece of our strategy is to obtain the indefinite and unconditional extension of the Non-Proliferation Treaty, which is up for renewal this year—and which I think history will record as one of the most important treaties of all time. Achieving this objective is a key priority of our diplomacy around the world.

With the agreements President Clinton signed last December in Budapest, we can also begin to implement the START I nuclear reduction treaty. Prompt ratification of START II will in turn enable us to complete the work we began with START I. Its elimination of missiles with multiple independently targeted re-entry vehicles will further enhance stability and lower the chances of a massive nuclear conflict. At the same time, it will enable us to retain a strong and capable deterrent.

Mr. Chairman, North Korea is also central to our non-proliferation objectives. Let me emphasize today that we have stressed to the North Koreans the need to accept South Korean light water reactors and to resume North-South dialogue. Both conditions are essential to full implementation of the Framework Accord. We are holding talks with North Korea to ensure implementation of the Framework.

We will also continue close consultations with our allies. I met last week with the new Foreign Minister of South Korea. He reaffirmed South Korea's determination to move forward with the accord. We agree that we must remain vigilant. But careful implementation of the Agreed Framework is far preferable to the alternatives we were facing: a North Korea going forward with its nuclear program, a return to the Security Council for sanctions, and a costly military build-up.

Our 1996 budget dedicates $166 million to meet the threat posed by proliferation. It provides assistance to the International Atomic Energy Agency -- an organization vital in the effort to halt North Korea's nuclear program. It supports the Arms Control and Disarmament Agency, including funds for implementation of the Chemical Weapons Convention. And it replenishes the Non-Proliferation Fund we use to combat nuclear smuggling, enforce export controls, and ensure missile dismantlement.
Crime, Terrorism, and Drugs

Our fifth area of opportunity for 1995 is combating international terrorists, criminals, and drug traffickers. This Administration is aggressively fighting these threats at home. But we recognize their global dimensions, and we are actively mobilizing other nations to help us defeat them.

Altogether, our budget requests $240 million for these efforts. It more than doubles our funding to fight international crime. And it will support a comprehensive global strategy that we are developing with our colleagues at Justice, Treasury, and other law enforcement agencies.

This strategy will include intensive diplomacy to ensure that other nations fulfill their international obligations; broader international cooperation in asset forfeiture and money laundering; and consideration of tougher requirements for obtaining U.S. visas. And, as the President announced last week, the Administration will be proposing legislation to combat alien smuggling and illegal immigration. We will be consulting closely with Congress as we put the final elements of this strategy together.

The budget also supports our battle against international terrorism, in which we have made substantial progress in just the past few weeks. The President’s Executive Order freezing the assets of certain terrorist groups and individuals sent a message that we intend to cut off the financial pipeline that supports their activity. The spectacular arrest of Ramzi Yousef, the alleged mastermind of the World Trade Center bombing, in Pakistan and his transfer to the United States reminds those who target Americans and America that they cannot escape forever the long arm of American law enforcement. Also last week, the President transmitted to the Congress our proposed Omnibus Counterterrorism Act of 1995, which, if enacted, will give the Executive Branch new tools to improve prevention, investigation, and prosecution of terrorism.

* * *

I have described five key areas of opportunity for 1995. But I want to stress that we will continue to address many other issues important to our nation’s interests and to this Congress, such as promoting stability and democracy in Asia, Africa, and Latin America. American engagement in the world is also reflected in our willingness to take on newer, global challenges that call for international partnership, but require the leadership that only the United States can provide.

We can no longer escape the consequences of environmental degradation, unsustainable population growth, and endemic poverty beyond our borders. Increasingly, they threaten not just our continued prosperity but our security. Countries with persistent poverty, worsening environmental conditions, and feeble social infrastructure are not just poor markets for our products. They are likely victims of conflicts and crises that can only be resolved by costly American intervention.
That is why the Clinton Administration is dedicated to restoring America's leadership role on sustainable development -- an approach that recognizes the links between economic, social and environmental progress. We are putting this global challenge back where it belongs: in the mainstream of American foreign policy and diplomacy. The President's FY 1996 request includes $5.2 billion for Promoting Sustainable Development. I believe strongly that every dollar of this money will yield lasting dividends for the American people.

Supporting the developing world's efforts to promote economic growth and alleviate chronic conditions of poverty serves America's interests. Nearly $1.4 billion of this budget will fund through USAID and multilateral programs activities that will, among other things, promote economic growth and free market economies; improve basic education; lessen the suffering and increase the survival of children; and treat and prevent HIV/AIDS. By helping nations to emerge from poverty, we can help them become stable pillars of regions at peace, and closer partners of ours in diplomacy and trade.

Our FY 1996 request for stabilizing world population growth is designed to complement our efforts to promote economic development. To maintain the momentum of last September's Cairo Conference on Population and Development, we are requesting $635 million for bilateral and multilateral population programs. We also designate $378 million for USAID and multilateral programs to address global environmental problems like air and water pollution, decreased biodiversity, and damage to the ozone layer.

The FY 1996 budget harnesses the will and capacity of our nation to respond to famine, natural disasters; and the displacement of peoples from their homes. The $1.7 billion we request for humanitarian assistance is integral to our overall development strategy because it not only provides relief, but helps victims of violence and disaster return to the path of recovery and sustainable development. Our budget also designates $283 million to support the Peace Corps and two other agencies that work at the grass-roots level: the Inter-American Foundation and the African Development Foundation.

Our nation's ability to achieve success in the five areas of opportunity that I have identified for 1995, as well as the other objectives of our foreign policy, depends on the dedicated men and women who serve our nation's international affairs agencies.

Our diplomatic posts around the world serve as sentries for the American people. They confront short- and long-term threats to the security of our citizens. They protect Americans travelling abroad. And as I pointed out earlier, promoting the interests of American companies and workers is a central element of our foreign policy, and our posts around the world are on the front lines of that effort.
It is essential that we arm our international affairs personnel with the skills and resources they need to do their jobs on behalf of our nation’s vital interests. Like our soldiers, they must be equipped to fight for America’s interests. They must have access to modern communications technology. They must work in facilities that help, not hinder, their productivity. And they must be trained in the diplomatic disciplines of the future, from commercial promotion to helping fight international crime, terrorism and narcotics.

Clearly, our long-term interests are ill-served by responding only to the crises of the day. The challenge of diplomacy is to anticipate, and to prevent, the crises of the future. If we are successful, we can dedicate greater resources to the urgent challenges of domestic renewal that the American people demand we meet.

* * *

America today faces a challenge that recalls the opportunities and dangers that confronted us at the end of the First and Second World Wars. Then, as now, two distinct paths lay before us: either to claim victory and withdraw, or to provide American leadership to build a more peaceful, free, and prosperous world. After World War I, our leaders chose the first path and we and the world paid a terrible price. No one will dispute that after the Second World War, our leaders, and most of all the American people, wisely chose the other path.

Among the challenges that Truman, Marshall, Acheson and their Democratic colleagues faced was to build a new postwar order in cooperation with a new Republican Congress. And to the lasting benefit of our nation and the world, they met that challenge. They found new allies among Republicans who recalled the consequences of isolationism after World War I -- a period that also began with a Democratic President facing new Republican majorities in Congress. With congressional leaders such as Senator Arthur Vandenberg -- a great Chairman of this committee -- they forged the bipartisan consensus that delivered aid to Greece and Turkey, developed the Marshall Plan, devised the postwar institutions, and sustained American leadership ever since.

Since my first week in office, I have consulted closely with both parties in Congress on every important issue on our agenda. We have gained bipartisan backing for key objectives of our foreign policy, including our approach on the Middle East peace process, our landmark trade agreements, such as NAFTA, GATT, and APEC, and denuclearization in the former Soviet Union.

My discussions with you Mr. Chairman, the members of this committee, and the new Republican leadership give me great confidence that we will sustain the bipartisan foreign policy that is America’s tradition. I look forward to continuing to work closely with you as we pursue America’s interests.
STATEMENT BY
SECRETARY OF STATE
WARREN CHRISTOPHER
BEFORE THE
HOUSE INTERNATIONAL RELATIONS
COMMITTEE

THURSDAY
JANUARY 26, 1995
Thank you, Mr. Chairman. I am pleased to appear for the first time before the new House International Relations Committee, and to outline for you the Administration's views on American foreign policy.

I approach the next two years with enthusiasm and confidence. The Clinton Administration has pursued our nation's enduring interests in the best bipartisan tradition of American foreign policy. And I believe that we have forged a solid record of achievement.

In the past year, we helped persuade Ukraine, Kazakhstan and Belarus to give up nuclear weapons on their territory. Nuclear warheads and missiles from these states and Russia are being dismantled. Russian troops are out of the Baltic States and Germany. We have begun to build a new European security architecture. We helped to launch regional security dialogues in Asia. We negotiated a Framework with North Korea that freezes and will ultimately eliminate its nuclear weapons program. We reached an agreement with China that will sharply limit its missile exports. And we stopped Iraqi aggression against Kuwait dead in its tracks.

We also contributed to historic progress in resolving conflict, backing democracy, and promoting development in countries around the world. We fostered agreements between Israel and the PLO, and the peace treaty between Israel and Jordan. We restored the democratically elected government in Haiti -- and we are going to do our part to make sure that achievement endures. In long troubled regions like Northern Ireland, South Africa and Cambodia, we contributed to extraordinary advances toward peace and reconciliation. And at the historic Cairo Conference, we restored American leadership on the critical issues of population and development.

Finally, we have taken giant steps to build the open trading system of the next century, with America at its hub. We won bipartisan support for the GATT agreement and led the way for its approval around the world. We helped to forge commitments to eliminate trade barriers in the Asia-Pacific region by 2020 and to negotiate free trade in our hemisphere by 2005. And we made important progress in widening access to Japan's markets.

These achievements give concrete expression to the President's broad vision for America's role in the post-Cold War world. Standing at the threshold of a new century, the United States has a remarkable opportunity to shape a world conducive to American interests and consistent with American values -- a world of open societies and open markets. The Soviet empire is gone. No great power views any other as an immediate military threat. And the triumph of democracy and free markets is transforming countries from Europe to Latin America, and from Asia to Africa.
But we must not become complacent. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And a number of problems that once seemed quite distant, like environmental degradation, unsustainable population growth, and mass movements of refugees now pose immediate threats to emerging democracies and to global prosperity.

In meeting these opportunities and dealing with these dangers, our foreign policy is driven by several principles. First, America must continue to engage and to lead. Second, we must maintain and strengthen our cooperative relationships with the world’s other most powerful nations. Third, we must adapt and build institutions that will promote economic and security cooperation. Fourth, we must continue to support democracy and human rights because it serves our interests and our ideals.

The imperative of American leadership is a central lesson of this century. It is sobering to imagine what the world would have been like without it in the last two years alone. We might now have four nuclear states in the former Soviet Union instead of one. We might have a full-throttle nuclear program in North Korea. We might have no GATT agreement or NAFTA. We might have brutal dictators still terrorizing Haiti. And we might very well have Iraqi troops back in Kuwait.

As a global power with global interests, the United States must not retreat from its leadership role. It is our responsibility to ensure that the post-Cold War momentum toward greater freedom and prosperity is not reversed by neglect or by short-sighted indifference. Only the United States has the vision and the capacity to consolidate these gains.

As our recent accomplishments suggest, American leadership requires that we be ready to back our diplomacy with credible threats of force. To this end, President Clinton is determined that the U.S. military will remain the most powerful and effective fighting force in the world -- as it certainly is now.

When our vital interests are at stake, we must be prepared to act alone. Our willingness to do so is often the key to effective joint action. The recent debate between the proponents of unilateral and multilateral action assumes a false choice. Multilateralism is a means, not an end. Sometimes, by mobilizing the support of other nations, by leveraging our power and leading through alliances and institutions, we will achieve better results at lower cost in human life and national treasure. That is a sensible bargain I know the American people support.

That is why the Clinton Administration, like its predecessors, believes that international peacekeeping can be an important and effective tool in our overall national security strategy. Peacekeeping is not an answer to every
crisis. The United Nations may not be the right answer when our vital interests are involved. But under the right conditions, it can be an appropriate and valuable forum for gaining international participation and financing for objectives the United States supports.

The Clinton Administration has worked hard to develop a clear policy and to ensure that UN missions have specific objectives, that peacekeepers are properly equipped, that money is not wasted, and that tough questions are asked before new missions are approved. We are determined not to repeat errors either of over-commitment or mission creep. We have also worked hard to improve our consultation with Congress at every step.

As a result, there have been fewer new missions and better management of existing ones. The UN has established an independent office with the functions of an Inspector General, which is aggressively working on oversight questions. And the UN’s new Under Secretary-General for Administration and Management, Joseph Connor, the former head of Price Waterhouse, is aggressively pursuing a broad agenda for reform.

Let me focus for a moment on our concerns about H.R. 7, the National Security Revitalization Act— in particular the proposal to deduct our voluntary actions in support of humanitarian relief, international peace and law from our peacekeeping assessments. These are operations we choose to undertake on our own because they advance our national interests. They include our enforcement of the arms embargo against Serbia and the no-fly zone in Bosnia, as well as Operation Provide Comfort in northern Iraq. Other nations also make substantial contributions to maintain international order — witness France’s deployment of troops in Rwanda and Japan’s contributions to the Cambodia peace process. Of course, we have no desire to subsidize other nations’ voluntary actions, nor do they wish to subsidize ours.

If we credited the cost of our voluntary actions against our UN assessments, that would eliminate all our peacekeeping payments in the current period. It would almost certainly lead our NATO allies and Japan to follow suit. The result would be financial chaos. Under current circumstances, it would threaten to end UN peacekeeping overnight.

That would force the international community to withdraw peacekeepers and monitors from the Golan Heights between Israel and Syria, from the Iraq-Kuwait border, from Cyprus, Georgia, and Lebanon. It would eliminate a tool that every President from Truman and Eisenhower to Reagan and Bush has used to advance America’s interests — even in those years when the UN was half-crippled by the Cold War. It would leave us with an unacceptable option each time an emergency arose: a choice between acting alone and doing nothing.

H.R. 7 does not accomplish the necessary task of making peacekeeping more effective and efficient. It would deal peacekeeping a lethal blow. And that would not be in our nation’s interest.
The second tenet of our strategy is the central importance of constructive relations with the world's most powerful nations: our Western European allies, Japan, China and Russia. These nations possess the political, economic, or military capability to affect -- for good or for ill -- the well-being of every American. The relatively cooperative relations that these countries now have with each other is unprecedented in this century, but it is not irreversible.

Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities to build constructive relations with China and Russia, countries that were not too long ago our fiercest adversaries. Both are undergoing momentous, though very different, transformations that will directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward Asia, the world's most dynamic region. This Administration has placed Asia at the core of our long-term foreign policy approach. Realizing President Clinton's vision of a stable and prosperous Pacific Community will continue to be a top priority. Asia figures prominently in many of our central areas of emphasis for 1995.

It is also imperative that we reinforce our security and political ties with Japan -- as well as with South Korea and our other treaty allies in the Pacific. It is equally essential that the strength of our economic ties with Japan matches the overall strength of our relationship. During this year that marks the fiftieth anniversary of the end of World War II, we will highlight and heighten our close cooperation on regional and global issues -- while continuing to press for greater access to Japanese markets.

Our success in Asia also requires pursuing constructive relations with China, consistent with our overall interests. We welcome China's participation in regional security and economic organizations. We support its accession to the World Trade Organization on proper terms. And we will work hard to gain its cooperation with global non-proliferation regimes. In China's own interest, and consistent with its increasing role in the world community, it needs to demonstrate greater respect for human rights and the rule of law. China's recent crackdown on dissent is disturbing and incompatible with realizing the full potential of our bilateral relations.

Our relationship with Russia is central to our security and a key foreign policy issue for this Administration. Its importance is reflected in my meetings in Geneva last week with Andrei Kozyrev, where for more than eight hours we discussed a broad array of common challenges and concerns. The United States has an enormous stake in the outcome of Russia's continuing transformation. A stable, democratic Russia is vital to a secure Europe. An unstable Russia that reverts to dictatorship or slides into chaos would be an immediate threat to its neighbors and, with its huge nuclear stockpile, once again a strategic threat to the United States.
That is why the Clinton Administration has been unwavering in our support for Russian reform. Despite the setbacks that we knew Russia might encounter during this historic and difficult transition, our steady policy of engagement and cooperation has paid off for every American — from reducing the nuclear threat to advancing peace in the Middle East.

Like you, we are deeply concerned about the conflict in Chechnya — about the tragic loss of life, the excessive use of military force, and the corrosive effect it threatens to have on the future of Russian democracy. That is why I emphasized so strongly to Foreign Minister Kozyrev last week that the conflict must end. A process of reconciliation must begin that takes into account the views of the people of Chechnya and the need to provide them with humanitarian assistance. We do not want to see Russia in a military quagmire that erodes reform and tends to isolate it in the international community. We urge the leaders of Russia to revitalize the democratic coalition that has made such strides toward a market democracy.

Mr. Chairman, the disturbing events in Chechnya have not altered our fundamental interests in Russia. Precisely because the future of reform in Russia is not assured, we must persevere in our support of the people and institutions struggling on its behalf. That is why President Clinton reaffirmed this month in Cleveland his determination to maintain our substantial assistance for democratic and economic reform. We must continue to pursue those interests steadily and surely.

The third principle of our strategy is that if the historic movement toward open societies and open markets is to endure, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, and Acheson built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth. Our challenge now is to modernize and to revitalize those great institutions -- NATO, the UN, the IMF and the World Bank, the OECD, among others. And we must extend their benefits and obligations to new democracies and market economies, particularly in Central and Eastern Europe.

At the President's initiative, our G-7 partners agreed that in Halifax next July, we will chart a strategy to adapt the post-war economic institutions to a more integrated post-Cold War period. We are also helping regional institutions and structures like the Organization of American States, ASEAN, and the Organization of African Unity to promote peace and democratic development.

As a fourth principle, this Administration recognizes the importance of democracy and human rights as a fundamental part of our foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world
where information flows freely and the rule of law protects not only political rights but the essential elements of free market economies.

In 1995, as we follow these basic underlying principles, I intend to focus on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.

Open Trade

First, we must sustain the momentum we have generated toward the more open global and regional trade that is vital to American exports and good American jobs. A core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

We will implement the Uruguay Round and ensure that the new World Trade Organization upholds vital trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan. And we will also begin to negotiate Chile’s accession to NAFTA.

Let me add a word about something on all our minds today: our effort to address the economic crisis of confidence in Mexico. Our immediate aim is to help Mexico overcome its short term liquidity crisis, so it can turn its attention back to economic reform and growth. But the package is about far more than Mexico’s economic future. It is about American leadership, in this hemisphere and beyond. It is about American jobs, the security of our borders, and the future of trade and economic cooperation in our hemisphere. Most fundamentally, it is about stability in a nation in which the United States has a vital strategic stake as our close neighbor, and a vast economic interest as our third largest trading partner.

As the President has said, we should resist the temptation to load up this package with conditions unrelated to the economic thrust of our effort. By encumbering a package vital to the health of the Mexican economy, such conditions threaten to undermine their own intended goal of encouraging further reform in Mexico.

Mr. Chairman, I know that at virtually every moment in our national life when America’s vital interests have been at stake, the Congress has put aside its differences and put national security first. In the case of Mexico, our interests are crystal clear. On a bipartisan basis, I urge members of Congress to make what I know will be, for many, a difficult vote. We must do the right thing, and we must do it right away.


European Security Architecture

In our second area of opportunity, we will take concrete steps to build a new European security architecture. Deep political, military, economic, and cultural ties make Europe's security and prosperity essential to ours. It has been so for at least half a century. Our efforts will focus on maintaining strong relations with Western Europe, consolidating democracy in Central Europe and the former Soviet Union, and engaging Russia as a responsible partner.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

In earlier years, NATO has welcomed new members who shared its purposes and who could add to its strength. Under American leadership, the Alliance agreed last December to begin a steady, deliberate process that will lead to further expansion. We have already begun to examine with our Allies the process and objectives of expansion. We intend to share our conclusions with the members of the Partnership for Peace by the end of this year so that at the December Ministerial we will be in a position to take next steps in this process.

Mr. Chairman, I have been asked about our views on the "NATO Revitalization and Expansion Act of 1995," which you introduced at the beginning of the 104th Congress. Let me say that we welcome efforts to strengthen NATO and to help the states of Central and Eastern Europe participate in the Partnership for Peace and work toward NATO membership.

As President Clinton announced last summer in Warsaw, we intend to ask Congress to designate $100 million in 1996 for this purpose, in addition to the $30 million Congress already authorized for this fiscal year. So I think the Administration and Congress have similar objectives in this area.

That said, I urge that we be very careful about trying to prematurely choose certain countries for NATO membership over others, or to set specific timetables. The Washington Treaty is not a paper guarantee. New members have to be in a position to undertake the solemn obligations and responsibilities of membership, just as we will extend our solemn commitments to them. Our step by step approach to NATO expansion is designed to ensure that each potential member is judged fairly and individually, by the strength of its democratic institutions and its capacity to contribute to NATO's goals.

By following this approach, we give every new democracy a powerful incentive to consolidate reform. Locking advantages for certain countries into law could discourage reformers in countries not named and foster complacency in countries that are.
As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture: a vigorous program for the Partnership for Peace, which now includes 24 nations, a strengthened Organization for Security and Cooperation in Europe, and a process for enhancing the NATO-Russia relationship.

The tragic war in Bosnia underscores the importance of building an effective new architecture for conflict prevention and resolution in Europe. Together with our partners in the Contact Group, we are seeking a negotiated solution in Bosnia based on the Contact Group plan with its 51/49 territorial division and stipulations that preserve Bosnia's territorial integrity. Having achieved a ceasefire and formal cessation of hostilities, we and our Contact Group partners are working intensively to develop the best way to proceed. The Contact Group has sanctioned discussions with the Pale Serb leaders by our representative on the Group, Ambassador Charles Thomas, in order to secure Pale's acceptance of the peace plan -- that is, to secure the goal of UN Security Council Resolution 942.

What we must not do is to make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is unfair and we have worked to end it multilaterally. But going it alone would lead to the withdrawal of UNPROFOR and an escalation of violence. Sarajevo and the enclaves would be extremely vulnerable to Serb offensives. It would Americanize the conflict, and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including resolutions that impose sanctions on Iraq and Libya.

**Middle East Peace and Security**

Our third area of opportunity is advancing peace and security in the Middle East. Over the past several years, we have seen an extraordinary transformation in the landscape of the Arab-Israeli conflict -- a conflict considered by many to be one of the century's most intractable.

Clearly, there are still many horrible vestiges of the past that must be eradicated. The terrorist outrage last Sunday in Israel is a painful reminder of the challenges still to be overcome. Tragically, there are those who want to keep this region mired in the conflicts of the past; who want to kill the chances and hopes for the future; who in the name of religion employ terror-- sheer terror-- to deny the peoples of this region the security and prosperity they have long sought.

Despite the tragic violence, we should not lose heart or faith in this process or give in to the threats of the enemies of peace. As the President has said to all those who oppose the process, "You cannot succeed, you will not succeed, you must not succeed, for you are the past, not the future." In this regard, we strongly support the courageous decision of the Government of Israel to go forward with the negotiations in the face of this challenge. The Israeli government understands
that we must not reward terror by giving the terrorists what they want: namely, an end to negotiations and a turning back of the clock.

It is no coincidence that these terrorists struck in the wake of a productive meeting between Prime Minister Rabin and Chairman Arafat. The fact is, these negotiations can work; they can make progress and resolve the problems associated with the next phase of the Declaration of Principles. To maintain the peace process, each side must see and feel the benefits of peace in concrete ways: Israelis must be secure, and must be reassured tangibly that the Palestinian Authority will do its part in the areas of its control to stop violence and terror. Palestinians must achieve real control over the political and economic decisions that affect their lives, and must see that Israel will do its part to make possible the emergence of Palestinian self-government. Each must build the trust and confidence of the other so that they can work together to confront the determined efforts of those who want to kill the chances of real peace between them.

The negotiations between Israel and Syria are also entering a very crucial phase. The parties are serious and some progress has been made in narrowing the gaps. If a breakthrough is to be achieved in the next few months, critical decisions must be made and the process must be accelerated. I assure you that President Clinton and I will do all we can to support these efforts.

As we promote peace in the Middle East, we must also deal with the enemies of peace. Iraq's massing of troops at the Kuwaiti border last October underscored the danger Iraq poses to regional security and peace. It is my conviction, and that of all the leaders with whom I have talked in the Middle East, that Saddam Hussein's regime cannot be trusted. Full compliance with all relevant UN obligations is the only possible basis on which to consider any relaxation of sanctions. We have not changed our minds about Saddam Hussein's perfidy.

Another rogue state, Iran, now leads rejectionist efforts to kill the chances for peace. It directs and materially supports the operations of Hizballah, Hamas and others who commit atrocities in places like Tel Aviv and Buenos Aires. It sows terror and subversion across the Arab world. Those industrialized nations that continue to provide concessionary credits to Iran cannot escape the consequences of their actions: They make it easier for Iran to use its resources to sponsor terrorism and undermine the prospects for peace.

Today Iran is engaged in a crash effort to develop nuclear weapons. We are deeply concerned that some nations are prepared to cooperate with Iran in the nuclear field. I will not mince words: These efforts risk the security of the entire Middle East. The United States places the highest priority on denying Iran a nuclear weapons capability. We expect the
Our fourth area of emphasis for 1995 is to take specific steps to stop the spread of weapons of mass destruction and their means of delivery. With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the United States and our key allies. Our global and regional strategies for 1995 comprise the most ambitious nonproliferation agenda in history.

The centerpiece of our global strategy is the indefinite and unconditional extension of the Non-Proliferation Treaty (NPT), which is up for renewal this year. The treaty's greatest achievement is invisible -- weapons not built and material not diverted. But the impact of the treaty is clear: The nightmare of a profusion of nuclear weapons states has not come to pass. I think that history will record that the NPT is one of the most important treaties of all time.

Our global strategy also includes a moratorium on nuclear testing as we negotiate a Comprehensive Test Ban Treaty; a global ban on the production of fissile materials for building nuclear weapons; ratification of the Chemical Weapons Convention; and strengthening the Biological Weapons Convention.

With the agreements President Clinton signed last December in Budapest, we can now begin to implement the START I nuclear reduction treaty. Next week, I will be the Administration's lead witness in urging the Senate to promptly ratify START II. Finally, we will continue to support the Nunn-Lugar program, which has been vital in providing the funds to dismantle former Soviet nuclear weapons, and which counters would-be nuclear smugglers by improving security at vulnerable facilities.

When this Administration took office, North Korea had an active nuclear program. Left unchecked, that program would have enabled North Korea to produce hundreds of kilograms of plutonium for nuclear weapons--and to provoke a destabilizing nuclear arms race in Northeast Asia. It would also have been able to sell nuclear material or nuclear weapons to rogue states in the Middle East--just as it has sold them ballistic missiles in recent years.

To meet this potential global threat, this Administration concluded an Agreed Framework with North Korea that freezes its nuclear program and provides for its dismantlement. As Secretary Perry and I made clear in our testimony to the Senate Foreign Relations Committee two days ago, the Framework attains all of our strategic objectives. It has the strong support of Japan and South Korea--key allies whose security it will protect and who will finance most of its implementation. It lifts the specter of a nuclear arms race from Northeast Asia. It bolsters a nonproliferation regime essential to global
stability. And it provides a basis for a potential reduction of tensions in the region.

Implementation of the Framework is so far proceeding smoothly. We are under no illusions about North Korea. Implementation of the Framework is based not on trust, but on strict verification and defined checkpoints. We are determined to ensure that North Korea fulfills its obligation at every step of the way.

We also have an aggressive strategy with respect to conventional arms and missiles. We will seek to broaden the Missile Technology Control Regime. We will push for a global agreement to control the export of antipersonnel landmines, and work bilaterally to remove the millions of mines still in place. We are also seeking to establish a COCOM successor regime, which will restrain trade in arms and sensitive technologies to the pariah states.

Crime, Terrorism, and Drugs

Turning to our fifth area of emphasis, international terrorists, criminals and drug traffickers pose direct threats to our people and to our nation's interests. They ruin countless lives, destroy property, and siphon away productive resources. They sap the strength of industrialized societies and threaten the survival of emerging democracies.

That is why in 1995 we plan to implement a comprehensive strategy to combat these threats. The State Department is working on this plan in close and urgent cooperation with the Departments of Justice, Treasury, and other law enforcement agencies. The strategy on international crime and terrorism will include several vital steps:

• First, we will insist that other countries fulfill their obligations to extradite or prosecute international fugitives, and ensure that convicted criminals serve tough sentences;
• Second, we will work with other governments to develop and implement tough asset forfeiture and money laundering laws to attack international criminals where it counts -- in their pocketbook.
• Third, we will toughen standards for obtaining U.S. visas to make it harder for international criminals to enter this country;
• Fourth, we will propose legislation to combat alien smuggling and immigration fraud by providing stiffer penalties and stronger investigative tools; and,
• Fifth, the Clinton Administration has taken, and will take further, new steps to expand the use of U.S. law against terrorists and against funding for their worldwide
organizations. As you know, the President signed an executive order on Monday blocking the assets in the United States of 12 terrorist organizations and 18 individuals who threaten to disrupt the Middle East peace process. The Administration will soon send to Congress comprehensive anti-terrorism legislation that will strengthen our ability to prevent terrorist acts, identify the perpetrators, and bring them to justice.

I have discussed five key areas of opportunity for American foreign policy in 1995. I also want to underscore that our foreign policy will continue to address a whole range of issues important to our interests, such as promoting stability and democracy in Asia, Africa and Latin America--where we hope that in the near future, there will be a peaceful transition to democracy in Cuba. Global issues like the environment and population will also continue to have a prominent place on our foreign policy agenda.

Mr. Chairman, the agenda I have described today is ambitious. We will pursue these goals with vigor and determination, because we are convinced that they are in the best interest of this country and its people. But in order to do so successfully, our diplomatic arsenal must be strong. That requires highly trained men and women. It requires modern communications technology. And it requires adequate resources. Part of my job is making sure that those who serve under me are equipped with what they need to do their job: to conduct America’s foreign policy efficiently and effectively. I look forward to making that case before the Congress in the weeks ahead.

* * *

America today faces a challenge that recalls the opportunities and dangers that confronted us at the end of the First and Second World Wars. Then, as now, two distinct paths lay before us: either to claim victory and withdraw, or to provide American leadership to build a more peaceful, free, and prosperous world. After World War I, our leaders chose the first path and we and the world paid a terrible price. No one will dispute that after the Second World War, our leaders, and most of all the American people, wisely chose the other path.

Among the challenges that Truman, Marshall, Acheson and their Democratic colleagues faced was to build a new postwar order in cooperation with a new Republican Congress. And to the lasting benefit of our nation and the world, they met that challenge. They found new allies among Republicans who recalled the consequences of isolationism after World War I -- a period that also began with a Democratic President facing new Republican majorities in Congress. With congressional leaders such as Senator Arthur Vandenberg, they forged the bipartisan consensus that delivered aid to Greece and Turkey, developed the Marshall Plan, devised the postwar institutions, and sustained American leadership ever since.
Since my first week in office, I have consulted closely with both parties in Congress on every important issue on our agenda. We have gained bipartisan backing for key objectives of our foreign policy, including our approach on the Middle East peace process, our landmark trade agreements, such as NAFTA, GATT, and APEC, and denuclearization in the former Soviet Union.

The recent elections changed the balance of power between the parties. But they did not change, indeed they enhanced, our responsibility to cooperate on a bipartisan basis in foreign affairs. The election was not a license to lose sight of our nation’s global interests or to walk away from our commitments in the world. Leaders of both parties understand that well.

My extensive discussions with you Mr. Chairman, the members of this committee, and the new Republican leadership give me great confidence that we will sustain the bipartisan foreign policy that is America’s tradition. I look forward to working closely with you as we pursue America’s interests.
ADDRESS BY
SECRETARY OF STATE WARREN CHRISTOPHER
AT THE
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
CAMBRIDGE, MASSACHUSETTS

January 20, 1995
Thank you for that generous introduction. It is a pleasure to be back at the Kennedy School.

America stands at the threshold of a new century and faces a challenge that recalls the opportunities and dangers that we confronted at the end of the First and Second World Wars. Then, as now, two paths lay before us: to claim victory and withdraw, or to provide American leadership to build a more peaceful, free, and prosperous world. After World War I, our leaders chose the first path and we paid a terrible price. No one will dispute that after the Second World War, Harry Truman, George Marshall, Dean Acheson, Arthur Vandenberg -- and the American people -- wisely chose the other path.

That same farsighted commitment to American leadership and engagement must guide our foreign policy today. The Soviet empire is gone. No great power views any other as an immediate military threat. And the triumph of democracy and free markets is transforming countries from Europe to Latin America, and from Asia to Africa. We now have a remarkable opportunity to shape a world conducive to American interests and consistent with American values -- a world of open societies and open markets.

In the past year, we helped persuade Ukraine, Kazakhstan and Belarus to give up nuclear weapons on their territory. Nuclear warheads and missiles from these states and Russia are being dismantled. Russian troops are out of the Baltic States and Germany. We have begun to build a new European security architecture. We helped to launch regional security dialogues in Asia. We negotiated a Framework with North Korea that freezes and will ultimately eliminate its nuclear weapons program. We reached an agreement with China that will sharply limit its missile exports. And we stopped Iraqi aggression against Kuwait dead in its tracks.

We also contributed to historic progress in resolving conflict, backing democracy, and promoting development around the world. We fostered agreements between Israel and the PLO, and the peace treaty between Israel and Jordan. We restored the democratically elected government in Haiti -- and we will do our part to make sure that achievement endures. In long troubled regions like Northern Ireland, South Africa and Cambodia, we contributed to extraordinary advances toward peace and reconciliation. And at the historic Cairo Conference, we restored American leadership on the critical issues of population and development.

Finally, we took giant steps to build the open trading system of the next century, with America at its hub. We won bipartisan support for the GATT agreement and led the way for its approval around the world. We helped forge commitments to eliminate trade barriers in the Asia-Pacific region by 2020 and to negotiate free trade in our own hemisphere by 2005. And we made important progress in widening access to Japan’s markets.
But we must not rest on these accomplishments. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And problems that once seemed distant, like environmental degradation, unsustainable population growth, and mass movements of refugees now pose immediate risks to emerging democracies and to global prosperity.

In meeting these opportunities and dangers, our foreign policy is driven by several principles. First, America must continue to engage and lead. Second, we must seek to maintain and strengthen cooperative relationships with the world's most powerful nations. Third, it is essential that we adapt and build institutions that will promote economic and security cooperation. Fourth, we support democracy and human rights because it serves our ideals and our interests.

The imperative of American leadership, the first principle of our strategy, is a central lesson of this century. It is sobering to imagine what the world would have been like without it in the last two years alone. We might now have four nuclear states in the former Soviet Union instead of one; a full-throttle nuclear program in North Korea; no GATT agreement or NAFTA; brutal dictators still terrorizing Haiti; and very likely, Iraqi troops back in Kuwait.

As a global power with global interests, the United States must not retreat from its leadership role. It is our responsibility to ensure that the post-Cold War momentum toward greater freedom and prosperity is not reversed by neglect or short-sighted indifference. Only the United States has the vision and the capacity to consolidate these gains.

As our recent accomplishments suggest, American leadership requires that we be ready to back diplomacy with the credible threat of force. Toward this end, President Clinton is determined that the U.S. military will remain the most powerful and effective fighting force in the world.

When our vital interests are at stake, we must be prepared to act alone. Our willingness to do so is often the key to effective joint action. But the recent debate between the proponents of unilateral and multilateral action assumes a false choice. Multilateralism is a means, not an end. Sometimes, by mobilizing the support of other nations, by leveraging our power and leading through alliances and institutions, we will achieve better results at lower cost in human life and national treasure. That is a sensible bargain I know the American people support.

Leadership also means focusing international attention on emerging global problems. That is why we have given global issues like the environment, population, and sustainable development the prominent place they deserve on our foreign policy agenda.
Just as our nation must always maintain its military readiness, so we must be ready to advance our political and economic interests around the world. That requires highly trained men and women, modern communications technology, and adequate resources.

The second tenet of our strategy is the central importance of constructive relations with the world’s most powerful nations: our Western European allies, Japan, China and Russia. These nations possess the political, economic, or military capability to affect the well-being of every American. The relatively cooperative relations that these countries now have with each other is unprecedented in this century, but it is not irreversible.

Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core. We must also seize the opportunities that now exist to build constructive relations with China and Russia, countries that once were our fiercest adversaries. Both are undergoing momentous, though very different, transformations that will directly affect American interests.

Our partnership with Japan is the linchpin of our policy toward Asia, the world’s most dynamic region. This Administration has placed Asia at the core of our long-term foreign policy approach. Realizing President Clinton’s vision of a stable and prosperous Pacific Community will continue to be a top priority. Asia figures prominently in many of our central areas of emphasis for 1995.

It is imperative that we reinforce our security and political ties with Japan -- as well as with South Korea and our other treaty allies. It is equally essential that the strength of our economic ties with Japan matches the strength of our overall relationship. During this year that marks the fiftieth anniversary of the end of World War II, we will highlight our close cooperation on regional and global issues -- while continuing to press for greater access to Japanese markets.

Our success in Asia also requires pursuing constructive relations with China, consistent with our overall interests. We welcome China’s participation in regional security and economic organizations. We support its accession to the World Trade Organization on appropriate terms. And we will work hard to gain its cooperation with global non-proliferation regimes. In China’s own interest, and consistent with its increasing role in the world community, it needs to demonstrate greater respect for human rights and the rule of law. China’s recent crackdown on dissent is disturbing and incompatible with realizing the full potential of our bilateral relations.
Our relationship with Russia is central to America's security. It has been a key foreign policy issue for this Administration. Its importance is reflected in my meetings in Geneva this week with Andrei Kozyrev, where for eight hours we discussed a broad array of common challenges and concerns. The United States has an enormous stake in the outcome of Russia’s continuing transformation. A stable, democratic Russia is vital to build a secure Europe, to resolve regional conflicts, and to fight proliferation. An unstable Russia that reverts to authoritarianism or slides into chaos would be a disaster -- an immediate threat to its neighbors and, with its huge nuclear stockpile, again a strategic threat to the United States.

That is why the Clinton Administration has been unwavering in our support for Russian reform. Despite the setbacks that we knew Russia might encounter during this historic and difficult transition, our steady policy of engagement and cooperation has paid off for every American -- from reducing the nuclear threat to advancing peace in the Middle East. That is why President Clinton reaffirmed last week in Cleveland his determination to maintain our substantial assistance for democratic and economic reform in Russia.

We are deeply concerned about the war in Chechnya. It is a terrible human tragedy. The way in which Russia has used military force has been excessive and threatens to have a corrosive effect on the future of Russian democracy. As I told Foreign Minister Kozyrev, the war must end and a process of reconciliation must begin. What we do not want to see is a Russia in a military quagmire that erodes reform and tends to isolate it in the international community.

The third principle of our strategy is that if the historic movement toward open societies and open markets is to endure, we must adapt and revitalize the institutions of global and regional cooperation. After World War II, the generation of Truman, Marshall, and Acheson built the great institutions that gave structure and strength to the common enterprise of western democracies: promoting peace and economic growth. Our challenge now is to revitalize those institutions -- NATO, the UN, the IMF and the World Bank, the OECD, among others. And we must extend their benefits and obligations to new democracies and market economies.

At the President’s initiative, our G-7 partners agreed that in Halifax next July, we will chart a strategy to adapt the post-war economic institutions to a more integrated post-Cold War period. We are also helping regional institutions and structures such as the Organization of American States, ASEAN, and the Organization of African Unity to promote peace and democratic development.
As a fourth principle, this Administration recognizes the importance of democracy and human rights as a fundamental part of our foreign policy. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountability and disputes are mediated by dialogue; a world where information flows freely and where the rule of law protects not only political rights but the essential elements of free market economies.

In the new year, in 1995, as we follow these basic underlying principles, I intend to focus on five key areas that offer particularly significant opportunities: advancing the most open global trading system in history; developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism.

First, we must sustain the momentum we have generated toward the more open global and regional trade that is so vital to American exports and jobs. A core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. I believe that history will judge this emphasis to be a distinctive imprint and a lasting legacy of the Clinton Administration.

We will implement the Uruguay Round and ensure that the new World Trade Organization upholds vital trade rules and disciplines. We will work with Japan and our other APEC partners to develop a blueprint for achieving open trade and investment in the Asia-Pacific region. We will begin to implement the Summit of the Americas Action Plan. And we will also begin to negotiate Chile's accession to NAFTA.

Let me add a word about Mexico and our effort to address its economic crisis of confidence. The President has demonstrated vision and leadership in assembling the package of support necessary to help Mexico get back on track. The package of loan guarantees has the backing not only of the Administration, but the bipartisan Congressional leadership and the Chairman of the Federal Reserve Board. This package contains tough but fair conditions to protect U.S. interests and to ensure the guarantees are used wisely and well.

As the President has said, we should resist the temptation to load up this package with conditions unrelated to the economic thrust of our effort. Let me say to the Congress and the American people: This package is in the overriding interest of the United States. It should be acted upon quickly and favorably.
In our second area of opportunity, we will take concrete steps to build a new European security architecture. We understand that deep political, military, economic, and cultural links make Europe's security and prosperity vital to ours. Our efforts will focus on maintaining strong relations with Western Europe, consolidating the new democracies of Central Europe and the former Soviet Union, and engaging Russia as a responsible partner.

NATO remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been far more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

In earlier years, NATO has welcomed new members who shared its purposes and who could add to its strength. Under American leadership, the Alliance agreed in December to begin a steady and deliberate process that will lead to its further expansion. We have already begun to examine with our Allies the process and objectives of expansion, and we will share our conclusions with the members of the Partnership for Peace before year's end.

As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture: a vigorous program for the Partnership for Peace, a strengthened Organization for Security and Cooperation in Europe, and a systematic process for enhancing the NATO-Russia relationship.

The tragic war in Bosnia underscores the importance of building an effective new architecture for conflict prevention and resolution. Together with our partners in the Contact Group, we are seeking a negotiated solution because only a negotiated solution has any chance of lasting and preventing a wider war. What we must not do is to make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is unfair. But going it alone would lead to the withdrawal of UNPROFOR and an escalation of violence. It would Americanize the conflict and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including sanctions on Iraq and Libya.

Our third area of opportunity is advancing peace and security in the Middle East. We have witnessed a profound transformation in the landscape of the Arab-Israeli conflict -- one that would not have been imaginable just a few years ago.
Despite the difficulties that remain, we must not let this remarkable opportunity slip away. On the Israeli-Palestinian track, we must continue to make progress in the implementation of the Declaration of Principles. We are encouraged by yesterday's meeting between Prime Minister Rabin and Chairman Arafat and by the serious efforts both sides are making to work out the complex issues in the next phase. Each side must see the benefits of peace. Israelis must gain security. Palestinians must achieve genuine control over the political and economic decisions that affect their lives. Each must build the trust and confidence of the other -- especially at a time when those opposed to peace seek to destroy mutual confidence.

The negotiations between Israel and Syria are entering a crucial phase. The parties are serious and some progress has been made in narrowing the gaps. If a breakthrough is to be achieved in the coming months, critical decisions must be made and the process will have to be accelerated. President Clinton and I will continue to do all we can to support these efforts.

As we promote peace, we must also deal with the enemies of peace. Iraq's massing of troops at Kuwait's border last October underscored the danger Iraq poses to regional security. Saddam Hussein's regime cannot be trusted. Full compliance with all relevant UN obligations is the only possible basis on which to consider any relaxation of sanctions.

Another rogue state, Iran, now leads rejectionist efforts to kill the chances for peace. It directs and materially supports the operations of Hizballah, Hamas and others who commit atrocities in places like Tel Aviv and Buenos Aires. It sows terror and subversion across the Arab world. Those industrialized nations that continue to provide concessionary credits to Iran cannot escape the consequences of their actions: They make it easier for Iran to use its resources to sponsor terrorism and undermine the prospects for peace.

Today Iran is engaged in a crash effort to develop nuclear weapons. We are deeply concerned that some nations are prepared to cooperate with Iran in the nuclear field. I will not mince words: These efforts risk the security of the entire Middle East. The United States places the highest priority on denying Iran a nuclear weapons capability. We expect members of the Security Council, who have special responsibilities in this area, to join with us.

Our fourth area of emphasis for 1995 is to take specific steps to stop the spread of weapons of mass destruction and their means of delivery. With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the United States and our key allies. Our global and regional strategies for 1995 comprise the most ambitious nonproliferation agenda in history.
The centerpiece of our global strategy is the indefinite and unconditional extension of the Non-Proliferation Treaty. The treaty's greatest achievement is invisible -- weapons not built and material not diverted. But the impact is clear: The nightmare of a profusion of nuclear weapons states has not come to pass.

Our global strategy also includes a moratorium on nuclear testing as we negotiate a Comprehensive Test Ban Treaty; a global ban on the production of fissile materials for building nuclear weapons; ratification of the Chemical Weapons Convention; and strengthening the Biological Weapons Convention.

With the agreements President Clinton signed last December in Budapest, we can now begin to implement the START I nuclear reduction treaty. Later this month, I will be the Administration's lead witness in urging the Senate's prompt ratification of START II. Finally, we will continue to support the Nunn-Lugar program, which helps dismantle former Soviet nuclear weapons and counters would-be nuclear smugglers by improving security at vulnerable facilities.

When this Administration took office, North Korea had an active nuclear program. Left unchallenged, it was poised to produce hundreds of kilograms of plutonium that could be used in nuclear weapons. The stage was being set for a crisis that would imperil security throughout Northeast Asia and undermine our entire global nonproliferation effort.

Last fall, the United States concluded an Agreed Framework with North Korea that freezes its nuclear program, provides for its dismantlement, and puts the whole issue on the road to resolution. The Framework has the strong support of Japan and South Korea -- key allies whose security it will protect and who will finance most of its implementation. We are under no illusions about North Korea. Implementation of the Framework will be based upon verification, not trust. We are determined to ensure that North Korea fulfills its obligations every step of the way.

Those who oppose the Framework with North Korea have a responsibility to offer an effective alternative that protects our interests. They have not done so.

We also have an aggressive strategy with respect to conventional arms and missiles. We will broaden the Missile Technology Control Regime. We will push for a global agreement to ban antipersonnel landmines, and work bilaterally to remove the millions of mines still in place. We are also seeking to establish a COCOM successor regime, which will restrain trade in arms and sensitive technologies to the pariah states.
Turning to our fifth area of emphasis, international terrorists, criminals and drug traffickers pose direct threats to our people and to our nation's interests. They ruin countless lives, destroy property, and siphon away productive resources. They sap the strength of industrialized societies and threaten the survival of emerging democracies.

That is why in 1995 we plan to implement a comprehensive strategy to combat these threats. The State Department is working on this plan in close and urgent cooperation with the Departments of Justice, Treasury, and other law enforcement agencies. The strategy on international crime and terrorism will include several vital steps:

• First, we will insist that other countries fulfill their obligations either to extradite or prosecute international fugitives, and ensure that convicted criminals serve tough sentences;

• Second, we will work with other governments to develop and implement tough asset forfeiture and money laundering laws to attack international criminals in a vulnerable place -- in their pocketbook;

• Third, we will toughen standards for obtaining U.S. visas to make it more difficult for international criminals to gain entry to this country;

• Fourth, we will propose legislation to combat alien smuggling and immigration fraud by providing increased penalties and more effective investigative tools.

• Fifth, the Clinton Administration is planning new steps to expand the use of U.S. law against terrorists and funding for their activities.

I have discussed five key areas of opportunity for American foreign policy in 1995. I also want to underscore that our foreign policy will continue to address a whole range of issues important to our interests, such as promoting stability and democracy in Asia, Latin America, and Africa; meeting urgent humanitarian needs around the world; fighting environmental degradation and addressing rapid population growth.

Since my first week in office, I have consulted closely with both parties in Congress on every important issue on our agenda. We have gained bipartisan backing for key objectives of our foreign policy, including the Middle East peace process, our landmark trade agreements and denuclearization in the former Soviet Union.
The recent elections changed the balance of power between the parties. But they did not change, indeed they enhanced, our responsibility to cooperate on a bipartisan basis in foreign affairs. The election was not a license to lose sight of our nation's global interests or to walk away from our commitments in the world. Leaders of both parties understand that well.

Bipartisan cooperation has always been grounded in the conviction that our nation's enduring interests do not vary with the times. President Harry Truman had it right 40 years ago: "Circumstances change," he said, "but the great issues remain the same -- prosperity, welfare, human rights, effective democracy, and above all, peace."

With the Cold War behind us, the United States has a chance to build a more secure and integrated world of open societies and open markets. We are the world's largest military and economic power. Our nation's founding principles still inspire people all over the world. We are blessed with great resources and resolve. We will continue to use them with wisdom, with strength, and with the backing of the American people.
Thank you for that generous introduction. It is a pleasure to be back at the Kennedy School. I last spoke here thirteen years ago on a subject of recurring interest to students of government and returning practitioners like me: the distribution of power in foreign affairs between the executive and legislative branches. I said that the President has a vital responsibility to cooperate with the legitimate needs of the Congress. But even then, as a Democrat in the wilderness, with a Republican President and Senate, I also argued that "if the executive is immobilized in rancorous debate and struggles over power, that circumstance comforts our adversaries, confuses our friends, and cripples our country."

Last week I was delighted to see that my recent predecessor, Jim Baker, made essentially the same case before the House International Relations Committee. [I hope the Committee appreciated what he had to say. I'll find out when I testify before them next week.]

[Seriously], I approach the next two years with enthusiasm and confidence. The Clinton Administration has pursued our nation's enduring interests in the best bipartisan tradition of American foreign policy. And I believe that we have forged a solid record of achievement.

We made important progress in 1994 to make our nation more secure. We helped persuade Ukraine, Kazakhstan and Belarus to give up nuclear weapons on their territory. Nuclear warheads and missiles from these states and Russia are being...
dismantled. Russian troops are out of the Baltic States and Germany. We have begun to build a new European security architecture. We negotiated a Framework that freezes and will ultimately eliminate North Korea's nuclear weapons program. We reached an agreement with China that will sharply limit its missile exports. We helped launch regional security dialogues in Asia. And we stopped Iraqi aggression against Kuwait dead in its tracks.

In the past year, we also contributed to historic progress in resolving conflict and backing democracy around the world. We fostered agreements between Israel and the PLO, and the peace treaty between Israel and Jordan. We restored the democratically elected government in Haiti—and will do all we can to make sure that achievement endures. In long troubled places like South Africa, Northern Ireland, and Cambodia, we supported remarkable advances toward peace and reconciliation.

Finally, we took giant steps to build the open trading system of the next century, with America at its hub. We won bipartisan approval for the GATT agreement. We helped forge commitments to eliminate trade barriers in the Asia-Pacific by 2020 and to negotiate a free-trade pact in our own hemisphere by 2005. President Clinton's international economic agenda has more potential to create prosperity for America and the world than that of any president since Harry Truman.

These achievements give concrete expression to the President's vision of America's purpose in the post-Cold War world. Standing on the threshold of a new century, we have an
extraordinary opportunity to shape a world in which American interests and American values will thrive for generations.

Today, no great power views any other as an immediate military threat. Global nuclear conflict no longer darkens our future. Market democracy is transforming the world. Our foreign policy must seize the opportunities these historic developments present to achieve our goal of a more secure and prosperous world of open societies and open markets.

We must also address the dangers that threaten American interests and our long-term vision. Aggression, tyranny and intolerance still undermine political stability and economic development in vital regions of the world. Americans face growing threats from the proliferation of weapons of mass destruction, terrorism, and international crime. And problems that once seemed distant, like environmental degradation, unsustainable population growth and refugees now pose immediate risks to emerging democracies, global prosperity, and the resolution of conflicts.

In meeting these opportunities and dangers, American foreign policy is driven by four bedrock principles. First, American leadership and engagement remain vital. Second, we will achieve our goals more easily if we manage relations with the world's most powerful nations effectively. Third, it is essential that we revitalize, extend, and create institutions for economic and security cooperation. Fourth, supporting democracy and human rights serves our ideals and our interests.
The imperative of American leadership, the first tenet of our strategy, is a central lesson of this century. It is sobering to imagine what the world would be like without it in the last two years alone. We might now have three new nuclear states in the former Soviet Union; a full-throttle nuclear program in North Korea; no GATT agreement or NAFTA; a brutal dictatorship still terrorizing Haiti; and very likely, Iraqi troops back in Kuwait.

As a global power with global interests, the United States must not retreat from our leadership role. It would be a miscarriage of history if the post-Cold War momentum toward greater freedom and prosperity were reversed because our generation failed to sustain it. Only the United States has the capacity and vision to consolidate these gains.

As our recent accomplishments suggest, American leadership requires that we be ready to back diplomacy with the credible threat of force. Toward this end, President Clinton is determined that the U.S. military will remain the most-powerful and effective fighting force in the world.

When our vital interests are at stake, we must be prepared to act alone. Our willingness to do so is often the key to effective joint action. But the recent debate between proponents of unilateral and multilateral action assumes a false choice. Multilateralism is a means, not an end. The real question is, "What strategy best serves our national interests?" Sometimes, by mobilizing the support of other nations, by leveraging our power and leading through alliances,
coalitions, and institutions, we will achieve better results at lower cost in human life and national treasure. That is a sensible bargain I know the American people support.

The second tenet of our strategy is the central importance of constructive relations with the world's great powers: in Western Europe, Japan, China and Russia. These nations possess the political, economic or military capability to affect the well-being of every American. [With the great powers in conflict, stability in key regions, from Central Europe to the Middle East to East Asia, would be undermined. The proliferation of weapons of mass destruction might accelerate. Global prosperity would be threatened. Alternatively, constructive great power relations reinforce our nation's fundamental security and maximize our ability to resolve global and regional problems.]

[Our strategy toward the great powers begins with Western Europe and Japan. We must revitalize our alliances with this democratic core, our longstanding partners in the defense of freedom. We must also seize the opportunities that now exist to build constructive relations with China and Russia, countries that once were our fiercest adversaries. Both are undergoing momentous, though very different, transformations that will directly affect American interests.]

[I will focus on Europe later in discussing our foreign policy priorities for 1995. I want first to touch on our relationships with Japan, China and Russia.]
Our partnership with Japan is the linchpin of our policy toward Asia, the world’s most dynamic region. To realize President Clinton’s vision of a stable and prosperous Pacific Community, it is imperative that we reinforce our security and political ties with Asia’s leading democracy. We must also ensure that the strength of our economic ties matches the strength of our overall relationship.

Our success in Asia requires pursuing constructive relations with China. American engagement can help encourage China’s progressive integration into the international community— with all the benefits and obligations that entails. We welcome China’s participation in regional security and economic organizations, support its accession to the World Trade Organization (WTO) on appropriate terms, and will work hard to gain its cooperation with global non-proliferation regimes. In China’s own interest, and consistent with its increasing role in the world community, it needs to develop greater respect for human rights and the rule of law. The recent tightening of repression is disturbing and incompatible with realizing the full potential of our bilateral relations.

Of course, wisely managing great power relations also means supporting democratic institutions and market reform in Russia. Despite the distance Russia has already travelled, we cannot simply assume the best possible outcome. But our interests compel us to do everything we can to help bring that outcome about. It is precisely because reform in Russia is not assured that we must continue to support the institutions and the people struggling on its behalf.
Our vision of a world of open societies and open markets must be undergirded by institutions that set and enforce rules of conduct among nations, institutions that provide a framework for cooperation and conflict resolution. Thus, our third strategic principle is the need to renovate the institutional architecture of global and regional cooperation.

The generation of Truman, Marshall, and Acheson built the great institutions that gave structure, legitimacy and strength to the common enterprise of western democracies: promoting peace and economic growth. Our challenge now is to revitalize those institutions—NATO, the UN, the IMF and the World Bank, the OECD, among others. And it is to extend their benefits and obligations to new democracies and market economies. At the President's initiative, our G-7 partners agreed that in Halifax next July, we will chart a strategy to adapt the post-war economic institutions to a more integrated post-Cold War world.

Finally, this Administration recognizes the moral and strategic importance of democracy and human rights. Our commitment is consistent with American ideals. It also rests on a sober assessment of our long-term interest in a world where stability is reinforced by accountable government and disputes are mediated by dialogue; a world where information flows freely and the rule of law protects not only political rights but property, contracts, patents and other essential elements of free economies. Indeed, our nation's support for accountable government and the rule of law is vital to many of our other interests and priorities: a Russia at peace with itself and its neighbors, economic reform and development in
This year, we will focus on five key priorities to advance America's vital interests in the post-Cold War world:

- Consolidating the most open global trading system in history;
- Developing a new European security order; helping achieve a comprehensive peace in the Middle East; combatting the spread of weapons of mass destruction; and fighting international crime, narcotics, and terrorism. Of course, these priorities are not this Administration's only concerns. But they represent our greatest foreign policy challenges and opportunities--and the areas in which American leadership can make the greatest difference--in 1995.

First, a core premise of our domestic and foreign policies is that our economic strength at home and abroad are mutually reinforcing. [That is why I have dedicated more attention to economic diplomacy than any Secretary of State since Marshall and Acheson.] I believe that history will judge this top priority to be a distinctive imprint--and a lasting legacy--of this Administration's foreign policy.

In 1995, we must sustain the momentum we have generated toward more open global and regional trade. We will implement the Uruguay Round and work to ensure that the new WTO safeguards vital trade rules and disciplines. We will work with Japan and our other APEC partners in advance of the November leaders meeting in Osaka to develop a blueprint for achieving open trade and investment in the Asia-Pacific. We will also begin to implement the Summit of the Americas Action
Plan and to negotiate Chile's accession to NAFTA.

Let me add a word about Mexico-- a nation in which we have a vital strategic stake as our close neighbor and a vast economic interest as our second largest trading partner. President Clinton has, with bipartisan support, acted to provide loan guarantees as Mexico acts to overcome its short-term liquidity crisis. It is in the overriding interest of the United States, Latin America and the world that financial confidence in Mexico be restored.

Second, deep political, military, economic, and cultural links make Europe's security and prosperity vital to ours. In 1995, we will take concrete steps to maintain strong relations with Western Europe, to consolidate Central Europe's democratic transformation and to engage Russia as a responsible partner.

Those efforts begin with NATO, which remains the anchor of American engagement in Europe and the linchpin of transatlantic security. NATO has always been far more than a transitory response to a temporary threat. It has been a guarantor of European democracy and a force for European stability. That is why its mission has endured, and why its benefits are so attractive to Europe's new democracies.

NATO has always welcomed new members who shared its purposes and who could add to its strength. Under American leadership, the Alliance agreed in December to begin a steady and deliberate process that will lead to its expansion. This year, we will examine with our Allies the process and
objectives of expansion, and we will share our conclusions with the members of the Partnership for Peace. When NATO turns to the question of admitting new members, each candidate will fully understand the obligations of membership. The process will be transparent. No non-member will have a veto.

As we move toward NATO expansion, we will also bolster other key elements of the new European security architecture: a vigorous program for the Partnership for Peace, a strengthened OSCE, and a systematic process for managing the all-important NATO-Russia relationship.

Our aspirations for Europe stand in stark contrast to the reality of Bosnia. Bosnia is the most difficult problem we have faced in the last two years. What we must not do is make the situation worse by unilaterally lifting the arms embargo. We have always believed that the embargo is wrong. But going it alone would Americanize the conflict and lead others to abandon the sanctions on Serbia. It would undermine the authority of all UN Security Council Resolutions, including sanctions on Iraq and Libya. It would do nothing to help the Bosnian government, innocent civilians, or the cause of peace. I am determined to continue pursuing an active diplomatic track. Only a negotiated solution has any chance of lasting.

Our third priority is advancing peace and security in the Middle East. For more than four decades, administrations of both parties have understood America’s vital interests in Israel’s security, strong relations with the Arab states, and unimpeded access to Persian Gulf oil. This Administration has
worked tirelessly to advance these goals, with results that just a few years ago seemed impossible.

Comprehensive peace between Israel and its Arab neighbors is closer than ever. President Clinton and I are doing everything we can to help implement the new agreements between Israel and Jordan and Israel and the Palestinians, and to achieve breakthroughs with Syria and Lebanon.

The Middle East stands at the threshold of a more promising era marked by greater security, economic development, and an end to the Arab boycott. But to get there, the parties must, in the near future, make the bold, difficult decisions required to accelerate negotiations. We can have no illusions: Any slowdown in the search for peace carries enormous risks. The enemies of peace are determined to kill this historic chance for reconciliation. We must not let them succeed.

Iraq's massing of troops at Kuwait's border last October underscored the danger it poses to regional security. Saddam Hussein's regime cannot be trusted. It cannot be given the benefit of the doubt or rewarded for its grudging, partial fulfillment of UN demands. Iraq must comply fully with all Security Council requirements on weapons programs, missing Kuwaitis, stolen Kuwaiti property, human rights, terrorism and all other relevant UN obligations. Full compliance is the only possible basis on which to consider any normalization of Iraq's international status.

Like Iraq before 1990, Iran now leads rejectionist efforts
to kill the chances for peace. It directs and supports the operations of Hizballah, Hamas and others who commit atrocities in places like Tel Aviv and Buenos Aires, while sowing terror and subversion across the Arab world. I do not understand how nations that support the peace process can also treat Iran as a member in good standing of the international community. Specifically, those who provide Iran concessionary credits cannot escape the consequences of their actions: They make it easier for Iran to use its resources to sponsor aggression.

Such inconsistency risks tragic results. Iran is today engaged in a crash effort to develop nuclear weapons. We are deeply concerned that some nations are prepared to cooperate with Iran in the nuclear field. I will not mince words: These efforts risk the security of the entire Middle East. The United States is determined to counter any such threat. We expect members of the Security Council, who have special responsibilities in this area, to join with us.

Our fourth major priority for 1995 is to take specific steps to stop the spread of weapons of mass destruction and their means of delivery. With the demise of the Soviet Union, the proliferation of these weapons poses the principal direct threat to the survival of the United States and our key allies. Our global and regional strategies for 1995 comprise the most ambitious nonproliferation agenda in history.

The centerpiece of our global strategy is the indefinite and unconditional extension of the Non-Proliferation Treaty. I have made it a personal goal to achieve that extension at the
NPT Review Conference in April. The treaty's greatest achievement -- weapons not built and material not diverted -- is invisible, but its impact is clear: the nightmare of a profusion of nuclear weapons states has not come to pass.

We approach the review already having taken concrete steps to reduce existing nuclear arsenals. Our global strategy also includes a moratorium on nuclear testing as we negotiate a Comprehensive Test Ban Treaty; a global ban on the production of fissile materials for building nuclear weapons; ratification of the Chemical Weapons Convention; and strengthening the Biological Weapons Convention.

Our strategy is equally ambitious on the conventional level. We will push this year for a global convention to ban antipersonnel landmines. And we will work bilaterally to remove the millions of mines still in place. We are also striving to establish a COCOM successor regime and to broaden membership of the Missile Technology Control Regime.

The primary regional focus of our nonproliferation strategy continues to be Russia and the former Soviet Union. We will begin by implementing the START I agreement. And later this month, I will be the Administration's lead witness in urging the Senate's expeditious ratification of START II.

Those who would reduce U.S. assistance to Russia should understand that at the heart of these efforts is the Nunn-Lugar program, which helps dismantle former Soviet nuclear weapons and the military-industrial complex that built them.
Secretary Perry has said, "Nunn-Lugar actually removes the threat, missile by missile, warhead by warhead, factory by factory, and person by person." It also counters would-be nuclear smugglers by improving security at the most vulnerable facilities. We will vigorously defend this program in Congress, confident that the American people understand its importance to our national interest.

[We cooperate with Russia on many nonproliferation issues. But I want to mention one area where we disagree. We are deeply disturbed by Russia's continuing sales of arms to Iran, and by its refusal to foreclose future sales to other rogue regimes. As I did this week with Foreign Minister Kozyrev, I will continue to speak frankly about the corrosive effect these sales have on our relationship.]

When this Administration took office, North Korea had an active nuclear program. Left unchallenged, it was in a position to produce hundreds of kilograms of plutonium for use in nuclear weapons. The stage was being set for a crisis that would imperil security throughout Northeast Asia and the integrity of our global nonproliferation effort. Last fall, the United States concluded an Agreed Framework with North Korea that froze its nuclear program and put the issue on the road to resolution. It has the support of key allies, Japan and South Korea-- whose security it will protect and who will finance most of its implementation. We are under no illusions about North Korea. Implementation of the Framework will be based on verification, not trust. We are determined to ensure that North Korea fulfills its obligations every step of the way.
Those who oppose the Framework have a responsibility to offer an effective alternative that protects our interests. They have not done so.

Along with nonproliferation, international crime, drug trafficking and terrorism pose direct threats to our people and to our nation’s interests. They ruin countless lives, destroy property, and siphon away productive economic resources. They sap the strength of industrialized societies and threaten the survival of emerging market democracies.

Crime syndicates, drug cartels and terrorist groups are unintended and dangerous beneficiaries of the new era of global interdependence. They exploit open borders and new technology to extend their reach and to avoid detection. They thrive off the indifference or complicity of governments. They are impervious to exclusively national efforts to eradicate them.

That is why our fifth priority for 1995 is to implement a comprehensive strategy to combat these threats. The State Department is working on this plan in close and urgent cooperation with the Departments of Justice, Treasury, and other law enforcement agencies. This strategy will include:

- making law enforcement cooperation a key test of our foreign relations, in large part by insisting that other countries fulfill their obligation to either extradite or prosecute international fugitives, and ensure that convicted criminals serve tough sentences.
working with other governments to develop and implement
tough asset forfeiture and money laundering laws to attack
international criminals where it hurts most -- in the
pocketbook;

- toughening standards for U.S. visas to make it more
difficult for international criminals to gain entry to
this country;

- domestic legislation to combat alien smuggling and
immigration fraud with increased penalties and more
effective investigative tools, combined with aggressive
diplomacy targetted at source and transit countries;

Today I am pleased to announce a major new initiative
designed to hit terrorists where they live [INSERT WHEN READY]

From nonproliferation to Middle East peace, these varied
challenges require effective American diplomacy. Effective
diplomacy depends on our people and missions abroad. It
requires foot soldiers, infrastructure, and resources. It
requires a more efficient, better trained, technologically
equipped, and fully funded Department of State. I will be
making that case to the Congress in the coming weeks.

Twice before in this century, America confronted similar
challenges and faced similar choices. Each time, two paths lay
before us: to claim victory and withdraw, or to engage and lead
on behalf of a safer, freer and better world. After World War
One, we chose the first path and the world paid a terrible
price. No one doubts that we were wise to choose the second path after World War II.

Among the challenges that Truman, Marshall and Acheson faced was a new Republican Congress. To our lasting benefit, they met that challenge too. They found allies among Republicans who recalled the consequences of isolationism after World War I—a period that also began with a Democratic President facing new Republican majorities in Congress. And with Republicans like Senator Arthur Vandenberg, they forged the bipartisan consensus that delivered aid to Greece and Turkey, devised the Marshall Plan, developed the postwar institutions, and sustained American leadership ever since.

Since my first week in office, I have consulted closely with both parties in Congress. We have gained bipartisan backing for key objectives of our foreign policy, including the Middle East peace process, our landmark trade agreements and denuclearization in the former Soviet Union.

The recent elections changed the balance of power between the parties. But they did not change our responsibility to cooperate on a bipartisan basis in foreign affairs. I believe the leaders of both parties understand that the election was not a license to lose sight of our nation’s global interests or to walk away from our commitments in the world.

Bipartisan cooperation has always been grounded in the conviction that our nation’s enduring interests do not vary with the times. Harry Truman had it right 40 years ago:
"Circumstances change," he said, "but the great issues remain the same-- prosperity, welfare, human rights, effective democracy, and above all, peace."

With the Cold War past, the United States has a chance to build a more secure and integrated world of open societies and open markets. We are the world's largest military and economic power. Our nation's founding principles still inspire people all over the world. We are blessed with great resources and resolve. We will continue to use them with wisdom, with strength, and with the backing of the American people.
Secretary Christopher

Advancing the Strategic Priorities
Of U.S. Foreign Policy and the FY 1995 Budget


Mr. Chairman, members of the Committee: I am pleased to be back before the Senate Foreign Relations Committee and have this opportunity to talk to you today about the challenges facing America’s foreign policy. Your expertise and support are absolutely vital to me and this Administration as we chart a successful course for America in the post-Cold War era.

When I last appeared before the Committee, I observed that this is a period in which we are no longer driven by the demands of containment, nor limited by that strategic imperative. This new era does not lend itself to catchphrase characterizations. In this time of profound transition, Mr. Chairman, our major task in setting this nation’s foreign policy course is clear: to identify with care and to pursue with tenacity those interests that are vital to the continued safety and prosperity of the American people.

Earlier this month, the President forwarded to the Congress the proposed Peace, Prosperity and Democracy Act, which defines the overall national security objectives of the United States for the post-Cold War era. The President’s fiscal 1995 budget is consistent with the objectives outlined in the act. Today I would like to focus on six priorities within these overall objectives. These are the six strategic priorities of our foreign policy that I first identified to this Committee last November. They are the priorities that, I believe, we must address if we are to meet the great challenges of this era of change. I am pleased to report that in each of these areas, we have exercised strong leadership, and we have made significant progress.

After that review, I will address briefly how we propose to allocate our resources in support of these priorities and our other foreign policy objectives. Our proposed fiscal 1995 budget is the first true post-Cold War foreign affairs budget. Indeed, the strategic priorities we have set, the budget that we have proposed, and our reorientation of foreign assistance through the Peace, Prosperity and Democracy Act all embody President Clinton’s vision of the new challenges facing American foreign policy in the 21st century. These are the challenges of promoting democracy, enhancing prosperity, and confronting both new and old threats to our security.

But before reviewing our strategic priorities and our budget with you, I will address events that are undoubtedly on the minds of this Committee and the American people and that have a direct effect on one of those priorities—our interest in a secure and stable Europe. I want to begin by describing where matters stand in Bosnia today.

Bosnia

We look forward to a new and more hopeful chapter in Bosnia. The cease-fire that now prevails in the embattled city of Sarajevo represents a unique collaborative effort of the United States, the European Union, NATO, Russia, and the United Nations. The United States is committed to engage actively in the peace process in the former Yugoslavia. We will bring our full diplomatic weight to bear on finding a solution that can stop the killing.

Congress and the American people should have a clear understanding of the national interests that have guided our actions. President Clinton stated these interests in his address to the nation last Saturday. We have a strategic interest in preventing this conflict from “becoming a broader European conflict, especially one that could threaten our NATO allies or undermine the transition of former communist states to peaceful democracies.” We have a political interest in ensuring the credibility and integrity of the NATO Alliance, an Alliance that has appealed to us for leadership in addressing this crisis. We have an interest in curbing the destabilizing movement of refugees that this struggle is generating throughout Europe. And certainly we have a humanitarian interest in opposing the horrors of ethnic cleansing and easing the plight of those at risk of starvation.

It was this assessment of our interests that led President Clinton to propose and win NATO agreement to threat en air strikes to stop the killing of civilians in Sarajevo and to give new impetus to the peace process. As you know, on February 9, NATO ordered all heavy weapons threatening the city to be placed under UN control or removed to a 20-kilometer exclusion zone around the city.
To date, three days after the 10-day implementation deadline, that ultimatum has been effective. This is in large measure due to the firmness and solidarity of the NATO Alliance, led by the United States. In light of this firmness of purpose, and after direct talks between Presidents Clinton and Yeltsin, the Russians have pressed to gain Bosnian Serb compliance with the NATO ultimatum.

Let no one doubt our resolve to use force if necessary. If heavy weapons return to Sarajevo, they are subject to attack. If the shelling of Sarajevo resumes, the heavy weapons responsible, wherever located, will be subject to attack. We will provide close air support if UN troops are attacked and ask for help. And we will consider whether the approach used to stop the shelling in Sarajevo can be applied effectively elsewhere in Bosnia. Our interests have no expiration date—nor does the NATO decision that those interests inspired.

At the President's direction, we are now working actively with the parties and other interested nations to achieve a settlement that will ensure a viable Bosnian state and a lasting peace. We will work closely with the Bosnian Government to determine its reasonable requirements for a negotiated settlement and help it achieve them. We will count on the European Union and the Russians to work together with us to convince the other parties—principally the Serbs—to settle. If there is a viable settlement, the United States reaffirms its readiness to participate, with Congressional concurrence, in a NATO effort to implement the settlement.

As our initiative moves forward in the coming weeks, I do not want to create the impression that success is around the corner. The negotiations are difficult and highly complex. But with a clear understanding of what our interests are and how they can be served, the United States will work with diligence and persistence to assist the parties in reaching an agreement that will endure. The momentum and enhanced credibility that came from the Sarajevo initiative open up several new possibilities. We will be pursuing every avenue to peace.

Mr. Chairman, as important and troubling as the problems in Bosnia may seem today, we cannot let them turn us from pursuit of our broader foreign policy goals. Let me now discuss and review with you our progress in pursuing the six strategic priorities of our foreign policy, as well as the resources that support those and other national security objectives.

1. Promoting Economic Security Through Global Growth

When I was last before this Committee, I identified economic security as the first of these priorities. I did so deliberately, even at the expense of challenging foreign policy orthodoxy. In the post-Cold War world, economic issues must be at the heart of both our domestic and foreign policy. President Clinton is spearheading, with striking success, the most important and ambitious international economic agenda of any President in nearly half a century.

On November 4, I pointed out that with NAFTA, APEC, and GATT there was an extraordinary convergence of opportunity for the United States. I am pleased that we pulled off that triple play for America's economic future.

When Congress approved NAFTA, we created opportunities for high-paying export jobs at home, and we built a bridge of greater economic and political cooperation to Latin America, beginning with Mexico. When the President hosted a successful meeting of the Asia-Pacific Economic Cooperation forum in Seattle, we reached out to a dynamic region that attracts an increasing volume of U.S. exports and supports high-wage American jobs. When we successfully ended the Uruguay Round negotiations, we concluded the most far-reaching trade agreement in history—an agreement to cut tariffs, lower barriers, spur growth, create American jobs, and add $5 trillion to the world's output over the next decade.

President Clinton's determination to put economic policy at the heart of our foreign policy is evident in these areas where we have succeeded. That determination is equally evident in an area where we are still working for success: our economic relations with Japan.

This Administration remains committed to placing our trade and economic relationship with Japan on a firm foundation as our security and diplomatic cooperation. The trade surplus that Japan runs with the United States and most other countries are no longer acceptable.

The framework agreement reached with Japan last July is aimed at widening market access and correcting Japan's unacceptable trade imbalance with the world. But since then, we have not seen satisfactory progress in any of the baskets—government procurement, insurance, autos—or with respect to the macroeconomic steps we expected Japan to take.

We are considering our options. We do not want a trade war; we want trade opportunities. Japan must meet its responsibility as one of the world's largest economies and greatest trading nations. It must make good on its promised to us and to the rest of the world. This is a global problem, not just an American problem. And any progress we make will help the world economy as well as our own. I will be going to Japan next month to reaffirm our position to Japan's leaders.

2. Advancing Reform in Russia And the Other New Independent States

Mr. Chairman, since this Administration took office, our policies toward Russia and the other New Independent States have been based on two key premises. First, reform in the former Soviet Union is in the overriding interest of the United States. Second, reform will not be easy and will require persistent and firm support from the international community.

We recognize the enormous difficulty in the region's multiple transformations from totalitarian to democratic governments, from command to market economies, and from a single empire to many new independent states. We must be realistic in our
expectations, steady in our support for reform, and unequivocal in our opposition to forces whose policies are contrary to our interests.

As you know yesterday in a court in Alexandria, Virginia, an American employee of the CIA and his wife were formally charged with espionage on behalf of the former U.S.S.R. and the Russian Federation. This is a very serious matter.

Yesterday I called in the Russian Charge d'Affaires to protest in the strongest terms the actions of the Russian intelligence service. Ambassador Pickering also raised this issue with senior Russian officials in Moscow, and we will continue these discussions at the senior level both in Washington and Moscow. The President has directed an intensive Administration review of the implications of this case for our national security.

The continuation of Russian espionage activities against the United States is unacceptable. The United States will continue to take every measure to prevent such activities from being carried out against us. The extent of the effect of this incident on our relationship with Russia will depend on Russian actions in the days ahead.

Events of the past weeks have revived fears about Russia's future. But these events should be seen in perspective and against the backdrop of a U.S.-Russian relationship that has changed radically over the last decade.

Russia has made some significant strides. For the first time in its history, it has an elected President, an elected parliament, and a meaningful constitution. We are witnessing our era's boldest experiment in building democracy. We are also beginning to see a market economy emerge, with 40% of Russia's labor force now working in the private sector and two-thirds of the small shops privatized.

The dangers in Russia remain very real. We must be prepared for the possibility that reform could be reversed and that an aggressive Russian nationalism could emerge from the ashes of communism—even by democratic means. At the same time, we should not assume the worst but work to build a true partnership with a reforming Russia. The Russian people should have no doubt that as long as they keep moving in the right direction, we will support them, as President Clinton made clear in Moscow last month. Our message is clear: Russia's choice about its own future will affect the future of our relationship.

The President has also made clear the importance he attaches to the independence and territorial integrity of Russia's neighbors. We recognize that Russia has interests in developments on its borders, including concerns about the rights of ethnic Russians abroad. But we must insist—as we do with all nations, friends and foes alike—that Russia's behavior toward its neighbors conform with established principles of international law, including respect for the territorial integrity and independence of other states, as embodied in the UN Charter and the Helsinki Final Act. These principles also apply to any activities of Russian troops in neighboring states.

We must also be ready to work to ensure that Russia and its neighbors resolve their disputes peacefully—disputes that directly affect our stake in the region's economic and political reform. Our efforts have already helped achieve results. For example, we are actively working to help bring about the full and timely withdrawal of all Russian troops from the Baltic states this year. And last month, after painstaking diplomacy and President Clinton's personal engagement, Ukraine signed the trilateral accord with the United States and Russia, opening the way for the elimination of nuclear weapons on Ukrainian territory.

One of President Clinton's top national security priorities has been to ensure that the breakup of the former Soviet Union does not produce new nuclear states. We have now secured commitments to ensure that it will not. Ukrainian agreement to ratify START I and its commitment to join the Nuclear Non-Proliferation Treaty (NPT) clears the way for closer relations between our nations. This should reduce tension in a region that is vital to the long-term peace and stability of Europe. We have already doubled economic assistance. We also will increase our assistance for the dismantling of Ukraine's missiles and launchers. We look forward to President Kravchuk's visit to Washington next week.

3. Renewing the Transatlantic Relationships and NATO

Last month in Europe, President Clinton reaffirmed the vital importance of the transatlantic relationship to American security. He also outlined his vision of a "new security," democratic government, and market economies. We must support the transition to market democracy in the East by beginning to extend to all of Europe the benefits and obligations of the same liberal trading system and collective security order that have been pillars of strength for the West.

From an economic standpoint, we strengthened the transatlantic partnership when the United States and the European Union came together to complete the Uruguay Round. The agreement will spur growth and create jobs on both sides of the Atlantic. It will also help the Central and Eastern European nations sustain the hard march of economic reform. But Western nations and institutions must further widen access to Western markets.

We know that the process of building market democracy in Central and Eastern Europe is far from complete. That is why President Clinton, during his January visit to Prague, set forth a comprehensive agenda for the region. In addition to efforts to widen market access, we are assisting these countries in absorbing the social impact of reform, promoting Western investment, and helping them to develop and strengthen democratic institutions.
The new European democracies are also yearning for a closer relationship with Western political and security institutions, especially NATO. And the Alliance has responded to President Clinton’s call to reach eastward to build that relationship. At the NATO summit in January, the Allies approved President Clinton’s Partnership for Peace initiative to deepen NATO’s engagement with the East. Already, nine nations have begun the formal process to participate in the Partnership, and we expect more states to follow soon. Partners will conduct joint exercises and training with NATO, beginning later this year. Participation in the Partnership can develop and enhance the habits of cooperation and political consultation that are the lifeblood of the Alliance. The Partnership is both a way to address common threats to European security and the beginning of an evolutionary process of NATO expansion.

Our vision for NATO’s continuing essential role in preserving transatlantic security is matched by our continuing support for European unity. Through our work together on the Uruguay Round, NATO, Bosnia, and other issues, we have put our political relationship with the EU and individual states on a sound footing.

I have already spoken about our efforts to lead the Alliance in encouraging a settlement in Bosnia. Important as they are, our efforts in Bosnia are not limited to galvanizing the Alliance and others to encourage a political settlement. We have also led efforts to mitigate the humanitarian disaster in Bosnia. We have undertaken the longest-lasting coordinated airlift of food and medicine in history. We have provided more humanitarian assistance that any other single nation—more than $550 million since the conflict began. We also have led the effort to establish the United Nations War Crimes Tribunal so that the international community may bring to justice the individuals who have perpetrated war crimes in Bosnia.

### 4. Putting a New Focus On Asia and the Pacific

A signal aspect of this Administration’s foreign policy is a new emphasis on advancing our interests in the Asia-Pacific region. No area of the world is more important for us than this region. Its dynamic economies and their explosive growth rates make it a critical area for American exports and jobs. We have vital security interests and alliances in Asia. And we have an interest in promoting democratic values in a part of the world where democracy is on the move, yet repressive regimes remain.

As you know, the President’s first overseas trip was to Asia. On that trip, the President told the Korean National Assembly last July, “We must always remember that security comes first.” In Asia, that security begins with our treaty alliances with Japan, South Korea, Australia, Thailand, and the Philippines. We are maintaining our forward-deployed military presence throughout the Pacific. And in conjunction with our allies, we are actively participating in regional security dialogues, including the ASEAN Regional Forum, to ease tensions and stem arms races.

North Korea’s threat to withdraw from the NPT is a challenge to security on the peninsula and to the global nuclear non-proliferation regime. The United States is working closely with South Korea, Japan, and others in the region to ensure a non-nuclear Korean Peninsula and a strong international non-proliferation regime.

Our determination to achieve these goals is firm. Our preferred path is dialogue. We were encouraged that a week ago, North Korea announced that, it would accept the inspections required by the International Atomic Energy Agency (IAEA) to ensure the continuity of safeguards. They must now without delay make good on their commitment to allow the inspections to take place as soon as possible and without interference. Satisfactory completion of these inspections will help the IAEA reassure the international community that there has been no diversion from North Korea’s nuclear facilities. While this is an important development, the key issues must still be resolved. And if we are to continue our talks with North Korea, it must resume the North-South dialogue aimed at a non-nuclear peninsula.

The international community does not seek to isolate North Korea. If North Korea abandons its nuclear weapons option, honors its international obligations, and takes other steps to conform to the norms of international behavior, the door is open for North Korea to improve relations with the rest of the world.

Turning to our wider objectives in the Asia-Pacific, we are determined to deepen American engagement in the region and achieve a better balance in our key bilateral relationships.

I have already emphasized the priority we attach to improving our economic and trade relations with Japan, as we maintain our important security and political links. We also are working to reach a greater balance in our relations with China. We seek a comprehensive relationship with China that permits resolution of differences over human rights, proliferation, and trade. President Clinton wants to build a more positive relationship with China, but China must also demonstrate overall significant progress on human rights. As a result of our efforts, some progress has been made on bilateral issues, including human rights. Let there be no misunderstanding: More progress on human rights must urgently be made if the President is to renew MFN this spring.

I emphasized these points in direct talks with Chinese officials last month and will do so again next month in Beijing. I will reaffirm the seriousness with which both the Administration and the Congress approach these issues.

Earlier this month, the President announced he was lifting our trade embargo against Vietnam and establishing a liaison office in Hanoi. His action came shortly after a strong majority of the Senate had urged the
President to end the embargo. The President’s decision was based on his assessment of Vietnam’s cooperation and his conviction that these steps would stimulate continued progress on the fullest possible accounting for our POWs/MIAWs. As the President said, “We owe that to all who served in Vietnam and to the families of those whose fate remains unknown.” Our future relations with Vietnam will continue to be guided by progress on this issue. Certainly, economic and diplomatic benefits should also flow from the President’s decision, but they would be the results of that decision, not the cause for it. In moving forward in our relationship, we will also be putting emphasis on human rights concerns.

5. Promoting Peace in the Middle East

In the Middle East, achieving a just and comprehensive Arab-Israeli peace through direct negotiations remains a high priority for this Administration. The issues involved in these negotiations are complex, yet we continue to see progress. The President and I remain committed to playing as full and active a role as necessary to ensure that progress continues.

The agreement between the Israelis and the Palestinians achieved February 9 in Cairo demonstrates the kind of progress that is possible. It is a major step in the implementation of the September 13 Declaration of Principles between Israel and the PLO. It received some difficult security questions and demonstrated that the parties can negotiate very complex issues directly and find practical solutions. While we want to see implementation get under way so that the realities on the ground will begin to change, we also want the parties to produce an agreement that will last.

As the Israelis and the Palestinians negotiate directly, the United States is helping to support the agreements. We are working to ensure that U.S. and international economic assistance to Gaza and the West Bank, proceeding from the Conference to Support Middle East Peace last October, leads to projects that improve the lives of the Palestinians. We are assisting private sector efforts such as the “Builders for Peace” project of Arab-American and Jewish-American business leaders.

We also have been actively promoting progress on the other bilateral tracks. The President’s mid-January meeting with Syrian President Assad in Geneva was a step forward that set the stage for the resumption of negotiations in Washington on all four bilateral tracks. On the Israeli-Syrian track, the negotiations have been serious, but it will take time to work through the complex relationships among the three core issues of peace, withdrawal, and security. We have seen a new energy and purpose on the other tracks. For example, the discussions between Israel and Jordan are proceeding on practical issues like water, energy, and the environment.

We are also working to break down region-wide barriers to Arab-Israeli contact. We are working hard to end the anachronistic Arab boycott. We have made some progress in lifting parts of the secondary and tertiary boycott, and we are determined to end the discrimination against American firms that these practices inflict. We will not stop there. We will continue our efforts until the boycott is lifted entirely.

The peace process represents one major element of our regional policy. In the Persian Gulf, we seek to contain in separate ways potential threats from Iran and Iraq. Our goal is Iraq’s full compliance with all UN Security Council resolutions, including long-term monitoring. It is premature to consider lifting sanctions when Iraq remains in violation of relevant Security Council resolutions.

Our policy toward Iran is one of active containment, but its focus and methods differ from those of our Iraq policy. We seek to end Iran’s quest for weapons of mass destruction, its support for terrorism and subversion, its violent opposition to the peace process, and its human rights abuses. We have made clear our readiness for official dialogue with Iran. But we want Iran to understand our purpose clearly: It should not and will not enjoy normal relations with the international community, and with the United States in particular, as long as it continues its egregious behavior.

6. Putting Non-proliferation and Other Global Issues in the Mainstream of American Foreign Policy

Mr. Chairman, we must continue our efforts to control the spread of both nuclear and advanced conventional weapons. Such weapons give rogue states disproportionate power. They can turn low-level conflicts into large-scale disasters. We are pursuing regional strategies to curb proliferation and to limit the emergence of new nuclear states. I have already mentioned our efforts in Korea, where we still face the most immediate challenge, as well as the progress we have made in the former Soviet Union, our biggest success to date. Other areas of concern and attention are the Middle East and South Asia.

Our regional strategies are complemented by a global effort to curb the demand for weapons of mass destruction and the supply of sensitive items. We are working to put a COCOM replacement regime in place, to extend the NPT indefinitely in 1995, and to negotiate a comprehensive test ban.

We urge the Congress to take up, the Chemical Weapons Convention as a priority and to give its advice and consent to its ratification this spring and approval of the implementing legislation as soon as possible. Early support for ratification is necessary to ensure that the Convention can enter into force by the earliest possible date. This Convention is a foreign policy priority of this Administration and a central element of our non-proliferation policy.

Under President Clinton, the United States has regained its leadership on global issues that affect our security and prosperity and that of succeeding generations. These challenges include promoting sustainable
development, addressing the upsurge in refugees and migration, combating terrorism and illegal narcotics, and supporting democracy and human rights. These problems often cross national borders and threaten political, social, and economic stability.

Sustainable development empowers the people of developing nations to become participants, producers, and consumers in the global economy. It requires a healthy global environment and a workable balance between available resources and population.

Last year, President Clinton renewed American leadership on environmental issues by taking important initiatives to implement the climate change agreement and by signing the Biodiversity Treaty. The agreement and the treaty stem from the 1992 Rio conference. The treaty is now before the Senate, and we urge its speedy ratification.

We also have reasserted our nation's leadership in stabilizing population growth. We are working with other nations and with non-governmental organizations to ensure that the upcoming UN International Conference on Population and Development in Cairo advances global cooperation on this issue.

Two weeks ago, President Clinton released the Administration's new drug control strategy. While America's first line of defense against drugs is to reduce abuse here at home, we also believe that this plague must be fought on the international front as well. In key transit and drug-producing countries, we will focus our efforts on strengthening democratic institutions, creating economic alternatives to the narcotics trade, stepping up eradication programs, and dismantling the drug cartels.

Our engagement in the Western Hemisphere advances the full range of our global agenda as well as our top priority, economic security. The remarkable changes in the world over the last few years were foreshadowed in Latin America, where democracy has made dramatic gains in the last decade. The Summit of the Americas that President Clinton will host later this year will focus on strengthening democracy and good governance; spurring trade and economic growth; curbing narcotics trafficking; and addressing the environment, population, and other issues at the core of sustainable development.

Our policy toward Africa underscores the importance we attach to democracy and human rights. Africa faces enormous challenges both in building democratic institutions and in making progress toward sustainable development. Given the pervasive poverty and human displacement, Africa faces, continued international assistance and new private investment will be necessary to promote economic growth and to encourage political change.

One African country of key concern to us is, of course, South Africa. We must help ensure that all South Africans can participate in a peaceful multiparty election in April. Looking beyond the election, we are developing an assistance package to help South Africa's people overcome the legacies of apartheid and secure the benefits of citizenship in the new democratic South Africa.

**FY 1995 Budget**

Mr. Chairman, I have just reviewed our progress in advancing the current strategic priorities of our foreign policy. Our broader foreign policy goals are captured and given concrete expression in the Peace, Prosperity and Democracy Act (PPDA), which provides the framework for our fiscal 1995 International Affairs Budget. I should add here that the reforms to our foreign assistance program embodied in the new act are an important part of this Administration's legislative agenda.

Mr. Chairman, for more than 40 years, the International Affairs budget proceeded from the premise that our overriding national security objective was the containment of Soviet power. Even with the end of the Cold War, the budget continued to define national security in narrow terms, and failed to address the problems and possibilities presented by the fall of the Soviet Union. As the new priorities of the Clinton foreign policy demonstrate, we have been given—and we have seized—the chance to remake American diplomacy and to reinforce American security in a world unburdened by superpower confrontation.

The President's fiscal 1995 budget supports our core responsibility of maintaining our national defense and promoting peace. It also broadens the concept of national security by placing greater emphasis on America's economic interests, building democracy, and meeting the threats posed by arms proliferation, environmental degradation, rapid population growth, illegal narcotics, and terrorism.

This redefinition of national security also requires changes in the structure of our budget. The budget is divided into a number of mutually reinforcing goals, consistent with those in the PPDA. It is to these larger objectives that I will now turn.

**Promoting U.S. Prosperity**

As I suggested to you when I reviewed our number one strategic priority—our economic security—the nation's prosperity is tied inextricably to the growth and integration of the global economy. Exports are the fastest growing source of high-paying jobs in our economy. This budget funds the aggressive export promotion programs of Eximbank, OPIC, the Trade and Development Agency, and the Department of Agriculture. These programs are complemented by those of the Departments of Commerce and State, both at home and at our embassies.

The $1 billion requested in this budget is an investment in American jobs and in America's economic security.

**Building Democracy**

Building democracy is a long and difficult process that requires steady and patient support. But the rewards of success, measured against the costs of failure, amply justify our efforts.
The $1.3 billion we have requested in fiscal 1995 would fund democracy-building programs in Central Europe and the former Soviet Union, where we have a vital interest in strengthening new democratic institutions. Our budget also contains a new account to assist countries undergoing a transition to democracy. Most of these funds would be spent in Africa, Latin America, and Asia.

A key component of our democracy programs is funding for the National Endowment for Democracy, which strengthens institutions that foster pluralism, democratic governance, civic education, human rights, and respect for the rule of law. And to amplify support for democracy, we must harness contemporary communications technology. The United States Information Agency is restructuring its capabilities to play this role.

Sustainable Development
As I mentioned in my review of our global priorities, the Administration believes that too little attention has been paid to the interlocking threats of rapid population growth, poverty, and environmental degradation. If we do not confront these crises, large parts of the world will be unable to sustain economic growth. The result will be widespread suffering abroad, and the loss of export opportunities for American companies, workers, and farmers. By increasing funding for population and environmental programs, we promote sustainable development and invest in America's future.

The United States is not alone in trying to address these issues. The multilateral development banks and the IMF advance similar goals. These institutions made more than $45 billion in loans in 1993. They are the largest contributors to global sustainable development. Our contributions to these organizations multiply the effectiveness of our efforts.

Finally, this budget contains a modest increase for one of America's most successful and most admired programs, the Peace Corps.

Promoting Peace
The largest share of our budget request, $6.4 billion, is for promoting peace. More than 80% of this is for maintaining and advancing peace in the Middle East. At a time when there is so much hope—and so many remaining dangers—such funds are critical. Our programs will support our continuing commitment to Israel's security, reflect Egypt's vital role, and provide for new economic development efforts in the West Bank and Gaza.

Also included in this section of the budget are funds for non-proliferation and disarmament, one of our strategic priorities. This includes funding for the Arms Control and Disarmament Agency to implement the Chemical Weapons Convention, and efforts to extend the NPT and to strengthen the IAEA, which has been playing a key role in our efforts to prevent nuclear proliferation in Korea.

In addition, this budget category includes programs to counter narcotics, terrorism, and crime. These cost-effective programs are of direct benefit to the American people.

We have also requested funds for UN peace-keeping. As you know, Mr. Chairman, the Administration has completed its comprehensive review of our peace-keeping policy, and the entire Administration is unanimous in support of its conclusions.

Our aim is not to expand our peace-keeping commitments, but instead to establish a process for making sound judgments about when we participate in peace-keeping operations and to improve the way the UN conducts peace-keeping operations. We will always reserve the right to act unilaterally to protect American interests. But when a collective, multi-national approach such as a peace-keeping operation best serves our interests, we want to ensure that it works effectively.

If you believe, as I do, that carefully defined UN peace-keeping operations are an effective means to defuse tensions and deter violence, and that the costs of such efforts should be shared with others, we must live up to our obligations to the UN. We expect to be $1 billion in arrears to the UN for peace-keeping by the end of the fiscal year. If we do not find a way to pay these arrears, it is likely that the UN will have to close down some of its existing operations. We expect to begin consultations shortly with the Congress on how we might work together to address a growing funding problem for peace-keeping.

We believe that there should be a shared responsibility between the Departments of State and Defense for managing and paying for peace-keeping operations. We intend to ask tough questions before we vote to approve each new peace-keeping mission. What U.S. interests are at stake? Is the mission clearly defined, and is there an identifiable end point? Are resources available? We also will continue Ambassador Albright's efforts to reduce our peace-keeping assessments and establish an independent Inspector General at the UN.

I also want to mention a critical part of our policy: command and control of U.S. forces in peace-keeping operations. Let me state clearly that the President will never relinquish his ultimate command over U.S. forces. And under no circumstances will the men and women in our armed forces be sent into situations in which hostilities are likely, unless there is proper command and control.

As a practical matter, when large-scale or high-risk combat operations are contemplated, and American involvement is necessary, we will be unlikely to accept UN operational control over our forces. Rather, we will ordinarily rely on our resources or those of a regional alliance, such as NATO, or on an appropriate coalition, such as the one assembled during Operation Desert Storm.

Finally, Mr. Chairman, we also want to improve cooperation and consultations between the Administration and Congress on peace-keeping operations. We have a number of proposals that we think will address your concerns, and we look forward to working with you.
Humanitarian Assistance

We have requested $1.6 billion for humanitarian assistance. These programs project the character of the American people. These funds will assist refugees, alleviate the suffering caused by disasters, and provide food to impoverished people. Let me add that by promoting peace, fostering economic growth, and building democracy, we hope over time to reduce future needs for such assistance.

Advancing Diplomacy

This budget request includes $4.1 billion to support the operations of the Department of State, USAID and our assessed contributions to international organizations. The effective use of diplomacy—through reporting, crisis prevention, and the adept use of membership in the UN and other international organizations—is critical to success in achieving America's broad national security goals.

The State Department and the other foreign affairs agencies are undertaking major reforms, working closely with Vice President Gore and the National Performance Review. The Department has instituted broad-based reorganization and reform of its operations to keep pace with change both here and abroad. In addition, the fiscal 1995 request strongly supports the President's plan for reducing administrative overhead and employment by assuming substantial savings in these areas.

Mr. Chairman, the President's fiscal 1995 budget defines our long-term policy objectives and funds the six strategic priorities I outlined earlier. This is an austere budget, consistent with the President's deficit reduction plan. It is also a budget with a single unifying theme: investing in the security of the United States.
Secretary Christopher

The Strategic Priorities Of American Foreign Policy


Mr. Chairman, members of the committee: I am pleased to have the chance to talk to you today about the strategic priorities of America's foreign policy.

The world is moving away from one of the most dangerous confrontations in history, and that fact lies tremendous opportunity for the United States. In the Cold War world, stability was based on confrontation. In the new world, stability will be based on common interests and shared values. We stand on the brink of shaping a new world of extraordinary hope and possibility. While I relish the challenge of what lies before us, I am also mindful that the new world we seek will not emerge on its own. We must shape the transformation that is under way in a time of great fluidity. My job as Secretary of State is to help the President guide the country through this transition.

At the same time, I understand that we must accomplish this transformation at a time when the definitions, certainties, and ground rules of the Cold War have disappeared. I hasten to add that I have no regrets about the passing of the Cold War. Nostalgia for its rigidities can only stem from amnesia. But its demise does mean that we must develop a new domestic consensus to sustain our active engagement in a more complex and interdependent world.

During this period, the United States must maintain a tough-minded sense of our enduring interests: ensuring the security of our nation; the prosperity of our people; and the advancement, where possible, of our democratic values. And it is with these core interests in mind that the Clinton Administration has defined and is pursuing the overarching priorities of America's foreign policy.

We are renewing and updating our key security alliances, while also building on the historically unique situation that the major powers can be partners cooperating for peace—not competitors locked in conflict. We are reaching out to former adversaries to transform them into partners. We are working to contain and resolve regional conflicts, particularly where the threat of expansion or the risk of proliferation poses a very direct danger to the United States. And we are working to expand trade, spur growth, and enhance the economic security of each and every American.

We can shape the future knowing that the United States is more secure now than at any time since early in this century. Democracy is ascendant from Central America to Central Asia, from South Africa to Cambodia. Free markets are being established in places where they were long forbidden. Millions of people, for the first time in their lives, have the chance to enjoy political freedom and economic opportunity. The United States is working relentlessly to ensure that an ever-increasing number of people know the benefits of democratic institutions, human rights, and free markets.

At the same time, new threats to peace and stability have emerged. The unholy marriage of ethnic violence and aggressive nationalism is shattering fragile states, creating humanitarian tragedies, and raising the possibility of wider regional strife. And the proliferation of weapons of mass destruction multiplies the danger of every conflict.

In this period of transition, crises and even setbacks are inevitable. We will work to prevent and manage them. But we will stay on the steady and responsible course we have set. Television is a wonderful phenomenon and sometimes even an instrument of freedom. But television images cannot be the North Star of America's foreign policy.

As I travel the world, I see that virtually every nation wants to define its foreign policy in terms relative to the United States, whether seeking security assurances or expanding trade and investment links with us. They look to us as the fulcrum for global security and, in many cases, for regional security. They know that American international leadership is in their interest. This gives us unparalleled opportunities to influence their conduct. I am here today to say that American engagement and leadership in the world—an activist American foreign policy—is most fundamentally in our interest.
PRIORITIES

Today I would like to discuss with this committee our efforts with respect to several major issues of enduring national interest. These are not the exclusive areas of concern for this Administration. My speeches last spring to the Council of the Americas and the African-American Institute described our policy objectives toward Latin America and Africa, respectively. Today I want to discuss in my testimony some of our current top priorities—priorities that address the great challenges in this era of change. Let me begin with the new centrality of economic policy in our foreign policy.

1. Economic Security

Security in the post-Cold War era will depend as much on strong economies as on strong arsenals. This Administration understands that America's strength at home and its strength abroad are interlocking and mutually reinforcing. That is why President Clinton and I have placed economic policy at the heart of our foreign policy. And I believe that this new emphasis is already yielding results.

The President's approach was apparent at the successful July summit meeting of the G-7 nations in Tokyo. For more than a decade, our major industrial allies and trading partners complained that we were not serious about reducing the growth of our budget deficit. By working with the Congress to enact an historic deficit reduction program, President Clinton sent a clear message to the world: America is back as a responsible manager of its own economy and as a dependable leader for global economic cooperation and growth.

Armed with that new credibility in Tokyo, President Clinton won a market access agreement to move the Uruguay Round forward. He was also able to win new pledges for multilateral assistance to Russia, and an agreement to negotiate a new economic framework to correct our unacceptable trade imbalance with Japan. This Administration attaches as high a priority to improving our economic and trade ties with Japan as it does to maintaining our important security and political links.

Let me briefly turn your attention to three events—all occurring within the next 40 days—that together will help determine the strength of our economy and the standard of living of our people as we enter the 21st century: the vote on NAFTA, the deadline for GATT, and the meeting of the APEC forum. Each event is also a foreign policy challenge with enormous consequences for our global leadership. I have been making the case for NAFTA repeatedly in recent weeks, and I believe that there is increasing recognition that NAFTA is one of the great foreign policy opportunities of this generation. For the United States, Canada, and Mexico, NAFTA is about more than tariffs and trade, growth, and jobs. It will also build a new cooperative relationship with Mexico. Approval of NAFTA will increase Mexico's capacity to cooperate with us on a wide range of vital issues such as illegal immigration, cross-border pollution, and narco-trafficking.

NAFTA will also mark a turning point in the history of our relations throughout the hemisphere at a time when democracy is on the march, markets are opening, and conflicts are being resolved peacefully. By approving NAFTA, the United States will send a powerful signal that we support these developments. Rejecting NAFTA, on the other hand, would send a chilling signal about our willingness to engage in Latin America at a time when so many of our neighbors—including Mexico—are genuinely receptive to closer cooperation with us.

There is no good time to defeat NAFTA—but there could be no worse time than when the GATT negotiations are in their final crucial days leading up to the December 15 deadline. At this delicate, decisive stage of the Uruguay Round, the United States must maintain maximum leverage—and exercise maximum leadership. A setback on NAFTA would compromise both. Rejecting NAFTA would create the perception that America is not prepared to act on behalf of its global economic interests at a time when those interests are so clearly at stake.

NAFTA is now in our hands, but the United States cannot conclude the Uruguay Round on its own. The EC, Japan, the ASEAN nations, and others must also move. None of the remaining trade-offs in goods, services, or agriculture will be easy for any nation—but they must be made. I want to remind our allies and trading partners in Europe once again that advancing transatlantic security requires us not only to focus on renewing the NATO Alliance but also on successfully concluding the GATT negotiations. The Uruguay Round is critically important to the revival of the world economy, not only to our major industrial allies but to developing countries in Africa, Latin America, and Asia that are seeking sustained growth and sustainable development.

Nowhere is economic growth faster—or the export opportunities for American business greater—than in the dynamic Asia-Pacific region. In two weeks, I will go to Seattle to host a meeting of the Asia-Pacific Economic Cooperation forum. The APEC conference—and the historic gathering of leaders that President Clinton has called at its conclusion—will enable us to establish a framework for regional economic integration and trade liberalization among 15 economies that now account for nearly half the world's GNP. It will expand America's economic presence in a region to which our future is increasingly linked.

These are 40 days that can shape the economic world and shape America's future position in it. With NAFTA, GATT, and APEC, there is an extraordinary convergence of opportunities for the United States. I view each of these challenges, along with the President's deficit reduction program and successes in Tokyo last summer, as integral elements of the most ambitious international economic agenda that any President has undertaken in almost half a century. And as Secretary of State, I see each as a foreign policy as well as an economic policy opportunity—because in the post-Cold War world, our national security is inseparable from our economic security.
2. Support for Reform in Russia and the NIS

This Administration is placing special emphasis on our support for political and economic reform in Russia and in the other states of the former Soviet Union. Helping ensure the success of this process is our highest foreign policy priority. That is the reason President Clinton is seeking to build a strategic alliance with post-communist reformers throughout the area.

If the people of Russia succeed in their heroic struggle to build a free society and a market economy, the payoffs for the United States will be transforming: a permanently diminished threat of nuclear war; lower defense budgets; vast new markets; and cooperation on the global and regional issues that once divided us. Helping democracy prevail in Russia remains the wisest—and least expensive—investment that we can make in America's security.

Mr. Chairman, the House and Senate have recognized the value of this investment. With the support of Congress, the United States initially pledged $1.6 billion in bilateral assistance programs to Russia and the new independent states. In Tokyo last July, we proposed a $3 billion special privatization and restructuring program, which our G-7 partners have joined. And in late September, as the crisis in Moscow between reform and reaction was approaching its climax, this Congress approved the Administration's request for $2.5 billion in additional technical and humanitarian assistance.

As you know, I went to Moscow two weeks ago to reaffirm, on behalf of President Clinton, our steadfast support for reform in the wake of the early October crisis. I made the case that the credibility of December's parliamentary elections—and the prospects for Russian democracy—depend on open dissent and a free press. President Yeltsin and Foreign Minister Kozyrev reiterated their commitment to reform and their determination to hold free and fair elections—and to allow press freedom.

Despite the hardships inevitably associated with a transformation of this magnitude, the Russian people have chosen reform over reaction. My visit gave me renewed confidence that reform will win their support once again. We now look forward to a January summit between President Clinton and President Yeltsin in Moscow—a summit that we expect will broaden and deepen the new cooperative relationship we are forging.

3. Europe and NATO

The trip I completed last week was designed not only to reinforce our partnership with Russia, but to help renew the NATO alliance at a time of new and different security challenges in Europe. The United States has an enduring political, military, economic, and cultural link to Europe that must be preserved. The European Community is our largest single trading partner, and we have a powerful stake in the collective security guaranteed by NATO. This alliance of democracies—the most successful in history—can lay the foundation of an undivided continent rooted in the principles of political liberty and economic freedom.

To meet the new challenges in Europe, the alliance must embrace innovation or risk irrelevance. Accordingly, the United States is proposing to transform NATO's relationship with the new democracies of the East.

The January summit should formally open the door to an evolutionary process of NATO expansion. This process should be non-discriminatory and inclusive. It should not be tied to a specific timetable or criteria for membership.

The summit should also initiate practical military cooperation between NATO forces and those to the East. To that end, we have proposed a Partnership for Peace. The Partnership would be open to all members of the North Atlantic Cooperation Council as well as others. It excludes no nations and forms no new blocs.

Our idea is to build the Partnership for Peace over time, at a pace geared to each partner's interest and capabilities. The Partnership would involve tangible cooperation and would channel members' defense efforts toward the ability to participate with NATO in a range of multinational missions. This Partnership would play an important role in the evolutionary process of NATO expansion, creating an evolving security relationship that could culminate in NATO membership.

This Partnership for Peace is a first step by the alliance to help fill the vacuum of insecurity and instability that was created in Central and Eastern Europe by the demise of the Soviet empire. It reflects our strong belief that the reform movements in Eastern Europe must be bolstered by the prospect of security cooperation with the West. Reaction to this proposal has been positive—from Allies, from NATO Secretary General Woerner, from Central and East European countries (including the Baltic States), and from Russia and the new independent states.

4. Asia and the Pacific

No area of the world will be more important for American interests than the Asia-Pacific region. This region contains the world's most dynamic economies, and it is the most lucrative terrain for American exports and jobs. It is thus crucial to the President's domestic agenda. We have vital security stakes in an area where we have fought three wars in the past half-century and where major powers intersect. And we seek to promote our values in the world's most populous region, where democracy is on the move yet repressive regimes remain.

The stakes in Asia are therefore high for America. That is why President Clinton traveled there on his first trip overseas. That is why I have been there three times as Secretary.

The upcoming APEC meeting will elaborate the President's vision of a New Pacific Community which he set forth in July in his statements in Tokyo and Seoul. The basic outlines are already clear:

* A more prosperous community through open markets and open societies;
• A more secure community through maintenance of our alliances and forward military presence, non-proliferation policies, and engagement in regional dialogues;
• A freer community through advocacy of open societies that contribute both to development and peace; and
• Regional cooperation on global issues such as the environment, narcotics, refugees, and health.

The Clinton Administration is placing special emphasis on developing regional approaches so as to construct— with others—a New Pacific Community. But clearly bilateral ties are also part of this vision. Let me briefly mention two that are central to our concerns.

The cornerstone of our Asia-Pacific policy remains our relationship with Japan. The President seeks to shape a durable and comprehensive partnership as we head toward the next century. As I have emphasized, we need to place our economic ties on a sound and cooperative basis as we have established on security, political, and global issues.

We are working out a comprehensive relationship with China that permits resolution of differences in a broad strategic context. As I have made clear on previous occasions, we have continuing concerns with China, including human rights, proliferation, and market access. We are actively working to make strides in each area, and share with the Congress the need to make measurable progress. The clock is ticking on a decision next spring on MFN renewal. Unless there is overall significant progress on human rights, the President will not be in a position to recommend extension.

5. The Middle East

The Middle East is a region where the United States has both vital interests and the influence to protect those interests. This fact was powerfully demonstrated in our successful leadership in stemming aggression in the Persian Gulf. Nowhere is the intersection between our interests and our influence more apparent than in the Arab-Israeli peace process. For four decades we have been involved in the search for Middle East peace not only because it is the right thing to do, but because our interests and those of our friends demand it. The pursuit of peace cannot guarantee stability in the region. But it can reduce the dangers of war and enhance the well-being of our allies—Israeli and Arab alike. This in turn will help preserve our political and economic stake in one of the world’s most important strategic regions.

In the Middle East, the recent breakthrough between Israelis and Palestinians has fundamentally changed the landscape of the Arab-Israeli conflict. There is much work to be done to transform the Declaration of Principles into an enduring agreement and changed realities on the ground.

The challenge now is to reinforce this breakthrough and broaden it to achieve a comprehensive settlement that will last. We will continue to work very closely with the parties themselves in pursuit of these goals.

First, it is essential that Israelis and Palestinians implement their Declaration of Principles in a timely manner. Implementing the accord will build the strength of the peace constituencies. It will show that negotiations work and demonstrate that extremists cannot stop the march toward peace. This accord must succeed. This means that Israelis and Palestinians need to be flexible and patient as they work through the complicated issues on the table. It also means that the international community needs to lend its support. That effort began with the October 1 Conference To Support Middle East Peace, which we organized. It will continue this week in Paris when the Ad Hoc Liaison Committee meets to coordinate assistance to Palestinians in the West Bank and Gaza. We must work to make the recent turning point for peace irreversible as we work to make the benefits of peace irresistible.

Second, it is also essential that we continue our efforts to move toward a comprehensive settlement. This means ensuring that progress is achieved on the other tracks, and that progress on the Israeli-Palestinian negotiations facilitates rather than impedes movement on the others. On the Israeli-Syrian track, there are complex issues relating to peace, withdrawal, and security that continue to separate the parties. These issues should be amenable to a negotiated settlement, and we are prepared to play our role as a peace partner with both Israel and Syria. Israel and Lebanon are focused on trying to find a way to meet their respective needs on the same three issues. And Jordan and Israel, having concluded an historic agenda in Washington, are in the process of organizing their negotiations in a practical manner on key issues.

We are committed to a comprehensive settlement, and we believe the parties are, too. Our Special Middle East Coordinator, Dennis Ross, came back from his recent trip to the region with the strong view that all parties are committed to this process and to working with us to find ways to overcome the gaps that separate them. And we will be unflagging in this effort.

Third, we are trying to create the proper environment for peace in the region. As the implementation of the Declaration of Principles moves forward, we are encouraging Israelis and Palestinians to reach out toward one another and create an atmosphere on the ground that facilitates their work at the negotiating table. At the same time, we are asking the Arab states to do their share. Tunisia’s decision to host the refugee working group last month was significant, as was the Qatari Foreign Minister’s meeting with Israeli Foreign Minister Peres. Oman has offered to host the next working group meeting on water. Egypt will host the next working group meeting on the environment. Morocco hosted Prime Minister Rabin on his return from the September 13 signing ceremony in Washington. Arab and Israeli business people are talking about translating the potential for regional economic growth into reality.

But more needs to be done. Anachronisms such as the Arab boycott of Israel must end, and anti-Israeli UN resolutions that have been on the books for too long must be removed. There
has been some movement on both of these issues, and we will work to build greater momentum.

Working at times as a catalyst, as a facilitator, or as a source of reassurance—and, when needed, as an intermediary—the United States is committed to doing everything it can to help secure what has been achieved and push for breakthroughs on other fronts. The President and I will stay actively involved. I will travel to the region when appropriate to promote the sustained progress that I believe is within reach. There is much work to be done, but I am very hopeful about the prospects for a comprehensive peace.

6. Non-Proliferation and Other Global Issues

Nuclear weapons give rogue states disproportionate power, destabilize entire regions, and threaten human and environmental disasters. They can turn local conflicts into serious threats to our security. In this era, weapons of mass destruction are more readily available—and there are fewer inhibitions on their use.

This Administration is working for global enforcement of non-proliferation standards. We are also pursuing specific strategies in each region where there is a real potential for proliferation. We lead the international effort to persuade North Korea to adher to the Nuclear Non-Proliferation Treaty and to its nuclear safeguards obligations. We are working to ensure that Iran does not acquire nuclear weapons, and that Iraq does not restore its former capabilities. We have sanctioned China and Pakistan for China's transfer of ballistic missile components to Pakistan.

Let me describe the progress made on non-proliferation and denuclearization during my trip to Russia and the NIS. I visited Kazakhstan, Ukraine, and Belarus, where hundreds of old Soviet nuclear weapons remain. In 1992, these former Soviet states committed themselves to ratify the START I treaty and adhere to the NPT as non-nuclear states. We have taken significant steps forward.

Belarus has already fulfilled its commitments. In Kazakhstan, which has ratified START I, President Nazarbayev for the first time set a deadline for accession to the NPT—the end of this year. Ukraine reaffirmed its commitments and their applicability to all strategic offensive arms on Ukrainian soil. President Kravchuk has pledged to press the Ukrainian parliament to ratify START I during its November session. We still have hard work ahead with Ukraine, where opposition remains to that nation becoming non-nuclear.

The United States is prepared to help Kazakhstan, Ukraine, and Belarus destroy or dismantle their nuclear weapons. But we have made it clear that action on these matters is a prerequisite to longer-term economic cooperation and security partnerships.

We are also bringing transnational issues such as the environment, population growth, refugees, terrorism, and narcotics where they belong—in the mainstream of American foreign policy. If we ignore these issues, they will return—compounded, more costly, and sometimes threatening to our security. That is why the United States is a leader, not a laggard, on global environmental issues. As part of this commitment, we have signed the biodiversity and climate change treaties. This Administration is placing an unmistakable emphasis on these pressing global concerns.

REGIONAL CONFLICTS

Earlier I noted that the end of the Cold War, while lifting the lid that had smothered freedom for much of the world, also lifted the lid on regional conflicts—especially along the periphery of the former Soviet Union. Troublesome conflicts, often spilling across borders, have persisted in Africa. In these conflicts, preventive diplomacy can be employed to great success.

Realism must guide U.S. policies toward these conflicts. Some touch our interests—or will, if they are not checked. But we must accept that other conflicts may not.

In testifying before the committee, Madeleine Albright addressed the importance of taking stock together with the Congress as we look at regional conflicts and the ever-increasing demands on peace-keeping. Ambassador Albright spoke eloquently of the need to preserve a bipartisan consensus as we address our role in UN peace-keeping operations. I completely agree.

Clearly, we will need to consider new mechanisms for conflict resolution and conflict avoidance. The UN structure may have to be supplemented by regional mechanisms. Organizations such as the OAU and the OAS can be more effective in conflict prevention, peace-keeping, and disaster relief. Institutions like NATO may need to assume more of a peace-keeping mission, at least in Europe. Our own role and involvement will need to be informed by a strict assessment of our interests and the interests of others. We must examine every case—asking rigorous questions, and giving measured answers—to find the course commensurate with our interests.

That is what we are doing today in Haiti, Somalia, and Bosnia. In each of these places, things have not always gone exactly as we had planned or hoped. These are difficult situations, and some setbacks, unfortunately, are inevitable. We should learn from them. But we should not overreact, for that may mean either losing possible opportunities for success or damaging our interests elsewhere.

Haiti

Haiti demonstrates that temporary setbacks must not prevent us from pursuing our interests. If democracy is not restored, repression, violence, and suffering will continue. More instability may cause large numbers of Haitians to flee, at great risk to themselves and to Haiti's neighbors—including the United States.

Haiti's problems can be addressed only through democratic institutions and economic development. We have supported a political process, culminating in the Governors Island accord, that
provides for the restoration of democracy. But now Haiti's military leadership refuses to adhere to the accord.

We are staying on course. We remain committed to the restoration of democracy and the return of President Aristide. The sanctions imposed in June brought the Haitian military to the negotiating table. We have now reimposed sanctions on oil and arms, and a freeze on assets of targeted individuals. These are selective sanctions, designed to compel the military leadership to fulfill its obligations, while sparing, as much as possible, the people of Haiti. We are prepared to increase the pressures on the Haitian military, if that is necessary. Once the accord is implemented, we want to make it possible for Haiti to sustain democracy.

Somalia

The United States is pursuing a noble objective in Somalia, consistent with its finest values and traditions. We have saved literally hundreds of thousands of lives. After the attack on Pakistani peace-keepers in June, significant efforts were dedicated to the military and security aspects of the mission. Not enough attention was given to efforts to achieve political reconciliation, which is essential to prevent Somalia from returning to famine and anarchy. We are now set firmly on the political track and are encouraged by the progress being made. In order to give this process a chance to succeed, American forces will remain until next March and will, as President Clinton stated on October 7, work with UN forces to keep open lines of communications and keep pressure on those who would seek to cut off relief supplies.

To be sure, we could have taken the easy, and perhaps popular, way out: simply abandon the effort in Somalia after the tragic deaths of American servicemen on October 3. The President chose another path, one that seeks to protect the real gains made in Somalia while improving the prospects for further progress. This will give the United States a reasonable chance to sort out their differences and allow the United Nations to prepare for our departure.

Bosnia

American policy toward the terrible conflict in Bosnia-Herzegovina responds to our strategic interest in preventing the conflict from spreading to neighboring countries and our humanitarian interest in helping to relieve the suffering of the people of Bosnia.

Negotiations offer the only way to a practical solution. Although the Geneva talks have not been able to produce an acceptable agreement, they have made some progress and remain alive. The negotiators have also explored the option of a "global solution" that would embrace Croatia, Kosovo, and other areas of conflict in the region. The United States has played an active role in support of these diplomatic efforts and will continue to do so.

Unfortunately, none of these efforts provides any assurance that an agreement can be reached this winter. We will continue to press the negotiating track, but with the Bosnian people again at serious risk, we must focus attention on humanitarian relief. The United States has worked very hard to respond to humanitarian needs. We are the single largest country donor of humanitarian aid (more than $370 million since 1991). With 6,000 flights over 500 days, the Sarajevo airlift has gone on longer than the Berlin airlift of 45 years ago. Air drops of humanitarian relief to the enclaves have delivered more than 10 million meals since February. American planes have made 80% of airdrop flights. We remain committed to the relief effort, both by air and overland, where we are working with the UN and EC on ways to resolve immediate problems of secure land access for relief convoys, now suspended because of intense fighting in central Bosnia.

We strongly support the work of the UN's War Crimes Tribunal, and continued economic sanctions against Serbia and Montenegro. We are determined to prevent the conflict from spreading, and we have deployed U.S. forces to Macedonia as part of an international effort to deter a wider conflict.

At the same time, the President has made it clear that the United States will not attempt to force a settlement on Bosnia militarily. No imposed settlement would endure. Before committing American troops anywhere in the world, we must ask a series of rigorous and searching questions. If we are satisfied with the conditions for our participation, we would be prepared to participate in a NATO implementation of a Bosnian settlement. Those conditions would include good-faith agreement to a settlement by all the parties and evidence of good-faith implementation. Any such action by the United States would require the fullest consultation with Congress.

I want to assure the Members of this Committee that our policy toward any regional conflict will undergo constant and rigorous reevaluation. We will constantly reassess our own assumptions to be sure they are truly validated by events. And any situation in which American men and women may be put in harm's way will always hold the highest priority for me and for every member of this Administration.

CONGRESSIONAL CONSULTATIONS

Mr. Chairman, this Administration is committed to frequent and comprehensive consultations with the Congress. When congressional hearings begin on the relationship between the legislative and the executive branches on foreign policy, we will be responsive.

It is in that spirit. Mr. Chairman—a spirit of cooperation and steadfastness about enduring American interests in a fast-changing world—that I have come here today. Now I would be pleased to respond to your questions and hear your views.
STATEMENT BY
SECRETARY OF STATE WARREN CHRISTOPHER
BEFORE THE
HOUSE FOREIGN AFFAIRS COMMITTEE

JULY 28, 1994
Thank you, Mr. Chairman. This has been a month of extraordinary contrasts. We have witnessed tremendous hope and opportunity, and we have seen terrible tragedy and suffering.

From the talks on the Jordan shore of the Dead Sea to the historic meeting between Prime Minister Rabin and King Hussein, American leadership has contributed to another breakthrough for peace in the Middle East. We are helping to draw the contours of peace across the map of a region vital to the United States.

But even as we celebrate these exhilarating events, we are acutely aware of the scourge of disease, devastation, and death that ravages the people of Rwanda. Closer to home, an illegal dictatorship continues to deny the democratic aspirations of the people of Haiti. These crises, to name only two, are tests of responsibility for the entire international community. And they are challenges that this Administration, working with Congress, is determined to meet.

I look forward to discussing the events of the last month in the Middle East and elsewhere. But first I want to place them in the context of our overall foreign policy objectives.

The most important contribution I make as Secretary of State is helping the President build and renew the lasting relationships, structures, and institutions that advance America's enduring interests. These interests remain: ensuring our security, enhancing our prosperity, and expanding the reach of democratic institutions and free markets.

Our strategy takes advantage of a moment in history when no great power views another as an immediate military threat. We are reinforcing our bonds with our European allies and Japan, intensifying our cooperation with Russia, and extending our broad engagement with China. We are continuing to forge durable structures of peace and stability in the Middle East and Asia, regions in which the United States has vital interests. And we are seizing the chance to build a more secure, prosperous, and integrated world by strengthening, extending, and creating the institutions that serve our overarching objectives.

The recently completed G-7 summit in Naples reflects this strategy. At President Clinton's initiative, our G-7 partners agreed to examine how to adapt the great post-World War II institutions-- including the World Bank, the IMF, NATO, and the UN-- to the post-Cold War era. This is a commitment, as the President said, to determine "what we want the world to look like 20 years from now." We must design a new economic and security architecture for the next century.

Ratification of the GATT Uruguay Round is a crucial step in this process. Its approval will build an institutional bridge to the future by replacing the GATT with the new World Trade Organization. We also are seeking fast-track authority to liberalize trade and investment with fast-growing markets in
Asia and Latin America, beginning with Chile. Our objectives in these regions are similar: to bolster prosperity and stability through integration and cooperation. President Clinton will pursue these goals later this year at the meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Indonesia, and at the Summit of the Americas in Miami.

Nowhere is the task of creating a new global architecture more urgent than in Europe. We are working to extend to Central and Eastern Europe the benefits and obligations of the liberal trading system and collective security order that have been pillars of strength for the West. President Clinton focused on America's comprehensive security strategy toward Europe during his most recent trip. In Poland, the President reaffirmed the importance of the Partnership for Peace, the most significant strategic initiative that NATO has ever undertaken. This fall, Poland will host the first joint exercises with NATO troops ever to occur in a former Warsaw Pact country.

The Partnership for Peace offers Europe's new democracies the best preparation for eventual NATO membership. The United States is committed to helping them achieve this goal. As the President said in Warsaw, NATO expansion "will not depend on the appearance of a new threat in Europe; it will be an instrument to advance security and stability for the entire region."

The last two months have been an important period of definition for post-Cold War Europe. The OECD agreed to membership talks with Poland, Hungary, the Czech Republic, and Slovakia, and it signed a cooperation agreement with Russia. NATO welcomed Russia to the Partnership for Peace. The European Union invited President Yeltsin to its summit in Corfu and reached a market access pact with Russia. And for the first time, the G-7 leaders included President Yeltsin in their regular political consultations. In another significant development, Russia joined the major industrial democracies in signing an expansive document that supports U.S. positions on Haiti and North Korea, and on terrorism and non-proliferation.

With respect to non-proliferation, we continue to attach the highest priority to resolving the North Korea nuclear issue. As you know, Ambassador Gallucci will meet his North Korean counterparts on August 5 to resume the third round of talks.

Mr. Chairman, we welcome this week's agreement between President Yeltsin and President Meri of Estonia providing for the withdrawal of all Russian troops from Estonia by August 31. Coupled with the agreement the Russians concluded earlier with Latvia, this means that by the end of next month, no Russian troops will be in Central and Eastern Europe or the Baltic states. This is a concrete demonstration of Russia's stated intention to respect the sovereignty and independence of its neighbors. Both the Estonian and Latvian agreements are attributable, in significant measure, to President Clinton's active efforts to assist the parties when they reached a
The successful transformation of the New Independent States into sovereign democracies is central to European stability. The importance of a prosperous, non-nuclear Ukraine was a prime focus of the G-7 summit in Naples. At President Clinton's insistence, the G-7 agreed to assist Ukraine with more than $4 billion over two years provided that nation carries out a program of fundamental economic reform. The G-7 also pledged $200 million in grants to help pay the initial costs of shutting down the Chernobyl nuclear reactors and to assist in upgrading the safety of Ukraine's newer design reactors. If this plan is successful, the Chernobyl facility will be closed forever. We also expect to work with newly elected President Kuchma on continuing economic reform, implementing the Trilateral nuclear agreement that he has pledged to uphold, and acceding to the Non-Proliferation Treaty.

Mr. Chairman, the tragic war in Bosnia continues to threaten America's interest in a peaceful and integrated Europe. We have taken steps to contain the conflict and alleviate its cruel consequences. Since the beginning of the year, the United States has led the effort to reach a negotiated settlement. We have helped produce important advances such as the Muslim-Croat Federation and the Sarajevo exclusion zone. Working with our Contact Group partners, including Russia, we developed a plan that would respond to Bosnian government needs. The Bosnian government accepted that plan unconditionally. But the Bosnian Serbs' answer was tantamount to a rejection.

When the Contact Group presented the plan to the parties, we agreed that rejection would bear consequences. Tomorrow, I leave for a meeting of the Contact Group foreign ministers in Geneva. Our purpose will be to decide on what those consequences should be. The agreed options include tightening the sanctions, enforcing existing exclusion zones more strictly, and identifying new ones. Should these steps fail to bring the Serbs to accept the plan, the parties recognize that the pressure to lift the arms embargo may be irresistible. We must be prepared to impose increasing pressure on those who would reject peace.

Our policy toward Haiti is based upon a determination to achieve removal of the illegal regime and a restoration of democracy. The decision by the illegal government to expel the UN and OAS human rights monitors demonstrates the flagrant contempt of the coup leaders for the most basic principles of justice. This action has galvanized the nations of this hemisphere and the world to express their common conviction that the coup leaders must go.

Within the next several days, we expect the Security Council to adopt a resolution that will make clear the determination of the international community to return democracy to Haiti and begin the process of national reconciliation. Our interests are unmistakable: we must maintain stability in our hemisphere, protect democracy in the region, and resolve the refugee problem in a fair and humane manner.
Mr. Chairman, before turning to the Middle East, let me address a situation that weighs on all of our minds. In Rwanda, we confront what President Clinton called "the world's worst humanitarian crisis in a generation." From the very beginning, we have exerted intense diplomatic pressure on the parties to stop the killings and agree to a cease-fire. And we have led the international effort to alleviate the suffering caused by the civil war, contributing far more than any other nation.

In response to the sudden exodus of Rwandans into Zaire that began on July 13, the President sent AID Administrator Brian Atwood to assess conditions on the ground. Last Friday, the President directed that $100 million be added to the $150 million previously committed. He ordered deployment of 4,000 military personnel to assist humanitarian operations. And he launched an around-the-clock airlift of supplies. As of this morning, the United States will have delivered more than 3,800 tons of supplies, including the necessary equipment to purify half a million gallons of water per day.

I have sent Ambassador David Rawson to Kigali to encourage the leadership of the newly installed government to establish the conditions necessary for refugees to return to their homes. Assistant Secretary George Moose will travel to the region with Defense Secretary Perry this weekend to review the status of the humanitarian operation, the security situation, and our diplomatic efforts. We hope that with our help, the suffering will soon diminish and the process of national reconciliation can soon begin.

Mr. Chairman, we are troubled and challenged by crises such as those in Rwanda, Haiti, and Bosnia--crises that touch our hearts and test our faith in humanity. But as the historic events this week in Washington have shown, no hatred is so intense, no conflict so intractable, that it cannot be overcome with courage and commitment.

The historic summit and joint declaration of Prime Minister Rabin of Israel and King Hussein of Jordan represent a watershed event in the quest for peace in the Middle East. Together with the Israeli-PLO Declaration of Principles and the multilateral talks, the Washington Declaration will help to transform the Middle East landscape. Our aim in the Middle East is to replace a 40-year pattern of conflict with a new structure of peaceful relations between Israel, each of its neighbors, and the entire Arab world.

The Arab-Israeli conflict is not yet over. But today we can say, with more confidence than ever before, that it is on the road to resolution. There is no turning back.

The White House ceremony Monday marked the culmination of weeks of intensive diplomacy. The scope of what was achieved extends far beyond the powerful symbolism of a handshake. The Washington Declaration is a practical document that establishes the foundation for full-fledged peace between Jordan and Israel. It terminates their state of war. It promises to open
direct phone links, integrate their electricity grids, open border crossing points, and allow free access for third-country tourism. It provides for negotiations to open an international air corridor, to develop bilateral economic cooperation, and to end the Arab boycott against Israel. Most important, King Hussein and Prime Minister Rabin have committed themselves to meet as often as necessary to conclude a formal peace treaty.

Mr. Chairman, I know the members of this committee appreciate the significance of these dramatic and moving events. You know how long the American people have waited for the day when the leaders of Jordan and Israel would stand side by side to proclaim to the world their readiness to make peace. You understand the courage that was required for them to make this great leap into history.

So does President Clinton. The President has said repeatedly that we would support those countries and leaders willing to take risks for peace. Jordan and Israel have done their part. Now we must do ours. Jordan, in particular, is suffering under the burden of a crushing foreign debt that is crippling its economy. We should also be prepared to help with Jordan's legitimate security needs. We are urging Congress to assist Jordan and send a clear signal to the people of the region that America stands with the peacemakers.

Mr. Chairman, during my last visit to the Middle East, I went to Gaza and held discussions with Yasser Arafat. I stressed to him the continued willingness of the United States and other international donors to support the Palestinian Authority so it can govern wisely and well. Economic development is essential if we are to give Palestinians the sense that peace can change their lives for the better. At the same time, I stressed to Chairman Arafat the importance of meeting donor needs for accountability as international assistance is received.

Finally, on the Israeli-Syrian track, my trip confirmed that a chance for serious progress now exists. I do not expect dramatic results immediately. The issues on the table are tough. They touch on the core interests of security, peace, and territory for both parties. Both sides are weighing every move with extreme care. But I found Prime Minister Rabin and President Asad very engaged in the details of their negotiation. Both are determined to find a way to a political settlement. President Clinton and I are prepared to do our part to help them succeed. Toward that end, I will return to the region next month.

Mr. Chairman, the terrorist bombings in Latin America and London serve as a tragic reminder that the enemies of peace remain formidable. These killers must not— they will not— succeed.

Groups like Hezbollah that wreak havoc and bloodshed must be defeated, and Hezbollah's patron, Iran, must be contained. The horrible events of the last week are a clarion call for the international community, including some of our key allies and
friends. Iran is an international outlaw. Yet some nations still conduct preferential commercial relations with Iran or take other steps to appease that outlaw nation. They must understand that, by doing so, they make it easier for Iran to use its resources to sponsor terrorism throughout the world.

The recent bombing attacks in Latin America and Europe make clear that the effort to defeat terrorism requires a concerted international response. The United States is working with its allies around the world to improve coordination and intelligence sharing. This will aid in the apprehension of those responsible for these crimes and help prevent further such atrocities. I have instructed the Department's counter-terrorism experts to review existing procedures and mechanisms to look for ways to improve our global efforts.

In our hemisphere, we are taking specific steps to combat the latest wave of attacks and prevent future attacks:

- The United States has dispatched our government's top forensic experts to Latin America to assist in the investigation of the Buenos Aires and Panama bombings.

- I am directing the State Department's Coordinator for Counter-Terrorism to consult with our Latin American neighbors in the near future to develop a concrete plan to combat terrorism in this hemisphere.

- Finally, as host of this year's Summit of the Americas, the United States will move to make terrorism in this hemisphere a priority issue on our agenda.

Of course, in the long run the best way to ensure that the terrorists fail is to pursue peace with determination and resolve. We will, I am convinced now, ultimately see a lasting and comprehensive peace for Arabs and Jews. A peace that is just and secure for all the peoples of the Middle East. A peace that sees Israel safe and fully integrated into the political and economic life of the region. That is the best answer to the terrorists.

President Clinton told Prime Minister Rabin and King Hussein on Monday that "the United States will walk the final miles with you." The events of the past weeks and months demonstrate the strength of our commitment and the rewards of our engagement.

The United States is the world's sole remaining superpower. We are blessed with great resources and resolve. And we will continue to use them, with wisdom and strength, to advance our enduring interests.

Thank you very much.

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STATEMENT BY
SECRETARY OF STATE WARREN CHRISTOPHER
BEFORE THE
SENATE COMMITTEE ON FOREIGN RELATIONS

JUNE 30, 1994
Thank you, Mr. Chairman. I wanted to come here today to review with you the Clinton Administration's progress in advancing America's vital interests in the world.

As you know, the President is about to embark on a trip that will take him across Europe. I will join him in Riga, where we will pay tribute to the victory of the Baltic peoples over tyranny and the reintegration of their nations with the West. We will go on to Poland, where we will commemorate the approaching 50th anniversary of the Warsaw uprising and discuss with President Walesa our comprehensive approach to economic and security cooperation in Europe.

From there, we go to the G-7 summit in Naples, where we will build on the progress we made last year in encouraging global growth, open trade, and Russian reform. In Germany, we will discuss with Chancellor Kohl our shared goal of promoting security and economic recovery in the East. And we will pursue that goal at the U.S.-EU summit in Berlin. Later this month, I will go on to the Middle East and Asia.

I thought it important to take this opportunity to discuss our objectives for these trips and to offer a broader view of the overall objectives of our foreign policy.

I know that we will spend much of our time today discussing immediate crises. But in my statement, I will focus on what I believe to be the most important contribution I can make as Secretary of State. That is to help the President build and maintain long-term relationships and lasting structures that will advance America's enduring interests.

We must take advantage of a unique historical moment when none of the great powers views any other as an immediate military threat. It requires managing effectively our relations with Russia, Western Europe, Japan, and China. And it requires strengthening, extending, and creating the institutions that serve our overarching strategic objectives. These objectives remain: ensuring our security, reinforcing our prosperity, and expanding the reach of democracy and free markets.

Since taking office, the Clinton Administration has made steady and remarkable progress in advancing these objectives:

- Eighteen months ago, our budget deficits were out of control and our international economic leadership was in question. With your help, we have put our economic house in order. And through NAFTA, GATT, and APEC, we are building the foundations of a more open world trading system.
Eighteen months ago, the Middle East peace talks were stalled. Today, we are helping to implement a historic agreement between the Israelis and the Palestinians. Through our trilateral talks, we are promoting major new progress between Israel and Jordan. With our efforts on the Israeli-Syrian and other negotiating tracks, we are closer than many ever thought possible to building a lasting structure of peace in the Middle East.

Eighteen months ago, the United States was still groping for a comprehensive security strategy toward Europe. Today, we are putting a new strategy into place. We are transforming NATO to meet the challenges of the post-Cold War world. Through the Partnership for Peace and other initiatives, we are helping new democracies in Central and Eastern Europe become our stable partners in diplomacy and trade. We have forged a cooperative relationship with Russia and helped keep that nation moving toward reform.

The end of the Cold War has given us a unique opportunity to build a more integrated world. But the gains of market democracy—in Eastern Europe, Latin America, and around the world—will endure only if we have the foresight to extend to new nations the institutions that have long served us well. If we are to lock into place the gains of the Cold War's demise, we must now build the economic and security architecture for the future. American leadership is the essential condition for constructing that architecture.

In my previous visits with this committee, I set out our strategic priorities. Today, I will focus on a few of the most pressing issues we face in advancing these priorities.

This Administration is committed to building a secure, democratic, and fully integrated Europe. After the Second World War, visionary leaders on both sides of the Atlantic built the institutions that ensured the security and economic strength of the United States and Western Europe: NATO and GATT, the OECD and its predecessor, and ultimately the European Union. These institutions helped produce unparalleled peace and prosperity for half a century—but only for half a continent. For Eastern Europe, the benefits of Western integration and of post-war reconstruction were denied by the harsh confrontation of the Cold War.

Earlier this month, I called on our partners at the OECD and NATO to help extend to all of Europe the benefits, and obligations, of the same liberal trading and collective security order that have been pillars of strength for the West. We are actively working with our EU partners to expand market access and investment opportunities for Central and Eastern Europe. And last week, we welcomed Russia to the Partnership for Peace, the most important strategic initiative NATO has undertaken since its creation. By widening NATO's reach, we are asserting that Europe cannot be split into zones of stability and insecurity.
After centuries of great power conflict in Europe, we are building the first security partnership that can encompass all the nations of the continent. Twenty-one countries have joined the Partnership for Peace. In September, Poland will host the first joint exercise on the soil of a former Warsaw Pact state.

As the President said in Prague, the question now is not whether, but when and how NATO will admit new members. We are committed to NATO expansion. And that process begins with developing deep cooperative relationships through the Partnership for Peace.

The war in Bosnia, Mr. Chairman, remains a threat to European security and integration. We have a strategic interest in seeing that the war does not spread. And certainly, we have a humanitarian interest in ending the violence and in easing the plight of its victims.

In February, when I last came before this committee, two wars were being fought on Bosnian territory. In March, we brokered an agreement between Bosnia's Muslims and Croats to end one of those wars. We helped end the shelling of Sarajevo, and the exclusion zones NATO has enforced around that city and around Gorazde have largely held. But violence continues, making it vital that the parties agree to a political settlement.

We have been working with Russia and our other European partners in the Contact Group on a proposal that can form the basis for a negotiated settlement. We are now discussing the final contours of that proposal and the consequences should any of the parties reject it. In our view, this must include a credible threat to increase pressure on the Serbs if they say no.

This is a moment of opportunity on Bosnia. Although we may well reach the point where the international community lifts the arms embargo, it would be a tragic mistake to undermine the settlement process by unilaterally lifting the embargo now. That would break the cohesion of the NATO Alliance. It could lead to the general collapse of UN sanctions as an effective instrument in international affairs. And it could undermine our efforts in situations such as Iraq and Libya.

Mr. Chairman, with respect to Russia, this Administration believes that supporting that nation's reforms and its integration with the West is the best investment we can make in our security. That investment continues to yield solid returns for America. It has made our nation and the world safer. It has allowed us to dedicate more resources to domestic renewal.

- In January, the United States, Russia, and Ukraine signed a historic accord to eliminate nuclear weapons from Ukraine's soil.
• In the last three weeks, in addition to joining the Partnership for Peace, Russia signed an economic partnership with the European Union and a cooperation agreement with the OECD.

• Last week, we agreed to help Russia develop oil and gas reserves in its far east. And Russia agreed to close its plutonium production reactors.

• At the Naples summit, President Yeltsin will join us for the first time in the G-7 Plus One format. In September, Presidents Clinton and Yeltsin will hold their third summit.

Integration into Western institutions will bring benefits to Russia, including expanded trade, greater investment, and military cooperation with NATO. It also will require Russia to accept the obligations Western nations share: to pursue sound economic policies, uphold democracy, and respect the rights of other countries. Integration will serve the interests of the United States and of all the nations of Europe, particularly those that so recently won their freedom from communist rule.

The successful transformation of the Soviet empire into a community of sovereign, democratic states is a matter of fundamental importance to America and Europe. In particular, a prosperous, non-nuclear Ukraine is vital to European stability. We are helping Ukraine try to reverse the deterioration of its economy, which poses the most immediate threat to its future. This Administration also has worked hard to achieve the full and timely withdrawal of Russian troops from the Baltic states.

Let me be clear: a rhetorical commitment to the independence of new democracies will not suffice. It will require a determined effort, backed by resources. It will require the steady support of this Congress.

Another distinctive imprint of the Administration's foreign policy is the high priority we assign to economic security. In this respect, I have not hesitated to challenge foreign policy orthodoxy. It used to be said that balance-of-power diplomacy and arms control were "high politics" and economics was "low politics." I reject that distinction and not because times have changed. When our predecessors created the Bretton Woods system 50 years ago this summer, when they launched the Marshall Plan and established the GATT, they knew that political and economic diplomacy are indivisible.

With support from this Congress, President Clinton is advancing the most ambitious international economic agenda of any President since Harry Truman.

With the Uruguay Round, we broke global gridlock to complete the most comprehensive trade agreement in history. The Uruguay Round is an investment in a more stable and integrated world in which open societies are linked and invigorated by open markets. Its approval by Congress this year, so that it can take effect next January, is a top priority for this Administration.
When Congress approved NAFTA, we built a platform for greater American prosperity and a bridge to greater trade and investment throughout the Americas. We recognized our overriding national interest in Mexico's stability, prosperity, and democratic development. Last year, I was gratified to make the foreign policy case for passing NAFTA. As we seek fast track authority, I look forward to making a similar case for liberalizing trade and investment with other fast-growing markets, beginning with Chile.

When the President hosted the successful meeting of APEC leaders in Seattle, we deepened our economic integration with the dynamic Asia-Pacific region. Already, more than 40% of American trade is with Asia, supporting 2.5 million U.S. jobs.

Our commitment to promoting a secure, prosperous, and democratic Asia requires that America remain a stabilizing power in the Asia-Pacific. Instability and conflict in Asia would undermine global economic growth, threaten democracies, and encourage proliferation.

This Administration has consistently identified North Korea's nuclear program as a threat to America's vital security interests. North Korea's actions threaten peace on the Korean Peninsula and endanger our treaty ally, South Korea. They threaten the strategic stability of the entire region and could spur a nuclear arms race in Asia. And they threaten our global efforts to prevent proliferation. Left unchecked, rogue regimes or terrorist groups could one day be a cargo ship away from acquiring a nuclear capability.

We always have preferred to address this problem, and to protect these interests, through negotiations. We now have a new opportunity to conduct on favorable terms a third round of discussions between the United States and North Korea. But should North Korea use dialogue for the purpose of delay, we are prepared to move the issue back to the Security Council, pursue sanctions, and take whatever steps are appropriate to resolve the issue.

We look forward to broad and thorough discussions with the North on a full range of security, political and economic issues. And we welcome the upcoming meeting between the Presidents of North and South Korea. Our objectives are the same: a nuclear-free Korean Peninsula, a secure Asia, and a strong non-proliferation regime. Our resolve to achieve these objectives is undiminished.

Mr. Chairman, we have accomplished a great deal in the last 18 months. But I am concentrating on our agenda for the future. We will be addressing a number of important challenges, including:

- Ratification of the Uruguay Round and initiatives to open new markets in Latin America and Asia.
- An expanded NATO that advances the integration and security of a wider Europe.

- A comprehensive peace in the Middle East, with Israel secure and fully integrated in the region's political and economic life.

- A strong non-proliferation regime, including indefinite extension of the NPT, a comprehensive Test Ban Treaty, and a ratified Chemical Weapons Convention.

- A United Nations better able to respond effectively and rapidly to crises.

- An Africa in which an increasing number of democracies cooperate to resolve conflicts and achieve sustainable development.

- International action on population and global climate change.

Since taking office, Mr. Chairman, I have often spoken about my deep respect for two of my most distinguished predecessors, George Marshall and Dean Acheson. We still admire the way they managed the crises they faced. But most of all, we remember them for the enduring institutions they left behind. Their portraits hang today in my office as a reminder of what determined American leadership can accomplish.

Much has changed in the world since Truman, Marshall, and Acheson forged America's post-war foreign policy. But I continue to be struck by the similarities. They met the challenge of reconstruction in post-war Western Europe. We are meeting the challenge of reconstruction in post-Cold War Eastern Europe. They were present at the outset of the Arab-Israeli conflict. We are helping achieve its resolution. They faced a crisis in Korea. We are working to avert one.

We are the world's largest military and economic power. Our nation and its founding principles still occupy a special place in the imagination of people all over the world. And we still have the institutions the post-war generation left us. With the Cold War past, we now have the power to expand the reach of these institutions and to extend the security, prosperity, and democracy that they helped preserve for us.

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In recent years, we have seen failed attempts to declare history at an end, to announce the birth of a New World Order, and to promote grand new strategies for American foreign policy. A measure of the failure of those efforts is the fact that we still refer to our present in terms of our past. The very phrase "post-Cold War" demonstrates that the contours of this new era have yet to take clear shape.

The great clarifying struggles of this century, the battles against fascism and communism, are over. They have been replaced by new challenges that lack a common theme. While the sphere of freedom is wider than ever before, new threats and conflicts now spill across borders, transcend ideologies, and resist simple prescriptions.

As we chart a course for the next century, the Clinton Administration has set aside rigid doctrines for a flexible strategy that takes advantage of a moment in history when no great power views another as an immediate military threat. That strategy has three basic, interlocking elements.

First, we must manage relationships with and among the great powers themselves. Accordingly, the Clinton Administration is working to reinforce America's bonds with our European allies and Japan, intensify our cooperation with Russia, and expand our broad engagement with China.

Second, we must build and reinforce durable structures of peace and stability in the key regions, such as the Middle East
and Asia, where the United States has vital interests. Although this has been a constant focus of American diplomatic engagement, the end of the Cold War superpower rivalry has helped to produce dramatic breakthroughs in the Middle East and a steady, if less visible, lessening of tension in Southeast Asia.

Third, we must strengthen, extend, and create the global and regional institutions that will forge a more secure and integrated world. The current array of old and new organizations and structures not only helps us manage important relationships and contribute to the security and prosperity of vital regions, but helps the United States and the world advance global objectives such as non-proliferation and trade liberalization.

For half a century, these institutions have not only largely defined the international community but have served American interests at the same time. Now we must renew and redefine these institutions for the next century in ways that continue to serve American interests but strengthen the integrative over the disintegrative forces shaping the post-Cold War world.

The last three months have been an important period of definition for the post-Cold War world in terms of this institution and structure—building dimension of our strategy. Russia joined NATO's Partnership for Peace. It also signed a cooperation agreement with the OECD and a market access pact with the European Union, and it sat as a full political partner
at the G-7 summit in Naples. The OECD agreed to membership talks with Poland, Hungary, the Czech Republic and Slovakia, while Mexico became the first new member in 21 years. South Africa rejoined the UN General Assembly. The nations of the Asia-Pacific held the first comprehensive security dialogue in the region's history. And Israel and Jordan not only ended their state of war, but began planning mechanisms to develop regional ties spanning trade, transportation, the environment and tourism.

These developments set the stage for a concerted, accelerated effort to renovate and construct the institutional architecture for the future. At President Clinton's initiative, our G-7 Summit partners agreed in Naples to examine what must be done to adapt the World Bank, the IMF, NATO, and the UN to a world where no Iron Curtain curtails the flow of people and ideas, a world where capital, technology, and information move far faster than governments. This is a commitment, as President Clinton said, to determine "what we want the world to look like 20 years from now. By next July's summit in Halifax, our objective is to have a cleaner blueprint of that architecture and a clearer vision of that future.

Almost 50 years ago, President Truman and Secretaries of State Marshall and Acheson faced a similar challenge. They knew that security cooperation had to be institutionalized if Western democracy was to survive. And they understood, as Marshall put it, that a "working economy" had to be revived in war-ravaged Europe "to permit the emergence of political and social conditions in which free institutions can exist." Thus,
within five years of the Allied landing in France, the United States and its allies had launched the Marshall Plan, established NATO and the GATT, and laid the foundations for what became the European Union and the OECD.

These institutions set and enforced rules of conduct among nations. They provided a framework for cooperation and conflict resolution. They gave structure, legitimacy, and strength to the common enterprise of Western democracies: promoting peace and global economic growth. And half a century after Bretton Woods, Dumbarton Oaks, and the Treaty of Washington, institutions such as the IMF and World Bank, the UN, and NATO still serve America's enduring interests. They still reflect the American conviction that security, prosperity, and democracy are interlocking. But to ensure their continued success, we must adapt these great post-war institutions of global cooperation to economic and political realities that their founders may have envisioned but never saw.

First and foremost, these institutions must at last fulfill their original unifying purpose. For almost half a century, they helped us achieve unparalleled security and prosperity— but for only half a continent. For Eastern Europe, the benefits of post-war reconstruction and Western European integration were denied by Stalin's veto and the absolute divisions of the Cold War. With that bitter conflict behind us, we must ensure that Europe is not split into new zones of poverty and prosperity, insecurity and stability.

The United States is pursuing a comprehensive security
strategy to preclude any new redivision of Europe. We are transforming NATO. We are helping the emerging democracies in Central and Eastern Europe and the former Soviet Union become our stable partners in diplomacy and trade. We are forging a cooperative relationship with Russia while helping it consolidate democratic and market reform. And we are calling on our allies to help us extend to all of Europe the benefits—and obligations—of the same liberal trading and collective security order that has been a pillar of strength for the West.

At President Clinton's urging, NATO in January launched the Partnership for Peace, a historic initiative to build a new framework for European security. Already, 21 countries have joined, each pledging to respect the territorial integrity of its Partners. This fall, Poland will host the first joint exercises with NATO troops ever to take place in a former Warsaw Pact country. President Clinton is asking Congress for $100 million to help nations participate meaningfully in the Partnership.

The Partnership for Peace offers the best vehicle for preparing the emerging democracies for eventual NATO membership—a goal the United States is committed to helping them achieve. As President Clinton said in Warsaw earlier this month, NATO expansion "will not depend on the appearance of a new threat in Europe; it will be an instrument to advance security and stability for the entire region." [In the coming year, the Alliance should begin to determine a process for accepting new members. And as countries in Central and Eastern
Europe become full NATO members, we will reinforce the Partnership for Peace as a strong and vital structure for those nations that do not join the Alliance.

Since the Marshall Plan, the United States has been both an advocate and catalyst for the political and economic integration of Western Europe. As President Clinton said in Brussels, the United States "supports the European Union, and Europe's development of stronger institutions of common purpose and common action." We are intensifying our efforts to support the integration of the entire continent.

This year, we encouraged the OECD to accelerate membership for Poland, Hungary, the Czech Republic and Slovakia, and to reach a cooperation agreement with Russia. These steps will spur further reform and boost investor confidence in the region. We have made clear our hope that the association agreements the European Union has signed with the four Visegrad countries will lead to full EU membership by the end of the decade. [We also welcome Chancellor Kohl's proposal, in his capacity as EU President for the next six months, to invite these four countries to attend future EU summits along with Russia].

Together with our western European partners, we must continue to lower trade barriers that limit exports by the emerging democracies and inhibit their potential for growth. As President Clinton has said, "It will make little sense for us to applaud market reforms on the one hand, while offering only selective access to our markets on the other."
recent Uruguay Round agreement will help the region's privatized industries compete in the global marketplace. And it will support stability and democracy in Central and Eastern Europe by demonstrating to millions of people that the sacrifices they are making on behalf of economic reform are bringing material improvement to their lives.

Since we cannot overcome geography, we must use it to our advantage. By extending the institutions of the West across the obsolete frontiers of the Cold War, we will permanently transform the liberal internationalist order of the Acheson-Marshall generation from a bulwark against tyranny into a lasting structure of peace and democracy for all Europe.

The success of Europe's transformation will not be assured if it stops at the eastern frontiers of Poland. The security and prosperity of Central Europe is inextricably linked to the stable development of Ukraine, the Baltic states, and Belarus. And the prospects for these nations is similarly linked to the stable development of a democratic, market-oriented Russia.

It has been only three years since the collapse of the Soviet Union. But after centuries of rule by fear, Russia is at last embracing the rule of law. Russia's private sector now produces more than half of the country's output, and its new market-opening agreement with the EU will improve its economic prospects. Its eventual accession to the GATT, a step supported by the United States, would open new markets for Russia's goods while requiring it to lift obstacles to foreign, including American, investment.
The United States' efforts to build a constructive relationship with a reform-minded Russia complements our strategy of building an integrated Europe. But it is more than that. As a great power, Russia continues to have interests and objectives that span the globe. In some cases, those interests will be consistent with ours; in others, there will be differences that we, as great powers, will have to manage. In supporting Russia's reforms and in encouraging its integration with the West, we serve our own political, economic, and security interests, both in Europe and around the world.

Integration will bring benefits to Russia, including expanded trade and investment, and military cooperation with NATO. But it also will require Russia to accept the obligations Western nations share: to pursue sound economic policies, to uphold democracy, and to respect the rights of other nations. Russia's integration will serve the interests of those nations that so recently won their freedom from communist rule.

Security cooperation between Russia, the United States, and our NATO allies is an investment in a peaceful Europe. Russia's participation in the Partnership for Peace intensifies that cooperation. Moreover, its commitment to respect the territorial integrity of other Partners promises to remove those nations once and for all from the shadows still cast by the Iron Curtain. By the end of August, Russian troops will no longer be in Central and Eastern Europe or the Baltic states. The agreement two weeks ago between President Yeltsin and President Meri of Estonia for the withdrawal of Russian troops,
along with Russia's earlier agreement with Latvia, were both assisted by President Clinton when negotiations had stalemated.

The successful transformation of the other New Independent States into a community of sovereign, democratic states is a matter of fundamental importance to the United States and Europe. A prosperous, non-nuclear Ukraine is especially vital to European security. The most immediate threat to Ukraine's future, and to its closer integration into the West, is its deteriorating economy. The G-7 nations agreed in Naples to supply more than $4 billion in assistance to Ukraine provided that nation pursues serious economic reforms. Newly elected President Kuchma has pledged to follow that course, and the new agreement that Ukraine has entered into with the IMF will give the new leadership additional incentives to sustain its commitment to reform.

Our response to change in Russia, Ukraine, and in other nations of Central and Eastern Europe is based on a simple premise. The West is not a closed club. It is open to open societies and open markets everywhere.

Asian nations have yet to weave the web of institutions that has helped integrate Europe, ensure its security, and expand its prosperity. But the closing of Cold War divisions has enabled the United States and its Asia-Pacific partners to build new structures that fit the region's preference for cooperation through consensus.

Late last month in Bangkok, the United States joined 17
Asian and Pacific nations—including Russia, China, and Vietnam—to inaugurate the ASEAN Regional Forum. Our five treaty alliances and our forward-deployed military presence have anchored the region's stability and prosperity—and will continue to do so. But we believe that security dialogues can contribute to peace and stability in the Asia-Pacific by conveying intentions, easing tensions, restraining arms races, and encouraging habits of consultation and cooperation in a region where the United States has fought three land wars in the last century.

Through the Asia-Pacific Economic Cooperation (APEC) forum, the United States and 16 other nations are supporting the integration of a region that accounts for 2.5 million American jobs and 40% of our trade. Building on the historic APEC Leaders' meeting that President Clinton hosted last November in Seattle, we are working with our Asian partners to sustain the momentum for further trade and investment liberalization at the leaders' meeting this November in Indonesia.

Two weeks later in Miami, President Clinton will host the Summit of the Americas, bringing together the leaders of 35 Latin and Caribbean nations and Canada to spur cooperation and integration in our own hemisphere. Our objectives in this region are similar to our goals in the Asia-Pacific: bolstering prosperity and stability through integration and cooperation. Just as ASEAN and APEC are pursuing larger roles in the Asia-Pacific, older institutions in this hemisphere such as the Organization of American States and the Inter-American Development Bank have been energized by a renewed willingness
and capacity to act. And new trade and investment structures are helping to integrate formerly closed economies as NAFTA's example takes hold. The demise of dictatorships and the progress of economic reform have led to a new consensus of the Americas: that democratic institutions and free markets work.

Our aim in the Middle East—another region of vital interest to the United States—is to replace a 40-year pattern of conflict with a new structure of peaceful relations between Israel, each of its neighbors, and the entire Arab world. Together with the Israeli-PLO Declaration of Principles and the multilateral talks, the Washington Declaration signed by King Hussein of Jordan and Prime Minister Rabin of Israel will help to transform the Middle East landscape.

The scope of what was achieved two weeks ago in Washington goes well beyond the symbolism of a single handshake. The Washington Declaration is a practical document that terminates the state of war between Israel and Jordan. It also promises to open direct phone links, integrate their electricity grids, create border crossing points, and allow free access for third-country tourists. It provides for negotiations to open an international air corridor, to develop economic cooperation, and to end the Arab boycott against Israel. Taken together, the integrated region envisioned by the provisions of the agreement can reinforce a lasting structure of peace and prosperity in the Middle East.

These separate regional strategies must themselves be integrated into a coherent global strategy. Three of the
Administration's fundamental goals—non-proliferation, trade liberalization, and conflict resolution—require strengthening world-wide rules and disciplines.

No one nation or institution can prevent the proliferation of weapons of mass destruction. Instead, an interlocking set of structures defines the standards of behavior to which all nations must adhere. To stop proliferation, we must enforce and extend the central regimes: the Nuclear Non-Proliferation Treaty; a Comprehensive Test Ban Treaty; the Chemical Weapons Convention; and the Missile Technology Control Regime. We must also devise a post-Cold War export control regime that safeguards security while expanding economic opportunities.

The situation in North Korea demonstrates the need for an International Atomic Energy Agency equipped to function in the technological and political landscape of the next century. Our objectives are more than a nuclear-free Korean Peninsula and a secure Asia. Also at stake is the international community's ability to sustain the core global structures necessary to counter proliferation.

As the foundation of the liberal world trading system, the GATT helped more economies to grow and people to prosper than any international economic institution in history. The Uruguay Round, the last to be negotiated under GATT covers more sectors and nations than any of its precursors. It will lower barriers and cut tariffs for new market democracies in Europe and Latin America, and for developing countries in Asia and Africa. The agreement also builds an institutional bridge to the future by
replacing the GATT with a World Trade Organization to extend new rules and open new markets in a more integrated post-Cold War world.

The International Monetary Fund and the World Bank, founded fifty years ago this summer in Bretton Woods, must be renewed. Today they operate in a global economy driven by the extraordinary mobility of capital and technology but still divided by huge disparities in development and living standards. The engagement of the Bretton Woods institutions in reform in Eastern Europe and the former Soviet Union, Latin America and the Caribbean—as well as their support for Palestinian reconstruction—demonstrates their continuing relevance as forces for economic integration and prosperity, and, ultimately, for democracy and stability. Now they must focus their resources to avoid unnecessary duplication and sharpen their priorities with a greater emphasis on health, education, and the environment.

Half a century after its creation as a largely American initiative to provide the international community with a lasting institutional structure based on the rule of law, the UN now must be reformed and revitalized to serve a more complex world. The United States is leading the push for greater budget discipline and accountability, objectives that the appointment of a UN Inspector General can advance.

As the continuing crises in the former Yugoslavia, Rwanda, and Haiti attest, an effective UN is especially important for conflict resolution. The UN remains the only international
institution capable of addressing the global scourge of civil and ethnic violence. It must have the financial and logistical capacity to respond effectively and rapidly to crises. The United States is working to strengthen the UN's peacekeeping capacity. We are asking tough questions about the scope, duration, cost, and objectives of new peacekeeping missions. We should not rely on the UN to do what it is not equipped to do. But we must also equip the UN to do what we ask of it.

A revitalized UN should embrace Germany and Japan as permanent members of the Security Council. The United States supports such a step not only because it would modernize the UN but because it would allow those two nations to meet the responsibilities they must undertake in the post-Cold War world.

When the Cold War ended, some thought the incentive for cooperation among Western democracies would diminish and the institutions through which we pooled our strength would lose their relevance. Instead, those institutions are showing their resilience because, as new democracies around the world have reminded us, their mission is timeless.

Like our predecessors who were "present at the creation" of the great institutions of the postwar era, we serve at a time of unique opportunity and challenge for the United States and the world. We believe, as they did, that strong international institutions will bolster security, promote prosperity, and safeguard freedom. And we are demonstrating, as they did, that strong American leadership is essential if those institutions are to help us build a more secure and integrated world.